



STATE OF MICHIGAN PROCUREMENT

Department Technology, Management and Budget

Central Procurement Services

320 S Walnut Street Lansing, MI 48933

P.O. Box 30026, Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number 7

to

Contract Number MA220000000858

CONTRACTOR	PITNEY BOWES INC
	3001 Summer St
	Stamford CT 06926
	Bill Walter
	480-206-2984
	Bill.Walter@pb.com
	CV0001235

STATE	Program Manager	Tom Goodine	DTMB
		517-636-7724	
	goodinet@michigan.gov		
	Contract Administrator	Melissa Beck	DTMB
(517) 897-1502			
beckm3@michigan.gov			

CONTRACT SUMMARY

Postage and Mail Equipment			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 1, 2023	May 14, 2024	4 - 1 Year	May 14, 2027
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input checked="" type="checkbox"/> P-Card <input checked="" type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE
\$5,000,000.00		\$0.00		\$5,000,000.00

DESCRIPTION

Please note the Program Manager or Contract Administrator may have changed, and are reflected on this Change Notice.

Effective June 22, 2026, the below attached Terms and Conditions are hereby updated.

All other terms, conditions, specification and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

FOR THE CONTRACTOR:

PITNEY BOWES INC

Company Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Name and Title

DTMB Central Procurement Services

Agency

Date

SCHEDULE I.1 TO STATE OF MICHIGAN PARTICIPATING ADDENDUM

OPTION A – NASPO VALUEPOINT STATE AND LOCAL LEASE TO OWN TERMS AND CONDITIONS

Pitney Bowes Global Financial Services LLC (as defined below) will serve as a sub-contractor pursuant to the Master Agreement awarded under Solicitation BPM003137 and will be the Lessor under any Lease to Own lease. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to USPS regulations, only PBI can own a Meter. This document contains the lease terms that are applicable to any Order issued under the Master Agreement and the State Participating Addendum for a Lease to Own Lease of Equipment. Option A may not be

The pricing plan for the NASPO ValuePoint Lease to Own Terms and Conditions is as follows:

Monthly Rate Factors:

Term:	Lease to Own Rate:
24	.0464
36	.0326
48	.0257
60	.0216

Thank you for choosing Pitney Bowes products and services. These terms and the executed order (the “**Order**”), your State Participating Addendum, including Schedules and Exhibits thereto and the NASPO ValuePoint Master Agreement and any Schedules and exhibits attached thereto, make up your agreement this **Agreement**.

“**PBI**” means Pitney Bowes Inc. “**Pitney Bowes**” means PBI and its subsidiaries. “**PBGFS**” means Pitney Bowes Global Financial Services LLC, a wholly-owned subsidiary of PBI. “**We**”, “**our**” or “**us**” refers to PBI and/or PBGFS as applicable. “**You**” or “**your**” refers to the entity identified on the Order. “**Master Agreement**” means NASPO ValuePoint Master Agreement awarded under Solicitation BPM003137 for Mailing 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. “**State Participating Addendum**” means the bilateral agreement executed by us and your participating state incorporating the Master Agreement. “**Meter**” means any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+®, a SendPro® P series, a SendPro® MailCenter, or a SendPro C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed (“**PSD**”), and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine. “**Meter Services**” means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations (“**CFR**”); USPS mandated processes associated with the PSD, including registration, usage reporting, audit and withdrawal; repair or replacement of the PSD as described in Section 27; and the Soft-Guard Program outlined in Section 29. “**Equipment**” means the equipment listed on the Order, excluding any Meter or standalone software. “**Lease**” means Lease terms and conditions set out in Sections A.1 through A.25. “**PA Ex 1**” means Exhibit 1 to the State Participating Addendum.

This Agreement includes: (i) Lease to Own Terms and Conditions; (ii) Service Level Agreement (“SLA”); (iii) Equipment Rental and Meter Services Terms; (iv) an Acknowledgement of Deposit required by the United States Postal Service in any transaction involving a Meter; (v) Purchase Power® Terms for a limited purpose credit line that may be available to you; (vi) provisions relating to specific products; and (vii) the Master Agreement, the State Participating Addendum, PA Ex 1 and all Schedules and Exhibits thereto.

LEASE TO OWN TERMS AND CONDITIONS

1. Lease of Equipment; Provider of Leasing Services

- (a) If you are leasing Equipment, these Lease terms apply. PBI is the manufacturer of the Equipment. PBGFS provides you with the leasing services. Except as otherwise provided herein, the duration or term of this Lease (“Lease Term”) will consist of an “Initial Lease Term” which will end with your current fiscal year, and “Renewal Lease Terms”, each of which is a subsequent fiscal year for which funds have been appropriated to make Lease Payments under the Lease. At the end of the Initial Term, and at the end of each Renewal Lease Term, the Lease Term will be automatically extended upon the successive appropriation by your legislative body of amounts sufficient to pay Lease Payments during your next succeeding fiscal year, or Renewal Lease Term, until all Lease Payments have been paid up to the number of months, as stated in the Order, except as provided in subsection (b) below.
- (b) The term of this Lease is the number of months stated on the Order, unless it ends earlier due to (i) termination at our option upon the occurrence of an event of default, provided that all payment obligations under this Lease for the current fiscal year for which a State appropriation has been made survive termination of this Agreement for such default, or (ii) termination under Section 8 below (the “Lease Term”). **You may not cancel this Lease for any reason, except as expressly set forth in Section 8 below, and all payment obligations under this Lease are unconditional, except as provided herein.** PBI owns any Meter as USPS regulations require.
- (c) Lease Commencement Date
 - (i) New Leases. If none of the Equipment on your Order includes installation, the Lease Term begins on the date all of the Equipment is received. If your Order includes installation of any Equipment (the “Install Equipment”) then your Lease Term will commence on the date as of which all Equipment has been received and all of the Install Equipment has been installed.
 - (ii) Trade Up Leases. If you are entering into a Lease to enhance, upgrade or replace Equipment you are leasing from PBGFS, and if all Equipment has shipped and all Install Equipment has been installed, then your Lease Term will commence to align with your current periodic invoice date.
 - (iii) Install Equipment Delays. Notwithstanding (a) and (b), if (i) PBI has been ready, willing and able to install all of the Install Equipment and (ii) 90 days have passed since the Install Equipment has been received by you (the “Install Period”) but PBI has been unable to install the Install Equipment as a result of any action or inaction by you, then the Lease Term shall commence on the last day of the Install Period. You agree that the Install Period provides you with an adequate amount of time to be able to allow PBI to install the Install Equipment and that you will take any and all reasonable actions necessary to enable the installation.

2. Payment Terms

PBGFS will invoice you quarterly in arrears for Lease Payments. If permitted in the PA Ex 1, in addition to Lease Payments, we will invoice you quarterly in arrears for all payments on the Order, unless the Order says otherwise (each such payment is a “**Periodic Payment**”). You will make each Periodic Payment in accordance with the payment provisions of PA Ex 1. Your Periodic Payment may include a one-time origination fee, amounts carried over from a previous lease, software license fees and other charges, if set forth in an Order. Any Meter Services fees, SLA fees, software maintenance fees and subscription fees (collectively “**PBI Payments**”) will be included with your Periodic Payment and begin with the start of the Lease Term. After the Lease Term, your Periodic Payment will increase if your PBI Payments increase. Any software license and maintenance fees and other charges, and any Meter Service fees, SLA fees, and subscription fees, and any other payment that is not a Lease Payment, are not fees or payments directly for lease of Equipment and are not unconditional.

Pursuant to 1984 PA 279, MCL 17.51-17.57, the State will pay PBGFS a charge on any Lease Payment, which remains unpaid after the date such Lease Payment is due. Lease Payments consist of principal and interest portions related solely to use and possession of Equipment. PBGFS understands and intends, and the State understands and intends that the State’s obligation to pay Lease Payments under this Lease will constitute a current expense of the State of Michigan and will not in any way be construed to be a debt or general obligation of the State of Michigan in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the State, including, but not limited to, Const 1963, art 9, §§12, 17, nor will anything contained herein or in a Lease constitute a pledge of the general tax revenues, credit, funds or monies of the State.

3. Equipment Ownership

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 non-appropriation under Section 8. If you default, or terminate this Agreement by non-appropriation under Section 8, you, at your expense, shall 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 a service carrier specified by us to pick up and ship them to us in the same condition as when delivered to you, reasonable wear and tear excepted.

4. WARRANTY AND LIMITATION OF LIABILITY

PBI PROVIDES YOU WITH THE LIMITED WARRANTIES IN SECTION 10. PBGFS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT, AND PBGFS ISN’T LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.

5. Equipment Obligations

You will keep the Equipment free from liens and in good condition and working order. We may inspect the Equipment and related maintenance records. You may not move the Equipment from the location specified on the Order without our prior written consent.

6. Security Interest

You grant us a purchase money security interest in the Equipment, any replacements, and any proceeds from the sale of the Equipment, to secure payment of any balance due. We have the right to recover the Equipment if you haven’t paid for it. We may file a copy of this Agreement as a financing statement with the State authorities. If you are leasing Equipment, you authorize us to file a Uniform

Commercial Code financing statement naming you as debtor/lessee with respect to the Equipment in order to protect our interest in the Equipment.

7. Other Lease Terms

- (a) If more than one lessee is named in this Lease, liability is joint and several.
- (b) Except as required by Executive Order or Directive, or Legislative action, you may not assign or sublet the Equipment, the Meter or this Agreement without our prior written consent. Except as required by Executive Order or Directive, or Legislative action, any assignment without our consent is void. With the prior approval of the State, which will not be delayed or unreasonably withheld, we may sell or assign all or part of this Lease or the Equipment, but it will not affect your rights or obligations.
- (c) All applicable taxes required to be collected by us will be shown on the invoice.

8. NON-APPROPRIATION

If sufficient funds to enable you to continue payment on the lease (Lease Payments) are not appropriated, negatively appropriated, if there is a budget shortfall, or funds are otherwise not made available for a subsequent fiscal year, you may terminate the Lease effective at the end of the last fiscal year for which funds have been appropriated or otherwise made available for the Lease. You must give PBGFS notice as soon as practical, but failure to provide such notice does not impact your right to terminate the Lease under this section.

9. Representations

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 Periodic Payment you shall pay includes interest and that this Agreement is entered into based on the assumption that the interest portion of each Periodic 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. In the event you perform an act to intentionally and willfully cause any such interest component to not be so excluded, then your Periodic Payment shall be adjusted in an amount utilizing an interest rate not to exceed 110% of your current rate of interest under the applicable Order, which adjusted Periodic Payments you agree to pay as provided in this Agreement, subject to Section 8, and such adjusted Periodic Payment shall be our sole remedy for this issue. The rate at which the interest portion of Periodic 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 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. The parties will cooperate to ensure compliance with IRS reporting requirements and we will provide you with any information necessary for you to complete the appropriate US Treasury Form 8038-G or 8038-GC or other forms that may be

required. 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. We shall have the exclusive responsibility to file any IRS Form 8038-G or 8038-GC and have exclusive liability for any penalties, costs, damages, or other consequences resulting from our failure to file. We will provide you with a copy and filing date of any IRS Form 8038-G or 8038-GC filed with the IRS in accordance with this Lease and an affidavit verifying that it was properly filed; This Section shall survive the termination of this Agreement.

10. PBGFS MAKES NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.

11. Limitation of Liability

PB's TOTAL LIABILITY (INCLUDING ANY LIABILITY OF ITS SUPPLIERS) IS LIMITED TO THE FEES PAID BY YOU FOR THE APPLICABLE EQUIPMENT OR SERVICES. NEITHER PBI NOR ITS SUPPLIERS IS LIABLE FOR ANY: (I) DAMAGE YOU MAY INCUR BY REASON OF YOUR MISUSE OR NEGLIGENT USE OF THE EQUIPMENT OR YOUR NEGLIGENT ACTS OR OMISSIONS OR (II) INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING COMMERCIAL LOSS, OR LOST PROFITS, DATA OR GOODWILL, FOR ANY MATTER RELATING TO THIS AGREEMENT.

12. Default and Remedies

(a) If you fail to make any Lease Payment with respect to leased Equipment within 14 days after we give you written notice of an overdue payment, or you breach any other obligation under this Agreement with PBGFS or with respect to Meter Rentals and such breach continues for 30 days after we give you notice or you become insolvent or file for bankruptcy, you will be in default and we may, as applicable:

- (i) cancel the Lease;
- (ii) require you to pay to us immediately all amounts payable under the Lease for the remainder of the Initial Lease Term or Renewal Lease Term, as applicable and provided any previous appropriation for said purpose has not been reversed;
- (iii) disable the Meter;
- (iv) require you to return the Equipment and Meter, and delete or remove software; and deny you access to software;
- (v) if you don't return the Equipment, require you to immediately pay to us an amount equal to the value of the Equipment, as mutually agreed by the parties;
- (vi) charge you a check return fee for payments made by you with insufficient funds; and
- (vii) pursue any other remedy, including repossessing the Equipment and Meter. By repossessing the Equipment or Meter, we aren't waiving our right to collect the balance due beyond the fair market value at the time of repossession, if, and only to the extent, permitted by law.

(b) We may suspend any services during any period that your account is more than thirty days past due.

13. Taxes

The parties contemplate that the Equipment will be used for governmental purposes and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, you will pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. In addition, it is your intention and our intention that the interest portion of the Lease Payments you make be and

remain free from federal income taxation. You will not intentionally perform or fail to perform any act or enter into any agreement or use or permit the use of the Equipment or any portion thereof in a manner that will have the effect of terminating the exemption from federal income taxation of the interest portion of the Lease payments.

14. Embedded Software; Applications

- (a) Our Equipment may contain embedded software. For embedded software, you agree that: (i) we and our licensors own the copyrights and other intellectual property to it; (ii) you are licensed only to use it with our Equipment in which it resides; (iii) you won't copy, modify, de-compile, or attempt to unbundle, reverse engineer or create derivative works of it; and (iv) you won't distribute or disclose it (or any portion) to anyone. Technical support for embedded software will be given according to the SLA covering the Equipment with the embedded software.
- (b) Certain products and services may provide you an opportunity to access applications provided by us or a third party. These applications may have their own terms and conditions applicable to your use of the applications located them.

15. Miscellaneous

- (a) We will use your information in accordance with PA Ex 1 and our [Privacy Statement](#). In the event of a conflict between our Privacy Statement and Sections 30, 31 and 32 of PA Ex 1, PA Ex 1 shall govern.
- (b) You agree to use the Equipment and Meter only for business or commercial, or governmental purposes, and not for personal, family, or household purposes.
- (c) We aren't responsible for any delay or failure to perform resulting from causes outside of our control.
- (d) Except as required by Executive Order or Directive, or Legislative action, you may not assign this Agreement without our prior written consent. Except as required by Executive Order or Directive, or Legislative action, any assignment without our consent is void.
- (e) Lease Payments aren't subject to setoff or reduction.
- (f) This Agreement can only be changed if we both agree to do so in writing. You may use a purchase order to offer to obtain equipment or services but none of its provisions will modify or supersede these provisions unless we expressly agree in writing. If any provision in this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions won't be affected.
- (g) Our respective rights and obligations under Sections 11 (Limitation of Liability), 12 (Default and Remedies) and 13 (Taxes) will survive termination of this Agreement.
- (h) You agree that we may deliver any invoice, notice and other communication to you under this Agreement electronically, either by email to the email address that we have on file for you or via Your Account. We may call you at any number you give to us.
- (i) You agree to comply with all applicable laws and regulations, including export control laws and regulations.

- (j) **Conflicts and Ethics.** PBGFS will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Lease; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Lease; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for PBGFS, any consideration contingent upon the award of the Lease. PBGFS must immediately notify the State of any violation or potential violation of these standards. This Section applies to PBGFS, any parent, affiliate, or subsidiary organization of PBGFS, and any subcontractor.
- (k) **Compliance with Laws.** The parties must comply with all federal, state and local laws, rules and regulations applicable to the Lease.
- (l) **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and [Executive Directive 2019-09](#). PBGFS and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.
- (m) **Unfair Labor Practice.** Under MCL 423.324, the State may void any contract or Lease with a PBGFS or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- (n) **Governing Law.** This Lease is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Lease are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. PBGFS waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. PBGFS must appoint an agent in Michigan to receive service of process.
- (o) **Non-Exclusivity.** Nothing contained in this Lease is intended nor is to be construed as creating any requirements contract with PBGFS, nor does it provide PBGFS with a right of first refusal for any future work. This Lease does not restrict the State or its agencies from acquiring similar, equal, or like services or Equipment from other sources.
- (p) **Limitation of Liability and Disclaimer of Damages. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO PBGFS UNDER THIS LEASE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THE APPLICABLE ORDER.** The State shall not be liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
- (q) **Records Maintenance, Inspection, Examination, and Audit.** Pursuant to MCL 18.1470, the State or its designee may audit PBGFS's records to verify compliance with this Lease. PBGFS must retain and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Lease through the Lease Term of the Lease and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving

the records is initiated before the end of the Audit Period, PBGFS must retain the records until all issues are resolved. Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect PBGFS's premises or any other places where services are being performed, and examine, copy, and audit all records related to this Lease. PBGFS must cooperate and provide reasonable assistance. If financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Lease Term must be paid or refunded within 45 calendar days. This Section applies to PBGFS, any parent, affiliate, or subsidiary organization of PBGFS, and any subcontractor that performs services or provides Equipment in connection with this Lease.

- (r) PBGFS represents that it is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606;
- (s) **Waiver.** Failure to enforce any provision of this Lease will not constitute a waiver.

SERVICE LEVEL AGREEMENT

16. Applicability of SLA

This SLA section applies to you if we have entered into an agreement to provide service for any Equipment we lease, rent or sell on the Order, excluding any DI2000™ inserting system (the covered equipment is called “**Covered Equipment**”). PBI provides the warranties set forth in the Participating Addendum and the Master Agreement.

17. Service Level Options

- (a) (i) If you sign up for **Standard SLA** on the Order, PBI will provide at its option either repair or replacement services for the Covered Equipment during the term of the Lease (“Initial Service Term”) or any Lease extension (“Renewal Service Term”) . You are also entitled to: (x) replacement printheads for Covered Equipment without additional charge, except for printheads which need to be replaced as a result of any Excluded Circumstance, and except for integrated printhead/ink cartridges; and (y) two preventative maintenance service calls per calendar year. PBI will notify you when preventative maintenance is due or you can request preventative maintenance service. If your Covered Equipment needs repair, PBI may provide repair by remote access, diagnostics and service and/or by on-site repair service. Repair service is provided only for damage resulting from normal wear and tear that results in impairment of functionality. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies. PBI will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available. If PBI deems it necessary, PBI will dispatch a service technician to arrive at your location for on-site service. You won't incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent. “**Normal Working Hours**” means 8 a.m. – 5 p.m., Monday – Friday, excluding PBI-observed U.S. holidays, in the time zone where the Equipment or other items are located. There is no warranty for Excluded Circumstances. “**Excluded Circumstance**” is a circumstance outside of PBI's control, including an accident, your negligent or reckless use of the equipment, use of the equipment which exceeds our recommendations or in a way not authorized by this Agreement or any operator guide, use of the equipment in an environment with unsuitable humidity, line voltage, damage in transit, software virus not solely caused by us, loss of data, loss or fluctuation of internet and/or network connectivity, fire, flood or other natural causes, and other external forces beyond our control, servicing or alteration of the equipment by someone other than us, failure to use required software updates, use of the equipment with any system where PBI has told you that PBI will no

longer provide support or that PBI has advised you is no longer compatible, or use of third party supplies (such as ink), hardware or software that results in (i) damage to equipment (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.

(ii) If PBI determines that replacement of Covered Equipment is necessary, PBI will, at no additional cost to you, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment. Unless PBI instructs you otherwise, within five days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBI. You are responsible for Covered Equipment until PBI receives it.

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

(c) The warranty doesn't cover ink, integrated printhead/ink cartridges, ink rollers, toner and drum cartridges, ribbons and similar items ("**Consumable Supplies**").

(d) **PBI MAKES NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.**

(e) **YOUR SOLE REMEDY FOR A WARRANTY CLAIM IS TO HAVE US REPAIR OR REPLACE THE PBI EQUIPMENT OR, IN THE CASE OF DEFECTIVE SERVICE, REPERFORM THE SERVICE.**

18. Service Term

PBI will provide you with Service, as set forth and for the duration stated in the applicable Order. PBI reserves the right not to renew your SLA if you materially breach the terms of the SLA, the Equipment is at end-of-life, or the SLA is no longer offered generally to all similarly situated customers.

19. SLA Fees

You will pay the SLA fees as identified in the Order, subject to our right to terminate the Lease and your right to terminate the Lease for the applicable Equipment or to terminate Services as set forth in PA Ex 1. SLA fees in any Order will be fixed at our pricing in effect at the time the Order is issued, for the period for which you sign up for Services in the Order. We may increase the SLA fees after the Initial Service Term, and any increases will be reflected on your invoice and shall be in accordance with the terms of the State Participating Addendum and Master Agreement. If you receive service for repairs caused by any Excluded Circumstance, PBI will charge you for the service at PBI's current hourly rates and for any required parts. If you exceed the cycle volume of your Equipment specified on the Order, PBI may bill you for the additional cycles over the specified cycle volume (the additional cycles are called the "Overage"). The charge will be determined by reference to the rate in effect at the time that we determine that an Overage exists. Upon request, you will provide the cycle volume to us. If you do not provide the cycle volume to us, we will estimate the cycle volume and send an invoice to you for any Overage based on our estimate. If, in the prior quarter, we estimated cycle volume and later receive actual cycle volume, then we will make adjustments based on actual usage on your next invoice.

20. Service Changes

PBI may modify its Service by giving written notice to you (a “**Service Change Notice**”), which will state whether the change is material. After receiving a Service Change Notice, if the change is material, you may terminate Service by giving us a termination notice or you may create a case at pitneybowes.com/us/contact-us.html (follow the instructions under “how to create a case”).

21. Additional Service Terms

You can't elect to have Service apply to some but not all of the items of Equipment. Service doesn't include services and repairs that are made necessary due to any Excluded Circumstance. Service excludes the supply of postal and carrier rate changes and Consumable Supplies. If you replace any of your Covered Equipment during the service term, and the replacement Equipment qualifies for Services, and your Order for the replacement Equipment includes Services, PBI will automatically enroll you for maintenance coverage on the new Equipment at PBI's then current annual rates. If you acquire an attachment, or add a unit, to your Covered Equipment, PBI will provide coverage for each attachment or unit which we determine qualifies for coverage under the SLA and adjust your rate accordingly. If you choose not to continue coverage on the replacement Equipment, attachment or unit, you may cancel Service for the item with 30 days notice. If you cancel, any further maintenance or repair services on the Equipment, attachment or unit will be subject to PBI's current rates. Standard SLA will apply to rented Equipment at no additional charge.

22. Internet Access Point

The internet connectivity for the Equipment or Meter may use an internet access point provided by us. You may only use this access point for connectivity between the Equipment or Meter and the internet and for no other purpose. Neither PBI nor PBGFS will be responsible for any costs resulting from your use of the access point in violation of this restriction.

EQUIPMENT RENTAL AND METER SERVICES TERMS

23. Equipment Rental and Meter Services

- (a) If your order includes a Meter, we will invoice you the Equipment rental (“rental”) and Meter Services fees listed on the Order. After the period listed on the Order (the “**Initial Term**”), we may increase the rental and/or Meter Services fees in accordance with the State Participating Addendum and Master Agreement. When you receive notice of an increase, you may terminate your rental or Meter Services only as of the date the increase becomes effective.
- (b) At the end of the Initial Term, unless prohibited by law, the rental term and Meter Services term convert to successive month to month extensions, unless funds to make payments on such extensions have not been appropriated or otherwise have not been made available. You may choose to cancel the month to month extensions at any time by giving us 30 days' prior written notice by creating a case at pitneybowes.com/us/contact-us.html (follow the instructions under “how to create a case”) or as otherwise allowed by PBI. Upon expiration of the term of the rental or Meter Services, you agree to return Equipment and Meters covered by the rental and Meter Services agreement in their original condition, reasonable wear and tear excepted. We reserve the right to recover or disable the Meter and terminate your use at any time if you are in violation of USPS regulations.

24. Postage

You may transfer funds to The Pitney Bowes Bank, Inc. (the “**Bank**”) for deposit into your Reserve Account that you maintain with the Bank (your “**Reserve Account**”) or you may transfer funds to the United States Postal Service (the “**USPS**”) through a lockbox bank (a “**Lockbox Bank**”). See the “USPS Acknowledgment of Deposit” below for more information. You will receive a set of more specific provisions for the Reserve Account during the application process. We will not charge you any postage load fees. If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power®), we will advance payment on your behalf to the USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter Services fees. Your Reserve Account will be charged for the amount of postage, products and services acquired and the related fees. Unless prohibited by law, you agree to pay the fees of which the Bank has given you notice, including: (i) account service fees; (ii) inactivity fees; and (iii) fees attributable to the return of any checks or for failure of any direct debit transactions.

25. Meter Repair or Replacement; Meter Care and Risk of Loss

If the Meter malfunctions or fails due to reasons other than an Excluded Circumstance, we will repair or replace the Meter. You agree to take proper care of the Meter(s), as stated in this Agreement and any user documentation. You assume all risk of loss or damage to the Meter(s) while you have possession.

26. Terms of Use of Meter; Federal Regulations

1. 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. You agree to use only attachments or printing devices authorized by us. You must receive our written consent before moving the Equipment or Meter to a different location. Federal regulations require that we own the Meter. Tampering with or misusing the Meter is a violation of federal law. 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. If (i) the Meter is used in any unlawful scheme, (ii) isn't used for any consecutive 12 month period, (iii) you take the Meter or allow the Meter to be taken outside the United States without proper written permission of USPS Headquarters, (iv) you enter a series of unpaid or short-paid mail pieces and/or packages in the mail stream, (v) you offer, sell or allow the use of the shipping rates that we offer to you under this Agreement to or by any other party, (vi) you are in possession of a decertified system, (vii) you otherwise fail to abide by the postal regulations and this Agreement regarding care and use of the Meter, then this Agreement and any related Meter Services agreement may be revoked. You acknowledge that any use of a Meter that fraudulently deprives the USPS of revenue can cause you to be subject to imprisonment, fines, civil and criminal penalties, and assessments applicable to fraud and/or false claims against the United States (See 18 U.S.C. § 1001) (31 U.S.C. §3729 and 31 U.S.C. § 3802) . The mailing of matter bearing a fraudulent postage meter imprint is an example of a violation of these statutes. You are responsible for immediately reporting (within 72 hours or less) the theft or loss of the Meter to us. Failure to timely comply with this notification provision may result in the denial of a refund for any funds remaining on the Meter at the time of loss or theft. You understand that it is your obligation to comply with the rules and regulations of the USPS, including the Domestic Mail Manual, and that these may be updated from time to time by the USPS.

2. You agree that you will not offer, sell or allow the use of the shipping rates that we offer to you under this Agreement to or by any other party.

3. **HAZMAT Requirement.** You acknowledge that the USPS has implemented standards and requirements for shipment of parcels containing hazardous materials, including Publication 52, New Mailing Standards for the Separation of Hazardous Materials (87 Federal Register 73459), as well as replacement or supplemental regulations, and you agree to comply with all rules and regulations implemented by the USPS relating to handling of shipments of parcels containing hazardous materials,

including labeling, packaging, and separation in the tendering of parcels to the USPS.

4. USPS Privacy Act Statement: Your information will be used to facilitate the purchase of USPS postage and fulfill transactional reporting requirements for USPS postage systems. Collection is authorized by 39 U.S.C. 401, 403, and 404. Providing the information is voluntary, but if not provided, your transaction may not be processed. USPS does not disclose your information to third parties without your consent, except to facilitate the transaction, to act on your behalf or request, or as legally required. This includes the following limited circumstances: to a congressional office on your behalf; to financial entities regarding financial transaction issues; to a USPS auditor; to entities, including law enforcement, as required by law or in legal proceedings; and to contractors and other entities aiding us to fulfill the service (service providers). For more information regarding USPS privacy policies, visit www.usps.com/privacypolicy.

27. Rate Updates and Soft-Guard® Program

Your Meter or Equipment may require periodic rate updates that you will obtain under our Soft-Guard program. We will provide rate updates only if required due to a postal or carrier change in rate, service, ZIP Code™ or zone change. The Soft-Guard program doesn't 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. We will update your rates if the USPS changes the discounted rates they provide to us. We won't be responsible for any losses arising out of or resulting from the failure of rating or software downloads to conform to published rates.

28. Collection of Information

You authorize us to access and download information from your Meter or from your PC Postage account. We may disclose this information to the USPS or other authorized governmental entity. We won't 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. We may elect to share de-identified aggregate data about our clients' postage usage with third parties.

29. Value Based Services

Value based services are services the USPS provides, including e-Return Receipt and USPS Confirmation Services. Any fees the USPS charges for these services are your responsibility to pay for and are payable the same way that you pay for postage. The USPS is solely responsible for its services. We are not responsible for any malfunctions of any part of the communication link connecting the Meter with the USPS data system. 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 days after you have been notified in writing.

USPS ACKNOWLEDGEMENT OF DEPOSIT

30. Acknowledgement of Deposit

This section of the agreement provides you with the sections that the USPS requires we include in any agreement where we are providing a Meter or Meter Services. The USPS requires that we use specific language. The "acknowledgement of deposit" terms are as follows:

- (a) In connection with your use of a Meter or Meter Services, you may transfer funds to the USPS through a Lockbox Bank to prepay for postage (a "**Deposit**"), or you may transfer funds to the Bank for deposit into your Reserve Account.
- (b) You can 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, including via Automated Clearing House Transfers.

- (c) Any deposit made by you in your Reserve Account is subject to the Reserve Account – Agreement and Disclosure Statement governing your Reserve Account.
- (d) Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment 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.
- (e) The USPS will provide a refund to you for the remaining account balances of Deposits held by the USPS. These refunds are provided pursuant to the rules and regulations governing deposit of funds for postage.
- (f) 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.
- (g) You acknowledge that you are subject to all applicable rules, regulations, and orders of the USPS, as they may be revised, and they shall prevail in the event of any conflict with any other terms and conditions applicable to any Deposit.

PURCHASE POWER TERMS

31. Purchase Power Program

(a) The Purchase Power credit line is a product of the Bank and is not available to individuals for personal, family, or household purposes. In order to participate in the Purchase Power program (the “**Program**”), you must provide the information described in paragraph (h) below. You will receive a set of more specific provisions for the Program during the application process.

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

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

(d) (i) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account, for each day from the date the transaction is posted to the Account until the date the unpaid balance is paid in full, at a variable rate up to the Annual Percentage Rate applicable to the Account. (ii) The Annual Percentage Rate applicable to the Account will be: the greater of (x) 22% and (y) the sum of the highest “Prime Rate” published in the “Money Rates” section of *The Wall Street Journal* on the last business day of the month and a margin of up to 19.75% (this sum is herein called the “Floating Rate”). For example, using the Prime Rate in effect as of December 1, 2024 of 7.75% and using a margin of 19.75%, the Floating Rate is 27.5%. In this example, because the Floating Rate is greater than 22%, the Annual Percentage Rate will be up to 27.5% with a corresponding daily rate of 0.07534%. (iii) The Annual Percentage Rate will be adjusted on a

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monthly basis based on any fluctuation in the Floating Rate. Any change in the Annual Percentage Rate based on the calculation described in this section will become effective on the first day of your next billing cycle. ((iv) The Account balance that is subject to a finance charge each day will include (x) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (y) unpaid interest, fees, and other charges on the Account. (v) The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vi) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (vii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.

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

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

(g) The Program and any advances are governed by and construed in accordance with the laws of the State of Utah and applicable federal law.

(h) USA PATRIOT Act - To help the government fight the funding of terrorism and money laundering activities, Federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, in order to activate the Account, the Bank asks that you agree to provide identifying information, including your address and taxpayer identification number. The Bank may also ask for additional identifying information, where appropriate, including asking that your representative who is opening the Account provide his/her name, address, date of birth, driver's license and/or other documents and information that will allow the Bank to identify him/her. You agree to provide all such requested identifying information.

PRODUCT SPECIFIC TERMS

32. Software, Subscriptions and APIs

If you are acquiring any of our On-Premise Software, On-Demand Subscription Services, Shipping 360™ API Subscription Services, or Third Party Software, additional terms apply which are attached to the Participating Addendum.

33. DI2000 Inserting System Terms

Certain provisions which apply when you purchase, lease or rent a DI2000 inserting system and when you purchase a service plan for it are set forth at <http://www.pitneybowes.com/us/di2000-terms.html>. and are incorporated by reference. Those provisions govern to the extent that they are inconsistent with the other terms of this Agreement, the State Participating Addendum or PA Ex 1.

34. PBBackup and PC-Backup Service Terms

Certain provisions which apply when you utilize the PBBackup or PC-Backup services are set forth at pitneybowes.com/us/pbbackup-service-and-pcbackup-service-terms.html and are incorporated by reference.

35. Lockers

Notwithstanding anything else to the contrary in this Agreement, these terms apply if you are acquiring lockers.

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1. **General:** Your Order may include on-demand subscription services and a statement of work. You must keep the lockers insured against Loss for their full replacement value under a comprehensive policy of Insurance. The parties acknowledge that the State is self-insured, and that such self-insurance fulfills this insurance requirement.

2. **Usage Guidelines:** We are not responsible for the contents of the lockers, including any contamination, leakage or other issues arising from the contents, or for proper delivery of or proper handling of those contents. You must comply with this Agreement, our published documentation and all applicable laws, regulations, and guidelines related to the handling and storage of such contents, including high-risk contents (collectively, **“Authorized Use”**). High-risk contents include items that pose a significant risk to health, safety, or the environment, such as blood and contaminated soil samples.

3. **Your Responsibility:** You are solely responsible for selecting the location for the installation of the lockers, and we are not responsible for the safety and security of the individuals using the lockers. You must notify us if any lockers are being (or have been) used to handle or store high-risk contents prior to any on-site service. If we provide on-site service, one of your employees must accompany our service technician at all times during the service. We are not responsible for ensuring that high-risk contents are properly stored and handled within the lockers. The service technician may decline to perform any on-site service if there are any high-risk contents that are not properly stored or any unsafe conditions.

4. **Indemnification:** We are not responsible for the contents or unauthorized use of the lockers. We agree to indemnify, defend and hold you harmless from any third-party claims, damages, or expenses arising from the Authorized Use of the lockers.

36. AddressRight® Printers

Certain provisions which apply when you purchase, lease or rent an AddressRight Printer are set forth at pitneybowes.com/us/addressrightprinter-terms.html and are incorporated by reference. Those provisions govern to the extent that they are inconsistent with the other terms of this Agreement.

37. DM Infinity

In no event shall the term for a DM Infinity meter agreement go beyond June 30, 2026. In addition, in no event shall a new DM Infinity meter be placed (installed) after June 30, 2024.

By entering into this agreement you acknowledge the metering function as well as support for the DM Infinity meter under this agreement will end on June 30, 2026 due to USPS regulations. This means that the metering device will stop functioning on June 30, 2026 and you will not be able to meter your mail. Mail processed on a DM Infinity meter after June 30, 2026 will not be accepted by the USPS.

38. ParcelPoint™ Self-Service Sending Kiosk

If you are acquiring a ParcelPoint™ Self-Service Sending Kiosk (the **“Kiosk”**), your Order may include on-demand subscription services. We are not responsible for the contents of the Kiosk and related storage units. If we provide on-site service, one of your employees must accompany our service technician at all times during the service. You are solely responsible for selecting the location for the installation of the Kiosk, and we are not responsible for the safety and security of the individuals using the Kiosk. You will use reasonable efforts to ensure that only authorized users associated with your organization may use the Kiosk. **WE ARE NOT LIABLE FOR YOUR CLIENTS’ NEGLIGENT USE OF THE KIOSK.** The respective carrier carrying each package is responsible for the shipping of packages processed through the Kiosk; we are not responsible. You will provide any assistance reasonably required by us to perform the services, including timely review of plans, delivery schedules for the services, and reasonable access to your sites for services performed onsite. You will collaborate with us to facilitate development and

implementation of the user interface, including terms and conditions. You must keep the Kiosk insured against Loss for its full replacement value under a comprehensive policy of Insurance. The parties acknowledge that the State is self-insured, and that such self-insurance fulfills this insurance requirement.

39. ADDITIONAL PROVISIONS TO THE PRODUCT SPECIFIC TERMS

- a. Notwithstanding any terms referenced and/or incorporated by reference in sections 32 through 38 above.
 - i. fees in any Order will be fixed at our pricing in effect at the time the Order is issued, for the period for which you sign up for Services in the Order.
 - ii. any service or subscription in an Order begins and ends with the Initial Lease Term and does not automatically renew with a Renewal Lease Term unless you order (or have ordered) additional service or subscription(s) for the applicable Renewal Lease Term(s).
 - iii. any provision indicating your sole remedies is ineffective.
 - iv. any provision regarding risk of loss and regarding delivery of Equipment is ineffective.
 - v. the rate applicable to Overage(s) will be the rate in effect when the Overage first began.
 - vi. You will only be automatically enrolled for maintenance service for replacement Equipment and/or components if your Order for same signs you up for such maintenance, and you may cancel such maintenance with 30 days' notice; and
 - vii. You will not be bound by any terms requiring indemnification by the State to us or third- parties; consent to arbitration; provisions regarding audits; provisions regarding remote access to State systems; agreeing to be bound by the laws of another state; or to waive any claims or defenses, including governmental or sovereign immunity contained in any of the product-specific end user license agreements (EULA(s)) or any other documents, policies, or terms located in links referenced herein.

SCHEDULE I.2 TO STATE OF MICHIGAN PARTICIPATING ADDENDUM

OPTION B – NASPO VALUEPOINT FAIR MARKET VALUE RENTAL TERMS AND CONDITIONS

Pitney Bowes Global Financial Services LLC (as defined below) will serve as a sub-contractor pursuant to the Master Agreement awarded under Solicitation BPM003137 and will be the Lessor under any Fair Market Value Rental. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to USPS regulations, only PBI can own a Meter. This document contains the lease terms that are applicable to any Order issued under the Master Agreement and the State Participating Addendum for a Fair Market Value Rental. This Option B may not be used for the DI2000 Inserting System or **Pitney Bowes Intelligent Locker Solutions**.

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

Monthly Rate Factors:

Term:	Rate:
24	.0514
36	.0377
48	.0309
60	.0270

Thank you for choosing Pitney Bowes products and services. These terms and the executed order (the “**Order**”), your State Participating Addendum, including Schedules and Exhibits thereto and the NASPO ValuePoint Master Agreement and any Schedules and exhibits attached thereto, make up this Agreement.

“**PBI**” means Pitney Bowes Inc. “**Pitney Bowes**” means PBI and its subsidiaries. “**PBGFS**” means Pitney Bowes Global Financial Services LLC, a wholly-owned subsidiary of PBI. “**We**”, “**our**” or “**us**” refers to PBI and/or PBGFS as applicable. “**You**” or “**your**” refers to the entity identified on the Order. “**Master Agreement**” means NASPO ValuePoint Master Agreement awarded under Solicitation BPM003137 for Mailing 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. “**State Participating Addendum**” means the bilateral agreement executed by us and your participating state incorporating the Master Agreement. “**Meter**” means any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+®, a SendPro® P series, a SendPro® MailCenter, or a SendPro C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed (“**PSD**”), and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine. “**Meter Services**” means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations (“**CFR**”); USPS mandated processes associated with the PSD, including registration, usage reporting, audit and withdrawal; repair or replacement of the PSD as described in Section 27; and the Soft-Guard Program outlined in Section 29. “**Equipment**” means the equipment listed on the Order, excluding any Meter or standalone software. “**Lease**” means Lease terms and conditions set out in Sections A.1 through A.25. “**PA Ex 1**” means Exhibit 1 to the State Participating Addendum.

Option B - NASPO ValuePoint FMV Rental Terms and Conditions – Michigan (Version 10/25)

This Agreement includes: (i) Lease Terms; (ii) Service Level Agreement (“**SLA**”); (iii) Equipment Rental and Meter Services Terms; (iv) an Acknowledgement of Deposit required by the United States Postal Service in any transaction involving a Meter; (v) Purchase Power® Terms for a limited purpose credit line that may be available to you; (vi) provisions relating to specific products; and (vii) the Master Agreement, the State Participating Addendum, PA Ex 1 and all Schedules and Exhibits thereto.

LEASE TERMS

1. Lease of Equipment and Provider of Leasing Services; Lease Commencement Date

- a) If you are leasing Equipment, these Lease terms apply. PBI is the manufacturer of the Equipment. PBGFS provides you with the leasing services. . Except as otherwise provided herein, the duration or term of this Lease will consist of an “Initial Lease Term” which will end with your current fiscal year, and “Renewal Lease Terms”, each of which is a subsequent fiscal year for which funds have been appropriated to make Lease Payments under the Lease. At the end of the Initial Term, and at the end of each Renewal Lease Term, the Lease Term will be automatically extended upon the successive appropriation by your legislative body of amounts sufficient to pay Lease Payments during your next succeeding fiscal year, or Renewal Lease Term, until all Lease Payments have been paid up to the number of months, as stated in the Order, except as provided in subsection (b) below.
- b) The term of this Lease is the number of months stated on the Order, unless it ends earlier due to (i) termination at our option upon the occurrence of an event of default, provided that all payment obligations under this Lease for the current fiscal year for which a State appropriation has been made survive termination of this Agreement for such default, or (ii) termination under Section 8 or 9 below (the “**Lease Term**”). **You may not cancel this Lease for any reason, except as expressly set forth in Sections 8 or 9 below, and all payment obligations under this Lease are unconditional, except as provided herein.** You understand that we own the Equipment. PBI owns any Meter as USPS regulations require. Except as stated in Section 3, you don’t have the right to become the owner of the Equipment at the end of the Lease Term.
- c) **Lease Commencement Date**
 - (i) **New Leases.** If none of the Equipment on your Order includes installation, the Lease Term begins on the date all of the Equipment is received. If your Order includes installation of any Equipment (the “**Install Equipment**”) then your Lease Term will commence on the date as of which all Equipment has been received and all of the Install Equipment has been installed.
 - (ii) **Trade Up leases.** If you are entering into a Lease to enhance, upgrade or replace Equipment you are leasing from PBGFS, and if all Equipment has shipped and all Install Equipment has been installed, then your Lease Term will commence to align with your current periodic invoice date.
 - (iii) **Install Equipment Delays.** Notwithstanding (a) and (b), if (i) PBI has been ready, willing and able to install all of the Install Equipment and (ii) 90 days have passed since the Install Equipment has been received by you (the “**Install Period**”) but PBI has been unable to install the Install Equipment as a result of any action or inaction by you, then the Lease Term shall commence on the last day of the Install Period. You agree that the Install Period provides you with an adequate amount of time to be able to allow PBI to install the Install Equipment and that you will take any and all reasonable actions necessary to enable the installation.

2. Payment Terms

PBGFS will invoice you quarterly in arrears for Lease Payments. If permitted in the PA Ex 1, in addition to Option B - NASPO ValuePoint FMV Rental Terms and Conditions – Michigan (Version 10/25)

Lease Payments, we will invoice you quarterly in arrears for all payments on the Order, unless the Order says otherwise (each such payment is a **“Periodic Payment”**). You will make each Periodic Payment in accordance with the payment provisions of PA Ex 1. Your Periodic Payment may include a one-time origination fee, amounts carried over from a previous lease, software license fees and other charges, if set forth in an Order.. Any Meter Services fees, SLA fees, software maintenance fees and subscription fees (collectively **“PBI Payments”**) will be included with your

Periodic Payment and begin with the start of the Lease Term. After the Lease Term, your Periodic Payment will increase if your PBI Payments increase. Any software license and maintenance fees and other charges, and any Meter Service fees, SLA fees, and subscription fees, and any other payment that is not a Lease Payment, are not fees or payments directly for lease of Equipment and are not unconditional.

Pursuant to 1984 PA 279, MCL 17.51-17.57, the State will pay PBGFS a charge on any Lease Payment, which remains unpaid after the date such Lease Payment is due. Lease Payments consist of principal and interest portions related solely to use and possession of Equipment. PBGFS understands and intends, and the State understands and intends that the State’s obligation to pay Lease Payments under this Lease will constitute a current expense of the State of Michigan and will not in any way be construed to be a debt or general obligation of the State of Michigan in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the State, including, but not limited to, Const 1963, art 9, §§12, 17, nor will anything contained herein or in a Lease constitute a pledge of the general tax revenues, credit, funds or monies of the State.

3. End of Lease Options

During the 90 days before your Lease ends, you may, unless you are in default: (i) enter into a new lease or an amended lease with us; (ii) purchase the Equipment “as is, where is” for its fair market value; or (iii) return the Equipment and Meter in their original condition, reasonable wear and tear excepted, and pay us our then applicable processing fee (including any equipment return 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 a service carrier specified by us to pick up and ship them to us. If you don’t do one of the things listed in clause (i), (ii) or (iii) above, you will be deemed to have agreed to enter into successive month to month extensions of the term of this Lease, unless funds to make payments on such extensions have not been appropriated or otherwise have not been made available, or such extensions are otherwise prohibited by law. You may choose to cancel the automatic extensions at any time by giving the other party 30 days’ written notice. For notice to us, you must create a case at pitneybowes.com/us/contact-us.html (follow the instructions under “how to create a case”). Upon cancellation, you agree to either return all items as provided in this Section 3 or purchase the Equipment.

4. WARRANTY AND LIMITATION OF LIABILITY

PBI PROVIDES YOU WITH THE LIMITED WARRANTIES IN SECTION 10. PBGFS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT, AND PBGFS ISN’T LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.

5. Equipment Obligations

You will keep the Equipment free from liens and in good condition and working order. We may inspect the Equipment and related maintenance records. You may not move the Equipment from the location specified on the Order without our prior written consent.

6. Security Interest

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You agree to cooperate in executing any necessary or appropriate Financing Statement(s) indicating our obligation with respect to the Lease.

7. Other Lease Terms

- (a) If more than one lessee is named in this Lease, liability is joint and several.
- (b) Except as required by Executive Order or Directive, or Legislative action, you may not assign or sublet the Equipment, the Meter or this Agreement without our prior written consent. Except as required by Executive Order or Directive, or Legislative action, any assignment without our consent is void. Except for an assignment to a Permitted Assignee, we may sell or assign all or part of this Lease or the Equipment. with the prior approval of the State, which will not be delayed or unreasonably withheld. We may freely assign, or transfer all or part of this lease or the Equipment to a Permitted Assignee without consent; however, we will provide reasonable notice. A Permitted Assignee is defined as any subsidiary, wholly owned, directly or indirectly by PBI that has a net worth of \$50 million or greater. Both parties agree and acknowledge that any assignment by us will not materially change either party's obligations.
- (c) All applicable taxes required to be collected by us will be shown on the invoice.

8. NON-APPROPRIATION

If sufficient funds to enable you to continue payment on the lease ("**Lease Payments**") are not appropriated, negatively appropriated, if there is a budget shortfall, or funds are otherwise not made available for a subsequent fiscal year, you may terminate the Lease effective at the end of the last fiscal year for which funds have been appropriated or otherwise made available for the Lease. You must give PBGFS notice as soon as practical, but failure to provide such notice does not impact your right to terminate the Lease under this section.

9. EARLY TERMINATION

If you cancel or terminate this Lease prior to the expiration of the Lease Term (other than for non-appropriations) you shall pay a termination charge equal to three monthly Lease Payments..

10. PBGFS MAKES NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.

11. Limitation of Liability

PBI's TOTAL LIABILITY (INCLUDING ANY LIABILITY OF ITS SUPPLIERS) IS LIMITED TO THE FEES PAID BY YOU FOR THE APPLICABLE EQUIPMENT OR SERVICES. NEITHER PBIS NOR ITS SUPPLIERS IS LIABLE FOR ANY: (I) DAMAGE YOU MAY INCUR BY REASON OF YOUR MISUSE OR NEGLIGENT USE OF THE EQUIPMENT OR YOUR NEGLIGENT ACTS OR OMISSIONS OR (II) INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING COMMERCIAL LOSS, OR LOST PROFITS, DATA OR GOODWILL, FOR ANY MATTER RELATING TO THIS AGREEMENT.

12. Default and Remedies

(a) If you fail to make any Lease Payment with respect to leased Equipment within 14 days after we give you written notice of an overdue payment, or you breach any other obligation under this Agreement with PBGFS or with respect to Meter Rentals and such breach continues for 30 days after we give you notice or you become insolvent or file for bankruptcy, you will be in default and PBGFS or PBI may, as applicable:

- (i) cancel the Lease;
- (ii) require you to pay to PBGFS immediately all Lease Payments payable under the Lease for the remainder of the Initial Lease Term or Renewal Lease Term, as applicable and provided any previous appropriation for said purpose has not been reversed;
- (iii) disable the Meter;
- (iv) require you to return the Equipment and Meter, and delete or remove software; and deny you access to software;
- (v) if you don't return the Equipment, require you to immediately pay to us an amount equal to the value of the Equipment, as mutually agreed by the parties;
- (vi) charge you a check return fee for payments made by you with insufficient funds; and
- (vii) pursue any other remedy, including repossessing the Equipment and Meter. By repossessing the Equipment or Meter, we aren't waiving our right to collect the balance due beyond the fair market value at the time of repossession, if, and only to the extent, permitted by law.

(b) We may suspend any services during any period that your account is more than thirty days past due.

13. Taxes

The parties contemplate that the Equipment will be used for governmental purposes and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, you will pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. In addition, it is your intention and our intention that the interest portion of the Lease Payments you make be and remain free from federal income taxation. You will not intentionally perform or fail to perform any act or enter into any agreement or use or permit the use of the Equipment or any portion thereof in a manner that will have the effect of terminating the exemption from federal income taxation of the interest portion of the Lease payments.

14. Embedded Software; Applications

(a) Our Equipment may contain embedded software. For embedded software, you agree that: (i) we and our licensors own the copyrights and other intellectual property to it; (ii) you are licensed only to use it with our Equipment in which it resides; (iii) you won't copy, modify, de-compile, or attempt to unbundle, reverse engineer or create derivative works of it; and (iv) you won't distribute or disclose it (or any portion) to anyone. Technical support for embedded software will be given according to the SLA covering the Equipment with the embedded software.

(b) Certain products and services may provide you an opportunity to access applications provided by us or a third party. These applications may have their own terms and conditions applicable to your use of the applications located within them.

15. Miscellaneous

(a) We will use your information in accordance with PA Ex1 and our [Privacy Statement](#). In the event

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of a conflict between our Privacy Statement and Sections 30, 31 and 32 of PA Ex 1, PA Ex 1 shall govern.

- (b) You agree to use the Equipment and Meter only for business or commercial, or governmental purposes, and not for personal, family, or household purposes.
- (c) We aren't responsible for any delay or failure to perform resulting from causes outside of our control.
- (d) Except as required by Executive Order or Directive, or Legislative action, you may not assign this Agreement without our prior written consent. Except as required by Executive Order or Directive, or Legislative action, any assignment without our consent is void.
- (e) Lease Payments aren't subject to setoff or reduction.
- (f) This Agreement can only be changed if we both agree to do so in writing. You may use a purchase order to offer to obtain equipment or services but none of its provisions will modify or supersede these provisions unless we expressly agree in writing. If any provision in this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions won't be affected.
- (g) Our respective rights and obligations under Sections 11 (Limitation of Liability), 12 (Default and Remedies) and 13 (Taxes) will survive termination of this Agreement.
- (h) You agree that we may deliver any invoice, notice and other communication to you under this Agreement electronically, either by email to the email address that we have on file for you or via Your Account. We may call you at any number you give to us.
- (i) You agree to comply with all applicable laws and regulations, including export control laws and regulations.
- (j) **Conflicts and Ethics.** PBGFS will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Lease; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Lease; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for PBGFS, any consideration contingent upon the award of the Lease. PBGFS must immediately notify the State of any violation or potential violation of these standards. This Section applies to PBGFS, any parent, affiliate, or subsidiary organization of PBGFS, and any subcontractor.
- (k) **Compliance with Laws.** The parties must comply with all federal, state and local laws, rules and regulations applicable to the Lease.
- (l) **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and [Executive Directive 2019-09](#). PBGFS and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.

- (m) **Unfair Labor Practice.** Under MCL 423.324, the State may void any contract or Lease with PBGFS or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- (n) **Governing Law.** This Lease is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Lease are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. PBGFS waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. PBGFS must appoint an agent in Michigan to receive service of process.
- (o) **Non-Exclusivity.** Nothing contained in this Lease is intended nor is to be construed as creating any requirements contract with PBGFS, nor does it provide PBGFS with a right of first refusal for any future work. This Lease does not restrict the State or its agencies from acquiring similar, equal, or like services or Equipment from other sources.
- (p) **Limitation of Liability and Disclaimer of Damages. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO PBGFS UNDER THIS LEASE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THE APPLICABLE ORDER.** The State shall not be liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
- (q) **Records Maintenance, Inspection, Examination, and Audit.** Pursuant to MCL 18.1470, the State or its designee may audit PBGFS's records to verify compliance with this Lease. PBGFS must retain and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Lease through the Lease Term of the Lease and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, PBGFS must retain the records until all issues are resolved. Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect PBGFS's premises or any other places where services are being performed, and examine, copy, and audit all records related to this Lease. PBGFS must cooperate and provide reasonable assistance. If financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Lease Term must be paid or refunded within 45 calendar days. This Section applies to PBGFS, any parent, affiliate, or subsidiary organization of PBGFS, and any subcontractor that performs services or provides Equipment in connection with this Lease.
- (r) PBGFS represents that it is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606;
- (s) **Waiver.** Failure to enforce any provision of this Lease will not constitute a waiver.

SERVICE LEVEL AGREEMENT

16. Applicability of SLA

This SLA section applies to you if we have entered into an agreement to provide service for any Equipment we lease, rent or sell on the Order, (the covered equipment is called "**Covered Equipment**"). PBI provides the warranties set forth in the State Participating Addendum and the Master Agreement. Option B - NASPO ValuePoint FMV Rental Terms and Conditions – Michigan (Version 10/25)

17. Service Level Options

- (a) (i) If you sign up for **Standard SLA** on the Order, PBI will provide at its option either repair or replacement services for the Covered Equipment during the term of the Lease (“Initial Service Term”) or any Lease extension (“Renewal Service Term”). You are also entitled to: (x) replacement printheads for Covered Equipment without additional charge, except for printheads which need to be replaced as a result of any Excluded Circumstance, and except for integrated printhead/ink cartridges; and (y) two preventative maintenance service calls per calendar year. PBI will notify you when preventative maintenance is due or you can request preventative maintenance service. If your Covered Equipment needs repair, PBI may provide repair by remote access, diagnostics and service and/or by on-site repair service. Repair service is provided only for damage resulting from normal wear and tear that results in impairment of functionality. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies. PBI will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available. If PBI deems it necessary, PBI will dispatch a service technician to arrive at your location for on-site service. You won’t incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent. **“Normal Working Hours”** means 8 a.m. – 5 p.m., Monday – Friday, excluding PBI-observed U.S. holidays, in the time zone where the Equipment or other items are located. There is no warranty for Excluded Circumstances. **“Excluded Circumstance”** is a circumstance outside of PBI’s control, including an accident, your negligent or reckless use of the equipment, use of the equipment which exceeds our recommendations or in a way not authorized by this Agreement or any operator guide, use of the equipment in an environment with unsuitable humidity, line voltage, damage in transit, software virus not solely caused by us, loss of data, loss or fluctuation of internet and/or network connectivity, fire, flood or other natural causes, and other external forces beyond our control, servicing or alteration of the equipment by someone other than us, failure to use required software updates, use of the equipment with any system where PBI has told you that PBI will no longer provide support or that PBI has advised you is no longer compatible, or use of third party supplies (such as ink), hardware or software that results in (i) damage to equipment (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.
- (ii) If PBI determines that replacement of Covered Equipment is necessary, PBI will, at no additional cost to you, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment. Unless PBI instructs you otherwise, within five days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBI. You are responsible for the Covered Equipment until PBI receives it.
- (b) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with or within the PBI Equipment may be reclaimed, reconditioned or remanufactured. These items are warranted to perform according to the same standards as the equivalent new item.
- (c) The warranty doesn’t cover ink, integrated printhead/ink cartridges, ink rollers, toner and drum cartridges, ribbons and similar items (**“Consumable Supplies”**).
- (d) **PBI MAKES NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.**

(e) **YOUR SOLE REMEDY FOR A WARRANTY CLAIM IS TO HAVE US REPAIR OR REPLACE THE PBI EQUIPMENT OR, IN THE CASE OF DEFECTIVE SERVICE, REPERFORM THE SERVICE.**

18. Service Term

PBI will provide you with Service, as set forth and for the duration stated in the applicable Order. PBI reserves the right not to renew your SLA if the you materially breach the terms of the SLA, the Equipment is at end-of-life, or the SLA is no longer offered generally to all similarly situated customers .

19. SLA Fees

You will pay the SLA fees as identified in the Order, subject to our right to terminate the Lease and your right to terminate the Lease for the applicable Equipment or to terminate Services as set forth in PA Ex 1. SLA fees in any Order will be fixed at our pricing in effect at the time the Order is issued, for the period for which you sign up for Services in the Order. We may increase the SLA fees after the Initial Service Term, and any increases will be reflected on your invoice and shall be in accordance with the terms of the State Participating Addendum and Master Agreement.. If you receive service for repairs caused by any Excluded Circumstance, PBI will charge you for the service at PBI's current hourly rates and for any required parts. If you exceed the cycle volume of your Equipment specified on the Order, PBI may bill you for the additional cycles over the specified cycle volume (the additional cycles are called the "**Overage**"). The charge will be determined by reference to the rate in effect at the time that we determine that an Overage exists. Upon request, you will provide the cycle volume to us. If you do not provide the cycle volume to us, we will estimate the cycle volume and send an invoice to you for any Overage based on our estimate. If, in the prior quarter, we estimated cycle volume and later receive actual cycle volume, then we will make adjustments based on actual usage on your next invoice.

20. Service Changes

PBI may modify its Service by giving written notice to you (a "**Service Change Notice**"), which will state whether the change is material. After receiving a Service Change Notice, if the change is material, you may terminate Service by giving us a termination notice or you may create a case at pitneybowes.com/us/contact-us.html (follow the instructions under "how to create a case").

21. Additional Service Terms

You can't elect to have Service apply to some but not all of the items of Equipment. Service doesn't include services and repairs that are made necessary due to any Excluded Circumstance. Service excludes the supply of postal and carrier rate changes and Consumable Supplies. If you replace any of your Covered Equipment during the service term, and the replacement Equipment qualifies for Services, and your Order for the replacement Equipment includes Services, PBI will automatically enroll you for maintenance coverage on the new Equipment at PBI's then current annual rates. If you acquire an attachment, or add a unit, to your Covered Equipment, PBI will provide coverage for each attachment or unit which we determine qualifies for coverage under the SLA and adjust your rate accordingly. If you choose not to continue coverage on the replacement Equipment, attachment or unit, you may cancel Service for the item 30 days notice. If you cancel, any further maintenance or repair services on the Equipment, attachment or unit will be subject to PBI's current rates. Standard SLA will apply to rented Equipment at no additional charge.

22. Internet Access Point

The internet connectivity for the Equipment or Meter may use an internet access point provided by us. You may only use this access point for connectivity between the Equipment or Meter and the internet and for no other purpose. Neither PBI nor PBGFS will be responsible for any costs resulting from your use of the access point in violation of this restriction.

EQUIPMENT RENTAL AND METER SERVICES TERMS

23. Equipment Rental and Meter Services

(a) If your order includes a Meter, we will invoice you the Equipment rental (“rental”) and Meter Services fees listed on the Order. After the period listed on the Order (the “**Initial Term**”), we may increase the rental and/or Meter Services fees in accordance with the State Participating Addendum and Master Agreement. When you receive notice of an increase, you may terminate your rental or Meter Services only as of the date the increase becomes effective.

(b) At the end of the Initial Term, unless prohibited by law, the rental term and Meter Services term will convert to successive month to month extensions, unless funds to make payments on such extensions have not been appropriated or otherwise have not been made available. You may choose to cancel the month to month extensions at any time by giving us 30 days’ prior written notice, or create a case at pitneybowes.com/us/contact-us.html (follow the instructions under “how to create a case”) or as otherwise allowed by PBI. Upon expiration of the term of the rental or Meter Services, you agree to return Equipment and Meters covered by the rental and Meter Services agreement in their original condition, reasonable wear and tear excepted. We reserve the right to recover or disable the Meter and terminate your use at any time if you are in violation of USPS regulations.

24. Postage

You may transfer funds to The Pitney Bowes Bank, Inc. (the “Bank”) for deposit into your Reserve Account that you maintain with the Bank (your “**Reserve Account**”) or you may transfer funds to the United States Postal Service (the “**USPS**”) through a lockbox bank (a “**Lockbox Bank**”). See the “USPS Acknowledgment of Deposit” below for more information. You will receive a set of more specific provisions for the Reserve Account during the application process. We will not charge you any postage load fees. . If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), we will advance payment on your behalf to the USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter Services fees. Your Reserve Account will be charged for the amount of postage, products and services acquired and the related fees. Unless prohibited by law, you agree to pay the fees of which the Bank has given you notice, including: (i) account service fees; (ii) inactivity fees; and (iii) fees attributable to the return of any checks or for failure of any direct debit transactions.

25. Meter Repair or Replacement; Meter Care and Risk of Loss

If the Meter malfunctions or fails due to reasons other than an Excluded Circumstance, we will repair or replace the Meter. You agree to take proper care of the Meter(s), as stated in this Agreement and any user documentation. You assume all risk of loss or damage to the Meter(s) while you have possession.

26. Terms of Use of Meter; 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. You agree to use only attachments or printing devices authorized by us. You must receive our written consent before moving the Equipment or Meter to a different location. Federal regulations require that we own the Meter. Tampering with or misusing the Meter is a violation of federal law. 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. If (i) the Meter is used in any unlawful scheme, (ii) isn’t used for any consecutive 12 month period, (iii) you take the Meter or allow the Meter to be taken outside the United States without proper written permission of USPS Headquarters, (iv) you enter a series of unpaid or short-paid mail pieces and/or packages in the mail stream, (v) you offer, sell or allow

the use of the shipping rates that we offer to you under this Agreement to or by any other party, (vi) you are in possession of a decertified system, or (vii) you otherwise fail to abide by the postal regulations and this Agreement regarding care and use of the Meter, then this Agreement and any related Meter Services agreement may be revoked. You acknowledge that any use of a Meter that fraudulently deprives the USPS of revenue can cause you to be subject to imprisonment, fines, civil and criminal penalties, and assessments applicable to fraud and/or false claims against the United States (See 18 U.S.C. § 1001) (31 U.S.C. §3729 and 31 U.S.C. § 3802). The mailing of matter bearing a fraudulent postage meter imprint is an example of a violation of these statutes. You are responsible for immediately reporting (within 72 hours or less) the theft or loss of the Meter to us. Failure to timely comply with this notification provision may result in the denial of a refund for any funds remaining on the Meter at the time of loss or theft. You understand that it is your obligation to comply with the rules and regulations of the USPS, including the Domestic Mail Manual, and that these may be updated from time to time by the USPS.

- (b) You agree that you will not offer, sell or allow the use of the shipping rates that we offer to you under this Agreement to or by any other party.
- (c) HAZMAT Requirement. You acknowledge that the USPS has implemented standards and requirements for shipment of parcels containing hazardous materials, including Publication 52, New Mailing Standards for the Separation of Hazardous Materials (87 Federal Register 73459), as well as replacement or supplemental regulations, and you agree to comply with all rules and regulations implemented by the USPS relating to handling of shipments of parcels containing hazardous materials, including labeling, packaging, and separation in the tendering of parcels to the USPS.
- (d) USPS Privacy Act Statement. Your information will be used to facilitate the purchase of USPS postage and fulfill transactional reporting requirements for USPS postage systems. Collection is authorized by 39 U.S.C. 401, 403, and 404. Providing the information is voluntary, but if not provided, your transaction may not be processed. USPS does not disclose your information to third parties without your consent, except to facilitate the transaction, to act on your behalf or request, or as legally required. This includes the following limited circumstances: to a congressional office on your behalf; to financial entities regarding financial transaction issues; to a USPS auditor; to entities, including law enforcement, as required by law or in legal proceedings; and to contractors and other entities aiding us to fulfill the service (service providers). For more information regarding USPS privacy policies, visit www.usps.com/privacypolicy.

27. Rate Updates and Soft-Guard® Program

Your Meter or Equipment may require periodic rate updates that you will obtain under our Soft-Guard program. We will provide rate updates only if required due to a postal or carrier change in rate, service, ZIP Code™ or zone change. The Soft-Guard program doesn't 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. We will update your rates if the USPS changes the discounted rates they provide to us. We won't be responsible for any losses arising out of or resulting from the failure of rating or software downloads to conform to published rates.

28. Collection of Information

You authorize us to access and download information from your Meter or from your PC Postage account. We may disclose this information to the USPS or other authorized governmental entity. We won't 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. We may elect to share

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de-identified aggregate data about our clients' postage usage with third parties.

29. Value Based Services

Value based services are services the USPS provides, including e-Return Receipt and USPS Confirmation Services. Any fees the USPS charges for these services are your responsibility to pay for and are payable the same way that you pay for postage. The USPS is solely responsible for its services. We are not responsible for any malfunctions of any part of the communication link connecting the Meter with the USPS data system. 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 days after you have been notified in writing.

USPS ACKNOWLEDGEMENT OF DEPOSIT

30. Acknowledgement of Deposit

This section of the agreement provides you with the sections that the USPS requires we include in any agreement where we are providing a Meter or Meter Services. The USPS requires that we use specific language. The "acknowledgement of deposit" terms are as follows:

- (a) In connection with your use of a Meter or Meter Services, you may transfer funds to the USPS through a Lockbox Bank to prepay for postage (a "**Deposit**"), or you may transfer funds to the Bank for deposit into your Reserve Account.
- (b) You can 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, including via Automated Clearing House Transfers.
- (c) Any deposit made by you in your Reserve Account is subject to the Reserve Account – Agreement and Disclosure Statement governing your Reserve Account.
- (d) Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment 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.
- (e) The USPS will provide a refund to you for the remaining account balances of Deposits held by the USPS. These refunds are provided pursuant to the rules and regulations governing deposit of funds for postage.
- (f) 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.
- (g) You acknowledge that you are subject to all applicable rules, regulations, and orders of the USPS, as they may be revised, and they shall prevail in the event of any conflict with any other terms and conditions applicable to any Deposit.

PURCHASE POWER TERMS

31. Purchase Power Program

- (a) The Purchase Power credit line is a product of the Bank and is not available to individuals for personal, family, or household purposes. In order to participate in the Purchase Power program (the "**Program**"), you must provide the information described in paragraph (h) below. You will receive a set of more specific provisions for the Program during the application process.

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

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

(d) (i) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account, for each day from the date the transaction is posted to the Account until the date the unpaid balance is paid in full at a variable rate up to the Annual Percentage Rate applicable to the Account. (ii) The Annual Percentage Rate applicable to the Account will be: the greater of (x) 22% and (y) the sum of the highest “Prime Rate” published in the “Money Rates” section of *The Wall Street Journal* on the last business day of the month and a margin of up to 19.75% (this sum is herein called the “Floating Rate”). For example, using the Prime Rate in effect as of December 1, 2024 of 7.75% and using a margin of 19.75%, the Floating Rate is 27.5%. In this example, because the Floating Rate is greater than 22%, the Annual Percentage Rate will be up to 27.5% with a corresponding daily rate of 0.07534%. (iii) The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Floating Rate. Any change in the Annual Percentage Rate based on the calculation described in this section will become effective on the first day of your next billing cycle. (iv) The Account balance that is subject to a finance charge each day will include (x) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (y) unpaid interest, fees, and other charges on the Account. (v) The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vi) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (vii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.

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

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

(g) The Program and any advances are governed by and construed in accordance with the laws of the State of Utah and applicable federal law.

(h) USA PATRIOT Act - To help the government fight the funding of terrorism and money laundering activities, Federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, in order to activate the Account, the Bank asks that you agree to provide identifying information, including your address and taxpayer identification number. The Bank may also ask for additional identifying information, where appropriate, including asking that your representative who is opening the Account provide his/her name, address, date of birth, driver’s license and/or other documents and information that will allow the Bank to identify him/her. You agree to provide all such requested identifying information.

Option B - NASPO ValuePoint FMV Rental Terms and Conditions – Michigan (Version 10/25)

PRODUCT SPECIFIC TERMS

32. Software, Subscriptions and APIs

If you are acquiring any of our On-Premise Software, On-Demand Subscription Services, Shipping 360™ API Subscription Services, or Third Party Software, additional terms apply which are attached to the State Participating Addendum..

33. PBBackup and PC-Backup Service Terms

Certain provisions which apply when you utilize the PBBackup or PC-Backup services are set forth at pitneybowes.com/us/pbbackup-service-and-pcbackup-service-terms.html and are incorporated by reference.

34. AddressRight® Printers

Certain provisions which apply when you purchase, lease or rent an AddressRight Printer are set forth at pitneybowes.com/us/addressrightprinter-terms.html and are incorporated by reference. Those provisions govern to the extent that they are inconsistent with the other terms of this Agreement.

35. DM Infinity

In no event shall the term for a DM Infinity meter agreement go beyond June 30, 2026. In addition, in no event shall a new DM Infinity meter be placed (installed) after June 30, 2024.

By entering into this agreement you acknowledge the metering function as well as support for the DM Infinity meter under this agreement will end on June 30, 2026 due to USPS regulations. This means that the metering device will stop functioning on June 30, 2026 and you will not be able to meter your mail. Mail processed on a DM Infinity meter after June 30, 2026 will not be accepted by the USPS.

36. ParcelPoint™ Self-Service Sending Kiosk

If you are acquiring a ParcelPoint™ Self-Service Sending Kiosk (the “Kiosk”), your Order may include on-demand subscription services. We are not responsible for the contents of the Kiosk and related storage units. If we provide on-site service, one of your employees must accompany our service technician at all times during the service. You are solely responsible for selecting the location for the installation of the Kiosk, and we are not responsible for the safety and security of the individuals using the Kiosk. You will use reasonable efforts to ensure that only authorized users associated with your organization may use the Kiosk. **WE ARE NOT LIABLE FOR YOUR CLIENTS’ NEGLIGENT USE OF THE KIOSK.** The respective carrier carrying each package is responsible for the shipping of packages processed through the Kiosk; we are not responsible. You will provide any assistance reasonably required by us to perform the services, including timely review of plans, delivery schedules for the services, and reasonable access to your sites for services performed onsite. You will collaborate with us to facilitate development and implementation of the user interface, including terms and conditions. You must keep the Kiosk insured against Loss for its full replacement value under a comprehensive policy of Insurance. The parties acknowledge that the State is self-insured, and that such self-insurance fulfills this insurance requirement.

37. ADDITIONAL PROVISIONS TO THE PRODUCT SPECIFIC TERMS

- a. Notwithstanding any terms referenced and/or incorporated by reference in sections 32

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through 36 above.

- i. fees in any Order will be fixed at our pricing in effect at the time the Order is issued, for the period for which you sign up for Services in the Order.
- ii. any service or subscription in an Order begins and ends with the Initial Lease Term and does not automatically renew with a Renewal Lease Term unless you order (or have ordered) additional service or subscription(s) for the applicable Renewal Lease Term(s).
- iii. any provision indicating your sole remedies is ineffective.
- iv. any provision regarding risk of loss and regarding delivery of Equipment is ineffective.
 - v. the rate applicable to Overage(s) will be the rate in effect when the Overage first began.
 - vi. You will only be automatically enrolled for maintenance service for replacement Equipment and/or components if your Order for same signs you up for such maintenance, and you may cancel such maintenance with 30 days' notice; and
- vii. You will not be bound by any terms requiring indemnification by the State to us or third-parties; consent to arbitration; provisions regarding audits; provisions regarding remote access to State systems; agreeing to be bound by the laws of another state; or to waive any claims or defenses, including governmental or sovereign immunity contained in any of the product-specific end user license agreements (EULA(s)) or any other documents, policies, or terms located in links referenced herein.

SCHEDULE I.3 TO STATE OF MICHIGAN PARTICIPATING ADDENDUM

OPTION C – NASPO VALUEPOINT FAIR MARKET VALUE LEASE AND ADDITIONAL TERMS AND CONDITIONS

Pitney Bowes Global Financial Services LLC (as defined below) will serve as a sub-contractor pursuant to the Master Agreement awarded under Solicitation BPM003137 and will be the Lessor under any Fair Market Value Lease. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to USPS regulations, only PBI can own a Meter. This document contains the lease terms that are applicable to any Order issued under the Master Agreement and the State Participating Addendum for a Fair Market Value Lease of Equipment.

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

Monthly Rate	
Factors:	Lease
Term:	Rate:
24	.0466
36	.0329
48	.0261
60	.0221

Thank you for choosing Pitney Bowes products and services. These terms and the executed order (the “**Order**”), your State Participating Addendum, including Schedules and Exhibits thereto and the NASPO ValuePoint Master Agreement and any Schedules and exhibits attached thereto, make up this Agreement.

“**PBI**” means Pitney Bowes Inc. “**Pitney Bowes**” means PBI and its subsidiaries. “**PBGFS**” means Pitney Bowes Global Financial Services LLC, a wholly-owned subsidiary of PBI. “**We**”, “**our**” or “**us**” refers to PBI and/or PBGFS as applicable. “**You**” or “**your**” refers to the entity identified on the Order. “**Master Agreement**” means NASPO ValuePoint Master Agreement awarded under Solicitation BPM003137 for Mailing 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. “**State Participating Addendum**” means the bilateral agreement executed by us and your participating state incorporating the Master Agreement. “**Meter**” means any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+®, a SendPro® P series, a SendPro® MailCenter, or a SendPro C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed (“**PSD**”), and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine. “**Meter Services**” means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations (“**CFR**”); USPS mandated processes associated with the PSD, including registration, usage reporting, audit and withdrawal; repair or replacement of the PSD as described in Section 27; and the Soft-Guard Program outlined in Section 29. “**Equipment**” means the equipment listed on the Order, excluding any Meter or standalone software. “**Lease**” means Lease terms and conditions set out in Sections A.1 through A.25. “**PA Ex 1**” means Exhibit 1 to the State Participating Addendum.

This Agreement includes: (i) Lease Terms; (ii) Service Level Agreement (“SLA”); (iii) Equipment Rental and Meter Services Terms; (iv) an Acknowledgement of Deposit required by the United States Postal Service in any transaction involving a Meter; (v) Purchase Power® Terms for a limited purpose credit line that may be available to you; (vi) provisions relating to specific products; and (vii) the Master Agreement, the State Participating Addendum, PA Ex 1 and all Schedules and Exhibits thereto.

LEASE TERMS

1. Lease of Equipment and Provider of Leasing Services; Lease Commencement Date

- a) If you are leasing Equipment, these Lease terms apply. PBI is the manufacturer of the Equipment. PBGFS provides you with the leasing services. . Except as otherwise provided herein, the duration or term of this Lease will consist of an “Initial Lease Term” which will end with your current fiscal year, and “Renewal Lease Terms”, each of which is a subsequent fiscal year for which funds have been appropriated to make Lease Payments under the Lease. At the end of the Initial Term, and at the end of each Renewal Lease Term, the Lease Term will be automatically extended upon the successive appropriation by your legislative body of amounts sufficient to pay Lease Payments during your next succeeding fiscal year, or Renewal Lease Term, until all Lease Payments have been paid up to the number of months, as stated in the Order, except as provided in subsection (b) below.
- b) The term of this Lease is the number of months stated on the Order, unless it ends earlier due to (i) termination at our option upon the occurrence of an event of default, provided that all payment obligations under this Lease for the current fiscal year for which a State appropriation has been made survive termination of this Agreement for such default, or (ii) termination under Section 8 or 9 below (the “Lease Term”). **You may not cancel this Lease for any reason, except as expressly set forth in Sections 8 or 9 below, and all payment obligations under this Lease are unconditional., except as provided herein.** You understand that we own the Equipment. PBI owns any Meter as USPS regulations require. Except as stated in Section 3, you don’t have the right to become the owner of the Equipment at the end of the Lease Term.
- c) **Lease Commencement Date**
 - (i) **New Leases.** If none of the Equipment on your Order includes installation, the Lease Term begins on the date all of the Equipment is received. If your Order includes installation of any Equipment (the “**Install Equipment**”) then your Lease Term will commence on the date as of which all Equipment has been received and all of the Install Equipment has been installed.
 - (ii) **Trade Up leases.** If you are entering into a Lease to enhance, upgrade or replace Equipment you are leasing from PBGFS, and if all Equipment has shipped and all Install Equipment has been installed, then your Lease Term will commence to align with your current periodic invoice date.
 - (iii) **Install Equipment Delays.** Notwithstanding (a) and (b), if (i) PBI has been ready, willing and able to install all of the Install Equipment and (ii) 90 days have passed since the Install Equipment has been received by you (the “**Install Period**”) but PBI has been unable to install the Install Equipment as a result of any action or inaction by you, then the Lease Term shall commence on the last day of the Install Period. You agree that the Install Period provides you with an adequate amount of time to be able to allow PBI to install the Install Equipment and that you will take any and all reasonable actions necessary to enable the installation.

2. Payment Terms

PBGFS will invoice you quarterly in arrears for Lease Payments. If permitted in the PA Ex 1, in addition to Lease Payments, we will invoice you quarterly in arrears for all payments on the Order, unless the Order says otherwise (each such payment is a “**Periodic Payment**”). You will make each Periodic Payment in accordance with the payment provisions of PA Ex 1. Your Periodic Payment may include a one-time origination fee, amounts carried over from a previous lease, software license fees and other charges, if set forth in an Order.. Any Meter Services fees, SLA fees, software maintenance fees and subscription fees (collectively “**PBI Payments**”) will be included with your

Periodic Payment and begin with the start of the Lease Term. After the Lease Term, your Periodic Payment will increase if your PBI Payments increase. Any software license and maintenance fees and other charges, and any Meter Service fees, SLA fees, and subscription fees, and any other payment that is not a Lease Payment, are not fees or payments directly for lease of Equipment and are not unconditional. Pursuant to 1984 PA 279, MCL 17.51-17.57, the State will pay PBGFS a charge on any Lease Payment, which remains unpaid after the date such Lease Payment is due. Lease Payments consist of principal and interest portions related solely to use and possession of Equipment. PBGFS understands and intends, and the State understands and intends that the State’s obligation to pay Lease Payments under this Lease will constitute a current expense of the State of Michigan and will not in any way be construed to be a debt or general obligation of the State of Michigan in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the State, including, but not limited to, Const 1963, art 9, §§12, 17, nor will anything contained herein or in a Lease constitute a pledge of the general tax revenues, credit, funds or monies of the State.

3. End of Lease Options

During the 90 days before your Lease ends, you may, unless you are in default: (i) enter into a new lease or an amended lease with us; (ii) purchase the Equipment “as is, where is” for its fair market value; or (iii) return the Equipment and Meter in their original condition, reasonable wear and tear excepted, and pay us our then applicable processing fee (including any equipment return 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 a service carrier specified by us to pick up and ship them to us. If you don’t do one of the things listed in clause (i), (ii) or (iii) above, you will be deemed to have agreed to enter into successive month to month extensions of the term of this Lease, unless funds to make payments on such extensions have not been appropriated or otherwise have not been made available, or such extensions are otherwise prohibited by law. You may choose to cancel the automatic extensions at any time by giving the other party 30 days’ written notice. For notice to us, you must create a case at pitneybowes.com/us/contact-us.html (follow the instructions under “how to create a case”). Upon cancellation, you agree to either return all items as provided in this Section 3 or purchase the Equipment.

4. WARRANTY AND LIMITATION OF LIABILITY

PBI PROVIDES YOU WITH THE LIMITED WARRANTIES IN SECTION 10. PBGFS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT, AND PBGFS ISN’T LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.

5. Equipment Obligations

You will keep the Equipment free from liens and in good condition and working order. We may inspect the Equipment and related maintenance records. You may not move the Equipment from the location specified on the Order without our prior written consent.

6. Security Interest

You agree to cooperate in executing any necessary or appropriate Financing Statement(s) indicating our obligation with respect to the Lease.

7. Other Lease Terms

- (a) If more than one lessee is named in this Lease, liability is joint and several.
- (b) Except as required by Executive Order or Directive, or Legislative action, you may not assign or sublet the Equipment, the Meter or this Agreement without our prior written consent. Except as required by Executive Order or Directive, or Legislative action, any assignment without our consent is void. Except for an assignment to a Permitted Assignee, we may sell or assign all or part of this Lease or the Equipment with the prior approval of the State, which will not be delayed or unreasonably withheld. We may freely assign, or transfer all or part of this lease or the Equipment to a Permitted Assignee without consent; however, we will provide reasonable notice. A Permitted Assignee is defined as any subsidiary, wholly owned, directly or indirectly by PBI that has a net worth of \$50 million or greater. Both parties agree and acknowledge that any assignment by us will not materially change either party's obligations.
- (c) All applicable taxes required to be collected by us will be shown on the invoice.

8. NON-APPROPRIATION

If sufficient funds to enable you to continue payment on the lease (Lease Payments) are not appropriated, negatively appropriated, if there is a budget shortfall, or funds are otherwise not made available for a subsequent fiscal year, you may terminate the Lease effective at the end of the last fiscal year for which funds have been appropriated or otherwise made available for the Lease. You must give PBGFS notice as soon as practical, but failure to provide such notice does not impact your right to terminate the Lease under this section.

9. EARLY TERMINATION

If you cancel or terminate this Lease prior to the expiration of the Lease Term (other than for non-appropriations) you shall pay a termination charge equal to the net present value of the monthly Lease Payments remaining through the completion of the Initial Lease Term or Renewal Lease Term, as applicable, discounted to present value at a rate of 6% per year.

10. PBGFS MAKES NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.

11. Limitation of Liability

PBI's TOTAL LIABILITY (INCLUDING ANY LIABILITY OF ITS SUPPLIERS) IS LIMITED TO THE FEES PAID BY YOU FOR THE APPLICABLE EQUIPMENT OR SERVICES. NEITHER PBI NOR ITS SUPPLIERS IS LIABLE FOR ANY: (I) DAMAGE YOU MAY INCUR BY REASON OF YOUR MISUSE OR NEGLIGENT USE OF THE EQUIPMENT OR YOUR NEGLIGENT ACTS OR OMISSIONS OR (II) INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING COMMERCIAL LOSS, OR LOST PROFITS, DATA OR GOODWILL, FOR

ANY MATTER RELATING TO THIS AGREEMENT.

12. Default and Remedies

(a) If you fail to make any Lease Payment with respect to leased Equipment within 14 days after we give you written notice of an overdue payment, or you breach any other obligation under this Agreement with PBGFS or with respect to Meter Rentals and such breach continues for 30 days after we give you notice or you become insolvent or file for bankruptcy, you will be in default and PBGFS or PBI may, as applicable:

- (i) cancel the Lease;
- (ii) require you to pay to PBGFS immediately all Lease Payments payable under the Lease for the remainder of the Initial Lease Term or Renewal Lease Term, as applicable and provided any previous appropriation for said purpose has not been reversed;
- (iii) disable the Meter;
- (iv) require you to return the Equipment and Meter, and delete or remove software; and deny you access to software;
- (v) if you don't return the Equipment, require you to immediately pay to us an amount equal to the value of the Equipment, as mutually agreed by the parties;
- (vi) charge you a check return fee for payments made by you with insufficient funds; and
- (vii) pursue any other remedy, including repossessing the Equipment and Meter. By repossessing the Equipment or Meter, we aren't waiving our right to collect the balance due beyond the fair market value at the time of repossession, if, and only to the extent, permitted by law.

(b) We may suspend any services during any period that your account is more than thirty days past due.

13. Taxes

The parties contemplate that the Equipment will be used for governmental purposes and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, you will pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. In addition, it is your intention and our intention that the interest portion of the Lease Payments you make be and remain free from federal income taxation. You will not intentionally perform or fail to perform any act or enter into any agreement or use or permit the use of the Equipment or any portion thereof in a manner that will have the effect of terminating the exemption from federal income taxation of the interest portion of the Lease payments.

14. Embedded Software; Applications

(a) Our Equipment may contain embedded software. For embedded software, you agree that: (i) we and our licensors own the copyrights and other intellectual property to it; (ii) you are licensed only to use it with our Equipment in which it resides; (iii) you won't copy, modify, de-compile, or attempt to unbundle, reverse engineer or create derivative works of it; and (iv) you won't distribute or disclose it (or any portion) to anyone. Technical support for embedded software will be given according to the SLA covering the Equipment with the embedded software.

(b) Certain products and services may provide you an opportunity to access applications provided by us or a third party. These applications may have their own terms and conditions applicable to your use of the applications located within them.

15. Miscellaneous

- (a) We will use your information in accordance with PA Ex1 and our [Privacy Statement](#). In the event of a conflict between our Privacy Statement and Sections 30, 31 and 32 of PA Ex 1, PA Ex 1 shall govern.
- (b) You agree to use the Equipment and Meter only for business or commercial, or governmental purposes, and not for personal, family, or household purposes.
- (c) We aren't responsible for any delay or failure to perform resulting from causes outside of our control.
- (d) Except as required by Executive Order or Directive, or Legislative action, you may not assign this Agreement without our prior written consent. Except as required by Executive Order or Directive, or Legislative action, any assignment without our consent is void.
- (e) Lease Payments aren't subject to setoff or reduction.
- (f) This Agreement can only be changed if we both agree to do so in writing. You may use a purchase order to offer to obtain equipment or services but none of its provisions will modify or supersede these provisions unless we expressly agree in writing. If any provision in this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions won't be affected.
- (g) Our respective rights and obligations under Sections 11 (Limitation of Liability), 12 (Default and Remedies) and 13 (Taxes) will survive termination of this Agreement.
- (h) You agree that we may deliver any invoice, notice and other communication to you under this Agreement electronically, either by email to the email address that we have on file for you or via Your Account. We may call you at any number you give to us.
- (i) You agree to comply with all applicable laws and regulations, including export control laws and regulations.
- (j) **Conflicts and Ethics.** PBGFS will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Lease; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Lease; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for PBGFS, any consideration contingent upon the award of the Lease. PBGFS must immediately notify the State of any violation or potential violation of these standards. This Section applies to PBGFS, any parent, affiliate, or subsidiary organization of PBGFS, and any subcontractor.
- (k) **Compliance with Laws.** The parties must comply with all federal, state and local laws, rules and regulations applicable to the Lease.
- (l) **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and [Executive Directive 2019-09](#). PBGFS and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic

information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.

- (m) **Unfair Labor Practice.** Under MCL 423.324, the State may void any contract or Lease with PBGFS or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- n. **Governing Law.** This Lease is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Lease are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. PBGFS waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. PBGFS must appoint an agent in Michigan to receive service of process.
- o. **Non-Exclusivity.** Nothing contained in this Lease is intended nor is to be construed as creating any requirements contract with PBGFS, nor does it provide PBGFS with a right of first refusal for any future work. This Lease does not restrict the State or its agencies from acquiring similar, equal, or like services or Equipment from other sources.
- p. **Limitation of Liability and Disclaimer of Damages.** **IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO PBGFS UNDER THIS LEASE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THE APPLICABLE ORDER.** The State shall not be liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
- q. **Records Maintenance, Inspection, Examination, and Audit.** Pursuant to MCL 18.1470, the State or its designee may audit PBGFS's records to verify compliance with this Lease. PBGFS must retain and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Lease through the Lease Term of the Lease and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, PBGFS must retain the records until all issues are resolved. Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect PBGFS's premises or any other places where services are being performed, and examine, copy, and audit all records related to this Lease. PBGFS must cooperate and provide reasonable assistance. If financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Lease Term must be paid or refunded within 45 calendar days. This Section applies to PBGFS, any parent, affiliate, or subsidiary organization of PBGFS, and any subcontractor that performs services or provides Equipment in connection with this Lease.
- r. PBGFS represents that it is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606.
- s. **Waiver.** Failure to enforce any provision of this Lease will not constitute a waiver.

SERVICE LEVEL AGREEMENT

16. Applicability of SLA

This SLA section applies to you if we have entered into an agreement to provide service for any Equipment we lease, rent or sell on the Order, excluding any DI2000™ inserting system (the covered equipment is called “**Covered Equipment**”). PBI provides the warranties set forth in the State Participating Addendum and the Master Agreement.

17. Service Level Options

- (a) (i) If you sign up for **Standard SLA** on the Order, PBI will provide at its option either repair or replacement services for the Covered Equipment during the term of the Lease (“Initial Service Term”) or any Lease extension (“Renewal Service Term”) You are also entitled to: (x) replacement printheads for Covered Equipment without additional charge, except for printheads which need to be replaced as a result of any Excluded Circumstance, and except for integrated printhead/ink cartridges; and (y) two preventative maintenance service calls per calendar year. PBI will notify you when preventative maintenance is due or you can request preventative maintenance service. If your Covered Equipment needs repair, PBI may provide repair by remote access, diagnostics and service and/or by on-site repair service. Repair service is provided only for damage resulting from normal wear and tear that results in impairment of functionality. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies. PBI will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available. If PBI deems it necessary, PBI will dispatch a service technician to arrive at your location for on-site service. You won’t incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent. “**Normal Working Hours**” means 8 a.m. – 5 p.m., Monday – Friday, excluding PBI-observed U.S. holidays, in the time zone where the Equipment or other items are located. There is no warranty for Excluded Circumstances. “**Excluded Circumstance**” is a circumstance outside of PBI’s control, including an accident, your negligent or reckless use of the equipment, use of the equipment which exceeds our recommendations or in a way not authorized by this Agreement or any operator guide, use of the equipment in an environment with unsuitable humidity, line voltage, damage in transit, software virus not solely caused by us, loss of data, loss or fluctuation of internet and/or network connectivity, fire, flood or other natural causes, and other external forces beyond our control, servicing or alteration of the equipment by someone other than us, failure to use required software updates, use of the equipment with any system where PBI has told you that PBI will no longer provide support or that PBI has advised you is no longer compatible, or use of third party supplies (such as ink), hardware or software that results in (i) damage to equipment (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.
- (ii) If PBI determines that replacement of Covered Equipment is necessary, PBI will, at no additional cost to you, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment. Unless PBI instructs you otherwise, within five days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBI. You are responsible for the Covered Equipment until PBI receives it.
- (b) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with or within the PBI Equipment may be reclaimed, reconditioned or remanufactured. These items are warranted to perform according to the same standards as the equivalent new item.
- (c) The warranty doesn’t cover ink, integrated printhead/ink cartridges, ink rollers, toner and drum cartridges, ribbons and similar items (“**Consumable Supplies**”).

(d) **PBI MAKES NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.**

(e) **YOUR SOLE REMEDY FOR A WARRANTY CLAIM IS TO HAVE US REPAIR OR REPLACE THE PBI EQUIPMENT OR, IN THE CASE OF DEFECTIVE SERVICE, REPERFORM THE SERVICE.**

18. Service Term

PBI will provide you with Service, as set forth and for the duration stated in the applicable Order. PBI reserves the right not to renew your SLA if you materially breach the terms of the SLA, the Equipment is at end-of-life, or the SLA is no longer offered generally to all similarly situated customers.

19. SLA Fees

You will pay the SLA fees as identified in the Order, subject to our right to terminate the Lease and your right to terminate the Lease for the applicable Equipment or to terminate Services as set forth in PA Ex 1. SLA fees in any Order will be fixed at our pricing in effect at the time the Order is issued, for the period for which you sign up for Services in the Order. We may increase the SLA fees after the Initial Service Term, and any increases will be reflected on your invoice and shall be in accordance with the terms of the State Participating Addendum and Master Agreement.. If you receive service for repairs caused by any Excluded Circumstance, PBI will charge you for the service at PBI's current hourly rates and for any required parts. If you exceed the cycle volume of your Equipment specified on the Order, PBI may bill you for the additional cycles over the specified cycle volume (the additional cycles are called the "**Overage**"). The charge will be determined by reference to the rate in effect at the time that we determine that an Overage exists. Upon request, you will provide the cycle volume to us. If you do not provide the cycle volume to us, we will estimate the cycle volume and send an invoice to you for any Overage based on our estimate. If, in the prior quarter, we estimated cycle volume and later receive actual cycle volume, then we will make adjustments based on actual usage on your next invoice.

20. Service Changes

PBI may modify its Service by giving written notice to you (a "**Service Change Notice**"), which will state whether the change is material. After receiving a Service Change Notice, if the change is material, you may terminate Service by giving us a termination notice or you may create a case at pitneybowes.com/us/contact-us.html (follow the instructions under "how to create a case").

21. Additional Service Terms

You can't elect to have Service apply to some but not all of the items of Equipment. Service doesn't include services and repairs that are made necessary due to any Excluded Circumstance. Service excludes the supply of postal and carrier rate changes and Consumable Supplies. If you replace any of your Covered Equipment during the service term, and the replacement Equipment qualifies for Services, and your Order for the replacement Equipment includes Services, PBI will automatically enroll you for maintenance coverage on the new Equipment at PBI's then current annual rates. If you acquire an attachment, or add a unit, to your Covered Equipment, PBI will provide coverage for each attachment or unit which we determine qualifies for coverage under the SLA and adjust your rate accordingly. If you choose not to continue coverage on the replacement Equipment, attachment or unit, you may cancel Service for the item with 30 days notice. If you cancel, any further maintenance or repair services on the Equipment, attachment or unit will be subject to PBI's current rates. Standard SLA will apply to rented Equipment at no additional charge.

22. Internet Access Point

The internet connectivity for the Equipment or Meter may use an internet access point provided by us. You may only use this access point for connectivity between the Equipment or Meter and the internet and for no other purpose. Neither PBI nor PBGFS will be responsible for any costs resulting from your use of the access point in violation of this restriction.

EQUIPMENT RENTAL AND METER SERVICES TERMS

23. Equipment Rental and Meter Services

(a) If your order includes a Meter, we will invoice you the Equipment rental (“rental”) and Meter Services fees listed on the Order. After the period listed on the Order (the “**Initial Term**”), we may increase the rental and/or Meter Services fees in accordance with the State Participating Addendum and Master Agreement. When you receive notice of an increase, you may terminate your rental or Meter Services only as of the date the increase becomes effective.

(b) At the end of the Initial Term, unless prohibited by law, the rental term and Meter Services term will convert to successive month to month extensions, unless funds to make payments on such extensions have not been appropriated or otherwise have not been made available. You may choose to cancel the month to month extensions at any time by giving us 30 days’ prior written notice, to 27 Waterview Drive, Shelton, CT 06484 or by creating a case at pitneybowes.com/us/contact-us.html (follow the instructions under “how to create a case”) or as otherwise allowed by PBI . Upon expiration of the term of the rental or Meter Services, you agree to return Equipment and Meters covered by the rental and Meter Services agreement in their original condition, reasonable wear and tear excepted. We reserve the right to recover or disable the Meter and terminate your use at any time if you are in violation of USPS regulations.

24. Postage

You may transfer funds to The Pitney Bowes Bank, Inc. (the “Bank”) for deposit into your Reserve Account that you maintain with the Bank (your “**Reserve Account**”) or you may transfer funds to the United States Postal Service (the “**USPS**”) through a lockbox bank (a “**Lockbox Bank**”). See the “USPS Acknowledgment of Deposit” below for more information. You will receive a set of more specific provisions for the Reserve Account during the application process. We will not charge you any postage load fees. . If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), we will advance payment on your behalf to the USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter Services fees. Your Reserve Account will be charged for the amount of postage, products and services acquired and the related fees. Unless prohibited by law, you agree to pay the fees of which the Bank has given you notice, including: (i) account service fees; (ii) inactivity fees; and (iii) fees attributable to the return of any checks or for failure of any direct debit transactions.

25. Meter Repair or Replacement; Meter Care and Risk of Loss

If the Meter malfunctions or fails due to reasons other than an Excluded Circumstance, we will repair or replace the Meter. You agree to take proper care of the Meter(s), as stated in this Agreement and any user documentation. You assume all risk of loss or damage to the Meter(s) while you have possession.

26. Terms of Use of Meter; 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. You agree to use only attachments or printing devices authorized by us. You must receive our written consent before moving the Equipment or Meter to a different location. Federal regulations require that we own the Meter. Tampering with

or misusing the Meter is a violation of federal law. 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. If (i) the Meter is used in any unlawful scheme, (ii) isn't used for any consecutive 12 month period, (iii) you take the Meter or allow the Meter to be taken outside the United States without proper written permission of USPS Headquarters, (iv) you enter a series of unpaid or short-paid mail pieces and/or packages in the mail stream, (v) you offer, sell or allow the use of the shipping rates that we offer to you under this Agreement to or by any other party,

- (b) (vi) you are in possession of a decertified system, or (vii) you otherwise fail to abide by the postal regulations and this Agreement regarding care and use of the Meter, then this Agreement and any related Meter Services agreement may be revoked. You acknowledge that any use of a Meter that fraudulently deprives the USPS of revenue can cause you to be subject to imprisonment, fines, civil and criminal penalties, and assessments applicable to fraud and/or false claims against the United States (See 18 U.S.C. § 1001) (31 U.S.C. § 3729 and 31 U.S.C. § 3802). The mailing of matter bearing a fraudulent postage meter imprint is an example of a violation of these statutes. You are responsible for immediately reporting (within 72 hours or less) the theft or loss of the Meter to us. Failure to timely comply with this notification provision may result in the denial of a refund for any funds remaining on the Meter at the time of loss or theft. You understand that it is your obligation to comply with the rules and regulations of the USPS, including the Domestic Mail Manual, and that these may be updated from time to time by the USPS. You agree that you will not offer, sell or allow the use of the shipping rates that we offer to you under this Agreement to or by any other party.
- (c) HAZMAT Requirement. You acknowledge that the USPS has implemented standards and requirements for shipment of parcels containing hazardous materials, including Publication 52, New Mailing Standards for the Separation of Hazardous Materials (87 Federal Register 73459), as well as replacement or supplemental regulations, and you agree to comply with all rules and regulations implemented by the USPS relating to handling of shipments of parcels containing hazardous materials, including labeling, packaging, and separation in the tendering of parcels to the USPS.
- (d) USPS Privacy Act Statement. Your information will be used to facilitate the purchase of USPS postage and fulfill transactional reporting requirements for USPS postage systems. Collection is authorized by 39 U.S.C. 401, 403, and 404. Providing the information is voluntary, but if not provided, your transaction may not be processed. USPS does not disclose your information to third parties without your consent, except to facilitate the transaction, to act on your behalf or request, or as legally required. This includes the following limited circumstances: to a congressional office on your behalf; to financial entities regarding financial transaction issues; to a USPS auditor; to entities, including law enforcement, as required by law or in legal proceedings; and to contractors and other entities aiding us to fulfill the service (service providers). For more information regarding USPS privacy policies, visit www.usps.com/privacypolicy.

27. Rate Updates and Soft-Guard® Program

Your Meter or Equipment may require periodic rate updates that you will obtain under our Soft-Guard program. We will provide rate updates only if required due to a postal or carrier change in rate, service, ZIP Code™ or zone change. The Soft-Guard program doesn't 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. We will update your rates if the USPS changes the discounted rates they provide to us. We won't be responsible for any losses arising out of or resulting from the failure of rating or software

downloads to conform to published rates.

28. Collection of Information

You authorize us to access and download information from your Meter or from your PC Postage account. We may disclose this information to the USPS or other authorized governmental entity. We won't 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. We may elect to share de-identified aggregate data about our clients' postage usage with third parties.

29. Value Based Services

Value based services are services the USPS provides, including e-Return Receipt and USPS Confirmation Services. Any fees the USPS charges for these services are your responsibility to pay for and are payable the same way that you pay for postage. The USPS is solely responsible for its services. We are not responsible for any malfunctions of any part of the communication link connecting the Meter with the USPS data system. 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 days after you have been notified in writing.

USPS ACKNOWLEDGEMENT OF DEPOSIT

30. Acknowledgement of Deposit

This section of the agreement provides you with the sections that the USPS requires we include in any agreement where we are providing a Meter or Meter Services. The USPS requires that we use specific language. The "acknowledgement of deposit" terms are as follows:

- (a) In connection with your use of a Meter or Meter Services, you may transfer funds to the USPS through a Lockbox Bank to prepay for postage (a "**Deposit**"), or you may transfer funds to the Bank for deposit into your Reserve Account.
- (b) You can 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, including via Automated Clearing House Transfers.
- (c) Any deposit made by you in your Reserve Account is subject to the Reserve Account – Agreement and Disclosure Statement governing your Reserve Account.
- (d) Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment 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.
- (e) The USPS will provide a refund to you for the remaining account balances of Deposits held by the USPS. These refunds are provided pursuant to the rules and regulations governing deposit of funds for postage.
- (f) 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.
- (g) You acknowledge that you are subject to all applicable rules, regulations, and orders of the USPS, as they may be revised, and they shall prevail in the event of any conflict with any other terms and conditions applicable to any Deposit.

PURCHASE POWER TERMS

31. Purchase Power Program

- (a) The Purchase Power credit line is a product of the Bank and is not available to individuals for personal, family, or household purposes. In order to participate in the Purchase Power program (the “**Program**”), you must provide the information described in paragraph (h) below. You will receive a set of more specific provisions for the Program during the application process.
- (b) Your Purchase Power account (the “**Account**”) will be charged for the amount of postage, products, and services requested and the related fees, if applicable. Unless prohibited by law, you agree to pay the fees and charges of which the Bank has given you notice, including those relating to: (i) applicable transaction or overage fees; (ii) your failure to pay in a timely manner; (iii) your exceeding your credit line; and (iv) fees attributable to the return of any checks.
- (c) You will receive a billing statement for each billing cycle in which you have activity in the Account. The Bank may deliver any statement electronically to the email address that is on file for you. Payments are due by the due date shown on your billing statement. You may pay the entire balance due or a portion of the balance, provided that you pay at least the minimum payment shown on the statement. In the event of a partial payment, you will be responsible for the unpaid balance.
- (d) (i) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account, for each day from the date the transaction is posted to the Account until the date the unpaid balance is paid in full at a variable rate up to the Annual Percentage Rate applicable to the Account. (ii) The Annual Percentage Rate applicable to the Account will be: the greater of (x) 22% and (y) the sum of the highest “Prime Rate” published in the “Money Rates” section of *The Wall Street Journal* on the last business day of the month and a margin of up to 19.75% (this sum is herein called the “Floating Rate”). For example, using the Prime Rate in effect as of December 1, 2024 of 7.75% and using a margin of 19.75%, the Floating Rate is 27.5%. In this example, because the Floating Rate is greater than 22%, the Annual Percentage Rate will be up to 27.5% with a corresponding daily rate of 0.07534%. (iii) The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Floating Rate. Any change in the Annual Percentage Rate based on the calculation described in this section will become effective on the first day of your next billing cycle. (iv) The Account balance that is subject to a finance charge each day will include (x) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (y) unpaid interest, fees, and other charges on the Account. (v) The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vi) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (vii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.
- (e) The Bank may at any time close or suspend the Account, and may refuse to allow further charges to the Account. Cancellation or suspension will not affect your obligation to pay any amounts you owe.
- (f) The Bank can amend any of the provisions and terms related to the Program at any time by written notice to you (including by electronic notice via the email address that is then on file for you). You are consenting to electronic delivery of any amendments to the Program terms. Each time you use the Program, you are signifying your acceptance of the terms then in effect. An amendment becomes effective on the date stated in the notice and will apply to any outstanding balance on the Account. The Bank may terminate the Program at any time and will notify you in the event of any termination. Any outstanding obligation will survive termination of the Program.
- (g) The Program and any advances are governed by and construed in accordance with the laws of

the State of Utah and applicable federal law.

(h) USA PATRIOT Act - To help the government fight the funding of terrorism and money laundering activities, Federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, in order to activate the Account, the Bank asks that you agree to provide identifying information, including your address and taxpayer identification number. The Bank may also ask for additional identifying information, where appropriate, including asking that your representative who is opening the Account provide his/her name, address, date of birth, driver's license and/or other documents and information that will allow the Bank to identify him/her. You agree to provide all such requested identifying information.

PRODUCT SPECIFIC TERMS

32. Software, Subscriptions and APIs

If you are acquiring any of our On-Premise Software, On-Demand Subscription Services, Shipping 360™ API Subscription Services, or Third Party Software, additional terms apply which are attached to the State Participating Addendum.

33. DI2000 Inserting System Terms

Certain provisions which apply when you purchase, lease or rent a DI2000 inserting system and when you purchase a service plan for it are set forth at pitneybowes.com/us/state-and-local-government-solutions/states.html and are incorporated by reference. Those provisions govern to the extent that they are inconsistent with the other terms of this Agreement, the State Participating Addendum or PA Ex 1.

34. PBBackup and PC-Backup Service Terms

Certain provisions which apply when you utilize the PBBackup or PC-Backup services are set forth at pitneybowes.com/us/pbbackup-service-and-pcbackup-service-terms.html and are incorporated by reference.

35. Lockers

Notwithstanding anything else to the contrary in this Agreement, these terms apply if you are acquiring lockers.

- (a) General: Your Order may include on-demand subscription services and a statement of work. You must keep the lockers insured against Loss for their full replacement value under a comprehensive policy of Insurance. The parties acknowledge that the State is self-insured and the such self-insurance fulfills this insurance requirement.
- (b) Usage Guidelines: We are not responsible for the contents of the lockers, including any contamination, leakage or other issues arising from the contents, or for proper delivery of or proper handling of those contents. You must comply with this Agreement, our published documentation and all applicable laws, regulations, and guidelines related to the handling and storage of such contents, including high-risk contents (collectively, "**Authorized Use**"). High-risk contents include items that pose a significant risk to health, safety, or the environment, such as blood and contaminated soil samples.
- (c) Your Responsibility: You are solely responsible for selecting the location for the installation of the lockers, and we are not responsible for the safety and security of the individuals using the

lockers. You must notify us if any lockers are being (or have been) used to handle or store high-risk contents prior to any on-site service. If we provide on-site service, one of your employees must accompany our service technician at all times during the service. We are not responsible for ensuring that high-risk contents are properly stored and handled within the lockers. The service technician may decline to perform any on-site service if there are any high-risk contents that are not properly stored or any unsafe conditions.

- (d) Indemnification: We are not responsible for the contents or unauthorized use of the lockers. We agree to indemnify, defend and hold you harmless from any third-party claims, damages, or expenses arising from the Authorized Use of the lockers.

36. AddressRight® Printers

Certain provisions which apply when you purchase, lease or rent an AddressRight Printer are set forth at pitneybowes.com/us/addressrightprinter-terms.html and are incorporated by reference. Those provisions govern to the extent that they are inconsistent with the other terms of this Agreement.

37. DM Infinity

In no event shall the term for a DM Infinity meter agreement go beyond June 30, 2026. In addition, in no event shall a new DM Infinity meter be placed (installed) after June 30, 2024. By entering into this agreement you acknowledge the metering function as well as support for the DM Infinity meter under this agreement will end on June 30, 2026 due to USPS regulations. This means that the metering device will stop functioning on June 30, 2026 and you will not be able to meter your mail. Mail processed on a DM Infinity meter after June 30, 2026 will not be accepted by the USPS.

38. ParcelPoint™ Self-Service Sending Kiosk

If you are acquiring a ParcelPoint™ Self-Service Sending Kiosk (the “Kiosk”), your Order may include on-demand subscription services. We are not responsible for the contents of the Kiosk and related storage units. If we provide on-site service, one of your employees must accompany our service technician at all times during the service. You are solely responsible for selecting the location for the installation of the Kiosk, and we are not responsible for the safety and security of the individuals using the Kiosk. You will use reasonable efforts to ensure that only authorized users associated with your organization may use the Kiosk. **WE ARE NOT LIABLE FOR YOUR CLIENTS’ NEGLIGENT USE OF THE KIOSK.** The respective carrier carrying each package is responsible for the shipping of packages processed through the Kiosk; we are not responsible. You will provide any assistance reasonably required by us to perform the services, including timely review of plans, delivery schedules for the services, and reasonable access to your sites for services performed onsite. You will collaborate with us to facilitate development and implementation of the user interface, including terms and conditions. You must keep the Kiosk insured against Loss for its full replacement value under a comprehensive policy of Insurance. The parties acknowledge that the State is self-insured, and that such self-insurance fulfills this insurance requirement

39. ADDITIONAL PROVISIONS TO THE PRODUCT SPECIFIC TERMS

- a. Notwithstanding any terms referenced and/or incorporated by reference in sections 32 through 38 above.
 - i. fees in any Order will be fixed at our pricing in effect at the time the Order is issued, for the period for which you sign up for Services in the Order.
 - ii. any service or subscription in an Order begins and ends with the Initial Lease Term and does not automatically renew with a Renewal Lease Term unless you order (or have ordered) additional service or subscription(s) for the applicable Renewal Lease Term(s).

- iii. any provision indicating your sole remedies is ineffective.
- iv. any provision regarding risk of loss and regarding delivery of Equipment is ineffective.
 - v. the rate applicable to Overage(s) will be the rate in effect when the Overage first began.
 - vi. You will only be automatically enrolled for maintenance service for replacement Equipment and/or components if your Order for same signs you up for such maintenance, and you may cancel such maintenance with 30 days' notice; and
- vii. You will not be bound by any terms requiring indemnification by the State to us or third-parties; consent to arbitration; provisions regarding audits; provisions regarding remote access to State systems; agreeing to be bound by the laws of another state; or to waive any claims or defenses, including governmental or sovereign immunity contained in any of the product-specific end user license agreements (EULA(s)) or any other documents, policies, or terms located in links referenced herein.