

AMENDMENT NO. 2 TO CONTRACT NO. 48227 RELEASE NO. M-499(5)

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State"), and, Pitney Bowes Inc., 1 Elmcroft Road, Samford, CT 06926-0700 ("Contract Vendor").

WHEREAS, the State has a Contract with the Contract Vendor identified as Contract 48227, February 20, 2013, to October 12, 2013 ("Contract"), to provide Mailing Equipment, Maintenance and Postage; and

WHEREAS, Minn. Stat. § 16C.03, subd. 5, affords the commissioner of Administration, or delegate pursuant to Minn. Stat. § 16C.03, subd. 16, the authority to amend contracts; and

WHEREAS, the terms of the Contract allow the State to amend the Contract as specified herein, upon the mutual agreement of the Materials Management Division and the Contract Vendor in a fully executed amendment to the Contract.

NOW, THEREFORE, it is agreed by the parties to amend the Contract as follows:

1. That Contract No. 48227 is extended through October 12, 2014.

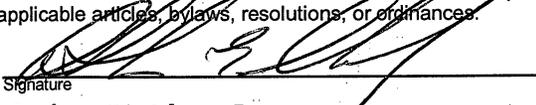
This Amendment is effective beginning October 13, 2013, or upon the date that the final required signatures are obtained, whichever occurs later, and shall remain in effect until October 12, 2014, or until the Contract is canceled, whichever occurs first.

Except as herein amended, the provisions of the original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed intending to be bound thereby.

1. PITNEY BOWES INC.

The Contractor certifies that the appropriate person(s) have executed this Amendment on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: 
Signature
Arthur E. Adams Jr.
Printed Name

Title: Director, State and Local Contracts

Date: 10/7/2013

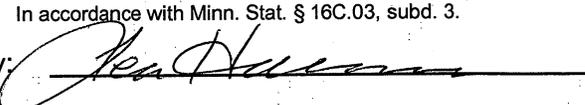
By: _____
Signature
Printed Name

Title: _____

Date: _____

2. MATERIALS MANAGEMENT DIVISION

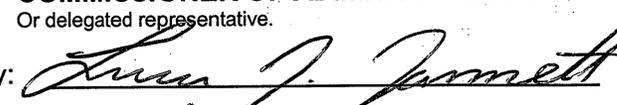
In accordance with Minn. Stat. § 16C.03, subd. 3.

By: 
Title: Acquisition Management Specialist

Date: 10/9/13

3. COMMISSIONER OF ADMINISTRATION

Or delegated representative.

By: 
Date: 10/10/2013

AMENDMENT NO.1 TO CONTRACT NO. 48227 RELEASE NO. M-499(5)

THIS AMENDMENT is by and between the State of Minnesota, acting through its commissioner of Administration ("State"), and, Pitney Bowes Inc., 1 Elmcroft Road, Samford, CT 06926-0700 ("Contract Vendor").

WHEREAS, the State has a Contract with the Contract Vendor identified as Contract 48227, February 20, 2013, to October 12, 2013 ("Contract"), to provide Mailing Equipment, Maintenance and Postage; and

WHEREAS, Minn. Stat. § 16C.03, subd. 5, affords the commissioner of Administration, or delegate pursuant to Minn. Stat. § 16C.03, subd. 16, the authority to amend contracts; and

WHEREAS, the terms of the Contract allow the State to amend the Contract as specified herein, upon the mutual agreement of the Materials Management Division and the Contract Vendor in a fully executed amendment to the Contract.

NOW, THEREFORE, it is agreed by the parties to amend the Contract as follows:

1. That Contract No. 48227 is amended to add to the General Insurance Requirements as attached.
2. That the following sentence is added to the Scope of the contract: Purchasing equipment at the end of a lease or rental is not allowed under this Contract. This option is removed from the terms and conditions of Option B and Option C.

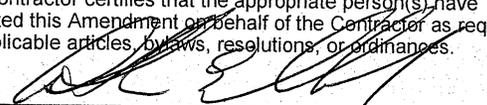
This Amendment is effective beginning March 15, 2013, or upon the date that the final required signatures are obtained, whichever occurs later, and shall remain in effect until October 12, 2013, or until the Contract is canceled, whichever occurs first.

Except as herein amended, the provisions of the original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed intending to be bound thereby.

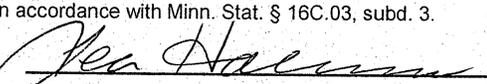
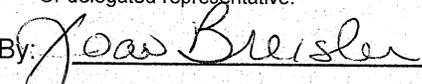
1. PITNEY BOWES INC.

The Contractor certifies that the appropriate person(s) have executed this Amendment on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: 
Signature
Arthur E. Adams Jr.
Printed Name
Title: Director, State and Local Contracts
Date: 3/25/2013
By: _____
Signature
Printed Name
Title: _____
Date: _____

2. MATERIALS MANAGEMENT DIVISION

In accordance with Minn. Stat. § 16C.03, subd. 3.

By: 
Title: Acquisition Management Specialist
Date: 3/27/13
3. COMMISSIONER OF ADMINISTRATION
Or delegated representative.
By: 
Date: 3-28-13

OPTION C -- WSCA/NASPO FAIR MARKET VALUE LEASE TERMS AND CONDITIONS:
 Revised per CN 48227, Amendment 1 3/28/13

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSPO11-00000411 and will be the Lessor under this Fair Market Value Lease Terms and Condition Agreement. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own an Intellilink Control Center or Meter.

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

Monthly Billing:

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

L1. DEFINITIONS

L1.1 The following terms mean:

"Agreement" - the Order, your State's Participating Addendum, the WSCA/NASPO Master Agreement ADSPO11-00000411-7, these terms and conditions, and any attached exhibits.

"Bank" - The Pitney Bowes Bank, Inc.

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

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

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

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

"Equipment" - the equipment listed on the Order, excluding any IntelliLink Control Center or Meter, and any standalone software.

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

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

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

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

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

"Master Agreement" - WSCA/NASPO Master Agreement ADSPO11-00000411-7 Mail Room Equipment, Services and Support contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.

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

"PBGFS" - Pitney Bowes Global Financial Services LLC.

"PBI" - Pitney Bowes Inc.

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

"Postage Meter Rental Agreement" - an agreement governing the use and rental of an Intellilink Control Center or Meter you enter into with us.

"SLA" - the Service Level Agreement.

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

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

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

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

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

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

L2. AGREEMENT

L2.1 You are leasing the Equipment listed on the Order. You will make each Monthly Payment by the due date shown on our invoice.

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

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

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

L3. PAYMENT TERMS AND OBLIGATIONS

L3.1 We will invoice you in arrears each month for all payments on the Order (each, a "Monthly Payment"), except as provided in any SOW attached to this Agreement.

L3.2 Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired lease, and other costs for an amount not to exceed \$2,500.

L3.3 If you request, your IntelliLink® Control Center/Meter Rental fees, Service Level Agreement fees, and Soft-Guard® payments ("PBI Payments") will be included with your Monthly Payment and begin with the start of the Lease Term. Your Monthly Payment will increase if your PBI Payments increase.

L4. EQUIPMENT OWNERSHIP

L4.1 We own the Equipment. PBI owns any IntelliLink® Control Center or Meter. You will not have the right to become the owner at the end of this Agreement.

L5. LEASE TERM

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

L6. END OF LEASE OPTIONS

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

- (a) enter into a new lease with us;
- (b) return the Equipment, IntelliLink Control Center and/or Meter in its original condition, reasonable wear and tear excepted. If you return the Equipment, IntelliLink Control Center and/or Meter, at our option you will either (i) properly pack them and insure them for their full replacement value (unless you are enrolled in the ValueMAX® program) and deliver them aboard a common carrier, freight prepaid, to a destination within the United States that we specify, or (ii) properly pack and return them in the return box and with the shipping label provided by us and, in either case, pay us our then applicable processing fee.

L6.2 If you do not select one of the options in Section L6.1, you shall be deemed to have agreed to enter into successive month to month extensions of the term of this Agreement. You may opt to

cease the automatic extensions by providing us with written notice within 60 days (but no less than 30 days or such shorter period as may be contemplated by law) prior to the expiration of the then-current term of this Agreement. Upon cancellation, you agree to return all items pursuant to Section L6.1(b).

L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

L7.3 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT, AND PBI WILL HAVE ONLY SUCH LIABILITY AS SET FORTH IN THE MASTER AGREEMENT.

L8. EQUIPMENT OBLIGATIONS

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

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

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

L9. RISK OF LOSS AND VALUEMAX® PROGRAM

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

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the Delivery Date from PBI until the end of the Lease Term (including any extensions), regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of the occurrence of any Loss.
- (c) You will keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice ("Insurance").

L9.2 ValueMAX Program.

- (a) If you do not provide evidence of insurance and have not enrolled in our own program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.
- (b) We will provide written notification reminding you of your insurance obligations described above in Section L9.1(c).

- (c) If you do not respond with evidence of insurance within the time frame specified in the notification we may immediately include the Equipment in the ValueMAX program.
- (d) If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.
- (e) If we are required to repair or replace the Equipment under the ValueMAX program and we fail to do so within 20 days of receiving your written notice of loss or damage, you may terminate this Lease.
- (f) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

L10. NON-APPROPRIATION

L10.1 See Master Agreement – Non Appropriations

L11. EARLY TERMINATION

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

L12. MISCELLANEOUS

- L12.1 If more than one lessee is named in this Lease, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD.
- L12.3 We may sell, assign, or transfer all or any part of this Lease or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.
- L12.4 All applicable taxes required to be collected by us will be shown on the invoice.
- L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSPO11-00000411, this Agreement shall prevail.
- L12.6 Any IntelliLink—Control Center or Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.
- L12.7 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third party software.
- L12.8 The Connect+ Series Equipment may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ Series Equipment and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

AG: #3143918-v1, as amended 3/28/13

OPTION B -- WSCA/NASPO FMV RENTAL TERMS AND CONDITIONS:
Revised per CN 48227, Amendment 1 3/28/13

Pitney Bowes Global Financial Services LLC ("PBGFS") will serve as a sub-contractor under ADSP011-00000411 and will be the Lessor under this Fair Market Value Rental Terms and Condition Agreement. This Fair Market Rental Agreement cannot be used for Production Equipment Categories (Production Ink Jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment) awarded under ADSP011-00000411-7 to Pitney Bowes Inc. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own an Intellilink Control Center or Meter.

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

Monthly Billing:

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

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

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

L1. DEFINITIONS

L1.1 The following terms mean:

"Agreement" - the Order, your State's Participating Addendum, the WSCA/NASPO Master Agreement ADSP011-00000411-7, these terms and conditions, and any attached exhibits.

"Bank" - The Pitney Bowes Bank, Inc.

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

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

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

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

"Equipment" - the equipment listed on the Order, excluding any IntelliLink Control Center or Meter, and any standalone software.

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

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

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

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

"Master Agreement" - WSCA/NASPO Master Agreement ADSP011-00000411-7 Mail Room Equipment, Services and Support contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.

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

"PBGFS" - Pitney Bowes Global Financial Services LLC.

"PBI" - Pitney Bowes Inc.

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

"Postage Meter Rental Agreement" - an agreement governing the use and rental of an IntelliLink Control Center or Meter you enter into with us.

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

"SLA" - the Service Level Agreement.

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

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

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

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

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

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

L2. AGREEMENT

L2.1 You are leasing the Equipment listed on the Order. You will make each Monthly Payment by the due date shown on our invoice.

L2.2 You may not cancel this Rental for any reason except as expressly set forth in Sections L10 and L11 below.

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

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

L3. PAYMENT TERMS AND OBLIGATIONS

L3.1 We will invoice you in arrears each month for all payments on the Order (each, a "Monthly Payment"), except as provided in any SOW attached to this Agreement.

L3.2 Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired Rental, and other costs for an amount not to exceed \$2,500.

L3.3 If you request, your IntelliLink® Control Center/Meter Rental fees, Service Level Agreement fees, and Soft-Guard® payments ("PBI Payments") will be included with your Monthly Payment and begin with the start of the Rental Term. Your Monthly Payment will increase if your PBI Payments increase.

L4. EQUIPMENT OWNERSHIP

L4.1 We own the Equipment. PBI owns any IntelliLink® Control Center or Meter. You will not have the right to become the owner at the end of this Agreement.

L5. RENTAL TERM

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

L6. END OF RENTAL OPTIONS

L6.1 During the 90 days prior to the end of your Rental, you may, if not in default, select one of the following options:

- (a) enter into a new Rental with us;
- (b) return the Equipment, IntelliLink Control Center and/or Meter in its original condition, reasonable wear and tear excepted. If you return the Equipment, IntelliLink Control Center and/or Meter, at our option you will either (i) properly pack them and insure them for their full replacement value (unless you are enrolled in the ValueMAX® program) and deliver them aboard a common carrier, freight prepaid, to a destination within the United States that we specify, or (ii) properly pack and return them in the return box and with the shipping label provided by us and, in either case, pay us our then applicable processing fee.

L6.2 If you do not select one of the options in Section L6.1, you shall be deemed to have agreed to enter into month to month extensions of the term of this Agreement. You may opt to cease the automatic extensions by providing us with written notice within 60 days (but no less than 30 days or such shorter period as may be contemplated by law) prior to the expiration of the then-current term of this Agreement. Upon cancellation, you agree to return all items pursuant to Section L6.1(b).

L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

L7.3 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT, AND PBI WILL HAVE ONLY SUCH LIABILITY AS SET FORTH IN THE MASTER AGREEMENT.

L8. EQUIPMENT OBLIGATIONS

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

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

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

L9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the date of delivery from PBI until the end of the Rental Term (including any extensions), regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Rental. You must immediately notify us in writing of the occurrence of any Loss.

- (c) You will keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice ("Insurance").

L9.2 ValueMAX Program.

- (a) If you do not provide evidence of insurance and have not enrolled in our own program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.
- (b) We will provide written notification reminding you of your insurance obligations described above in Section L9.1(c).
- (c) If you do not respond with evidence of insurance within the time frame specified in the notification we may immediately include the Equipment in the ValueMAX program.
- (d) If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.
- (e) If we are required to repair or replace the Equipment under the ValueMAX program and we fail to do so within 20 days of receiving your written notice of loss or damage, you may terminate this Rental.
- (f) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Rental, this program or its associated fees, nor are they overseeing our financial condition.

L10. NON-APPROPRIATION

L10.1 See Master Agreement – Non Appropriations

L11. EARLY TERMINATION

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

L12. MISCELLANEOUS

- L12.1 If more than one lessee is named in this Rental, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS RENTAL WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD.
- L12.3 We may sell, assign, or transfer all or any part of this Rental or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.
- L12.4 All applicable taxes required to be collected by us will be shown on the invoice.
- L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSPO11-00000411, this Agreement shall prevail.
- L12.6 Any IntelliLink Control Center or Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.
- L12.7 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third party software.
- L 12.8 The Connect+ Series Equipment may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ Series Equipment and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

AG: #3143922-v1, as amended 3-28-13

m-4995

PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
for Mail Room Equipment, Services and Support
Between the State of Minnesota and Pitney Bowes

WSCA Contract No. ADSP011-00000411-7

State of Minnesota Contract No. 000000000000000000048227(48227)

1. **Scope:** The State of Minnesota, various state agencies and departments, and current cooperative purchasing venture members ("customer" - as defined in Minnesota Exhibit A) may purchase, rent or lease the products and services available in this Contract. This agreement is not a purchase order, nor does it guarantee any purchases to be made by the customer. This addendum covers the WSCA/NASPO Mail Room Equipment, Services and Support contract lead by the State of Arizona. **Lease to own options are not part of this Contract. The Contract Vendor's Purchase Power Offering is not part of this Contract.**

2. **Changes:** The additional terms and conditions contained in Minnesota Exhibit A, attached, are hereby incorporated by reference. In the event of a conflict between the terms contained within Minnesota Exhibit A and WSCA Master Price Agreement ("Price Agreement"), Minnesota Exhibit A shall control. The parties agree that this provision of the Participating Addendum supersedes the Standard Contract Terms and Conditions set forth in the Price Agreement. In the event that any provision of this Participating Addendum or Price Agreement is contrary to Minnesota law, such provision shall be null and void. This Agreement shall be governed by Minnesota law.

3. **Rental/Lease Agreements:** Equipment Lease and Rental Agreements, as attached, are authorized in accordance with the terms of WSCA/NASPO Master Price Agreement number ADSP011-00000411-7. Attached Option B and Option C reflect the lease and/or rental agreements and options the State of Minnesota has agreed to make available under the Contract. Option B cannot be used for Production Equipment Categories (production ink jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-sorting Equipment) awarded under ADSP0110000411-7 to the Contract Vendor. Agencies will not sign any Contract Vendor documents, including but not limited to software agreements or any documents to begin, change, or renew rental/lease agreements. Agency purchase orders will serve as the purchase and/or rental/lease agreement contract. Any Contract Vendor found to be in violation of this Contractual requirement, may be held in default of their Contract and appropriate action may be taken. Agreements cannot be assigned to another party without the prior written consent of the Acquisition Management Specialist.

The following language is added to all software license and maintenance agreements applicable to equipment sourced under this agreement, including but not limited to the agreements listed in "Schedule C", unless otherwise approved in writing by the Materials Management Division.

"Notwithstanding the foregoing, this contract shall not be construed to deprive the State of its sovereign immunity, or of any legal requirements, prohibitions, protections, exclusions or limitations of liability apply to this contract or afforded by the State by Minnesota law."

4. **Primary Contact:** The primary government contact individual for this participating addendum is as follows:

Name: Lea Halverson
Title: Acquisition Management Specialist
Address: State of Minnesota
Department of Administration
Materials Management Division
50 Sherburne Ave., 112 Administration Bldg.
St. Paul, MN 55155
Telephone: 651.201.2444
Fax: 651.297.3996
E-mail: lea.halverson@state.mn.us

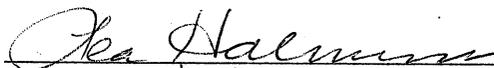
5. **Subcontractors:** All Pitney Bowes dealers and resellers authorized in the State of Minnesota, as shown on the dedicated Pitney Bowes website, are approved to provide sales and service support to participants in the NASPO Master Price Agreement. The Pitney Bowes dealer's participation will be in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

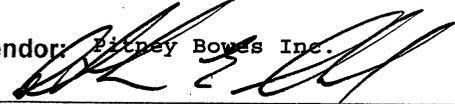
This Addendum and the Price Agreement together with its exhibits as attached, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms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

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

**Government Entity: State of Minnesota
Materials Management Division**

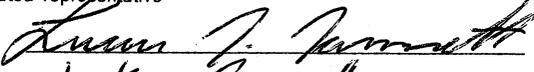
In accordance with Minn. Stat. § 16C.03, Subd. 3

By: 
Name: Lea Halverson
Title: AMS
Date: 2/20/2013

Contract Vendor: Pitney Bowes Inc.
By: 
Name: Arthur E. Adams Jr.
Title: Director, State and Local Contracts
Date: 2/7/2013

State of Minnesota - Commissioner of Administration

Or delegated representative

By: 
Name: Luke Jannett
Title: AMS Sup
Date: 2/20/2013

Minnesota Exhibit A
Minnesota General Conditions

1. **DEFINITIONS.**

a. **CPV Program/Members.** The Cooperative Purchasing Venture (CPV) program is established by Minn. Stat. ' 16C.03, subd. 10, which authorizes the Commissioner to enter into a cooperative purchasing agreement for the provision of goods, services, and utilities with [governmental entities] as described in section 471.59, subd. 1. Based on this authority, the Commissioner of Administration, through the Materials Management Division (MMD), enters into a joint powers agreement that designates MMD as the authorized purchasing agent for the governmental entity. Governmental entities joining the program are given an access code which identifies them as members and permits them to access the MMD web site to get information about State contracts. It is not legal for governmental entities who are not members of the CPV program to use "State contract prices."

b. **State Agencies.** This term applies only to State of Minnesota agencies, as defined in Minn. Stat. 15.01 and 15.021.

c. **Customer.** This term applies to any State of Minnesota agency or CPV member.

d. **State.** This term applies to all State of Minnesota agencies and CPV members.

2. **EFFECTIVE DATE and CONTRACT PERIOD.** Pursuant to Minnesota law this Participating Addendum shall be effective upon the date of final execution by the State of Minnesota to October 12, 2013, with up to 36 months extensions.

3. **STATE AUDITS.** (Minn. Stat. ' 16C.05, Subd. 5) The books, records, documents, and accounting procedures and practices of the Contract Vendor and its employees, agents, or subcontractors relevant to the Contract or transaction must be made available and subject to examination by the contracting agency or its agents, the Legislative Auditor and/or the State Auditor for a minimum of six years after the end of the Contract or transaction.

4. **ANTITRUST.** The Contract Vendor hereby assigns to the State of Minnesota any and all claims for overcharges as to goods and/or services provided in connection with the Contract resulting from antitrust violations which arise under the antitrust laws of the United States and the antitrust laws of the State.

5. **INSURANCE.** The Contract Vendor will be required to provide a copy of a Certificate of Insurance, including workers compensation insurance coverage requirements of Minn. Stat. Ch. 176.181 subd. 2, as per the attached Insurance Policy Requirements, prior to execution of this Participating Addendum.

6. **INDEMNIFICATION, HOLD HARMLESS, AND LIMITATION OF LIABILITY.** The Contract Vendor shall indemnify, protect, save and hold harmless the State, its representatives and employees, from any and all claims or causes of action, including all legal fees incurred by the State arising from the performance of the Contract by the Contract Vendor or its agents, employees, or subcontractors. This clause shall not be construed to bar any legal remedies the Contract Vendor may have with the State's failure to fulfill its obligations pursuant to the Contract.

The State agrees that Contractor, its principals, members and employees shall not be liable to the State for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the goods provided or services performed hereunder for an aggregate amount in excess of \$10,000,000 or the contract amount, whichever is greater. This limitation of liability does not apply to damages for personal injury or death, or to Contractor's obligation to indemnify, defend and hold the State harmless against intellectual property infringement claims under paragraphs 20 of this Agreement. This indemnification does not include liabilities caused by the State's gross negligence or intentional wrong doing of the State.

7. **LAWS AND REGULATIONS.** Any and all services, articles or equipment offered and furnished shall comply fully with all State and federal laws and regulations, including Minn. Stat. 181.59 and Minn. Stat. Ch. 363 prohibiting discrimination.

8. **GOVERNMENT DATA PRACTICES.** The Contract Vendor and the State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, (and where applicable, if the state contracting party is part of the judicial branch, with the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court as the same may be amended from time to time) as it applies to all data provided by the State to the Contract Vendor and all data provided to the State by the Contract Vendor. In addition, the Minnesota Government

Data Practices Act applies to all data created, collected, received, stored, used, maintained, or disseminated by the Contract Vendor in accordance with this Contract that is private, nonpublic, protected nonpublic, or confidential as defined by the Minnesota Government Data Practices Act, Ch. 13 (and where applicable, that is not accessible to the public under the Rules of Public Access to Records of the Judicial Branch).

In the event the Contract Vendor receives a request to release the data referred to in this article, the Contract Vendor must immediately notify the State. The State will give the Contract Vendor instructions concerning the release of the data to the requesting party before the data is released. The civil remedies of Minn. Stat. ' 13.08, apply to the release of the data by either the Contract Vendor or the State.

The Contract Vendor agrees to indemnify, save, and hold the State of Minnesota, its agent and employees, harmless from all claims arising out of, resulting from, or in any manner attributable to any violation of any provision of the Minnesota Government Data Practices Act (and where applicable, the Rules of Public Access to Records of the Judicial Branch), including legal fees and disbursements paid or incurred to enforce this provision of the Contract. In the event that the Contract Vendor subcontracts any or all of the work to be performed under the Contract, the Contract Vendor shall retain responsibility under the terms of this paragraph for such work.

9. **RISK OF LOSS OR DAMAGE.** The State shall be relieved of all risks of loss or damage to the goods and/or equipment during periods of transportation, installation (if installation is provided by the Contract Vendor), unless and until such time as unencumbered title is vested in the State and the goods and/or equipment is in the exclusive possession of the State.
10. **GOVERNING LAW.** This Contract shall be construed in accordance with, and its performance governed by, the laws of the State of Minnesota. Except to the extent that the provisions of the Contract are clearly inconsistent therewith, the Contract shall be governed by the Uniform Commercial Code (UCC) as adopted by the State. To the extent the Contract entails delivery or performance of services, such services shall be deemed "goods" within the meaning of the UCC, except when to so deem such services as "goods" is unreasonable.
11. **JURISDICTION AND VENUE.** The RFB and any ensuing Contract, its amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of the Contract or breach thereof shall be in the State or federal court with competent jurisdiction in Ramsey County, Minnesota. By submitting a response to this Request for Proposal a Responder voluntarily agrees to be subject to the jurisdiction of Minnesota for all proceedings arising out of this RFP, any ensuing Contract, or any breach thereof.
12. **HUMAN RIGHTS.** The Contract Vendor certifies that it will remain in compliance with Minn. Stat. 363A.36 during the life of this Contract. The Affirmative Action Data Page is attached and must be completed.
13. **PAYMENT.** Minn. Stat. 16A.124 requires payment within 30 days following receipt of an undisputed invoice, merchandise or service, whichever is later. The ordering entity is not required to pay the Contract Vendor for any goods and/or services provided without a written purchase order or other approved ordering document from the appropriate purchasing entity. In addition, all goods and/or services provided must meet all terms, conditions and specifications of the Contract and the ordering document and be accepted as satisfactory by the ordering entity before payment will be issued. Purchasing entities other than State agencies will use best efforts to pay the Contract Vendor within 30 days of the date of such invoice.
14. **PURCHASE ORDERS.** The State requires that there will be no minimum order requirements or charges to process an individual purchase order. The Contract number and the PO number must appear on all documents (e.g., invoices, packing slips, etc.).

All orders should contain the following (1) Mandatory Language 'PO is subject to WSCA/NASPO Contract # ADSP011-00000411-7 (2) Your Name, Address, Contact, & Phone Number.
15. **PURCHASING CARD.** Purchasing cards cannot be used to purchase equipment, supplies, maintenance or postage from this Contract.
16. **TAXES.** State agencies are subject to paying Minnesota sales and use taxes. DO NOT add sales tax to the prices being offered. For State agencies, taxes will be paid directly to the Department of Revenue using Direct Pay Permit #1114. Customers other than State agencies may or may not be subject to paying Minnesota Sales and Use Taxes. It is the responsibility of the customer to provide the Contract Vendor with the appropriate tax exemption information.
17. **PRICES.** All prices shall be FOB Destination, freight prepaid and allowed (with freight included in the price), to the ordering agency's receiving dock or warehouse. In those situations in which the "deliver-to" address has no receiving dock or agents, the Contract Vendor must be able to deliver to the person specified on the PO.

18. **DEFAULT.** A State purchase order constitutes a binding contract. All commodities furnished will be subject to inspection and acceptance by the requesting agency after delivery. An order is non-cancellable unless otherwise stated in the PA. No substitutions or cancellations are permitted without approval of the State contracting agency. Back orders, defaults in promised delivery, or failures to meet specifications in the purchase order and/or the Contract authorize the State contracting agency to cancel the Contract or purchase order, or any portion of it, purchase elsewhere, and charge the full increase, if any, in cost of administrative handling to the defaulting Contract Vendor. In the event of default, the State reserves the right to pursue any other remedy available by law. A Contract Vendor may be removed from the vendor's list or suspended from receiving a contract for consistent failure to comply with the terms and conditions of the Contract, or for failure to pay the State for the cost incurred on defaulted contracts.
19. **ASSIGNMENT.** The Contract Vendor shall not sell, transfer, assign, or otherwise dispose of the Contract or any portion hereof or of any right, title, or interest herein without the prior written consent of the State's authorized agent. Such consent shall not be unreasonably withheld. The Contract Vendor shall give written notice to the State's authorized agent of such a possibility at least 30 days prior to the sale, transfer, assignment, or other disposition of the Contract. Failure to do so may result in the Contract Vendor being held in default. This consent requirement includes reassignment of the Contract due to a change in ownership, merger, or acquisition of the Contract Vendor or its subsidiary or affiliated corporations. This section shall not be construed as prohibiting the Contract Vendor's right to assign the Contract to corporations to provide some of the services hereunder. Notwithstanding the foregoing acknowledgment, the Contract Vendor shall remain solely liable for all performance required and provided under the terms and conditions of the Contract.
20. **INTELLECTUAL PROPERTY INDEMNIFICATION.** The Contract Vendor warrants that any materials or products provided or produced by the Contract Vendor or utilized by the Contract Vendor in the performance of the Contract will not infringe or violate any patent, copyright, trade secret, or any other proprietary right of any third party. In the event of any such claim by any third party against the State, the State shall promptly notify the Contract Vendor. The Contract Vendor, at its own expense, shall indemnify the State against any losses, cost, expense, or liability (including legal fees) arising out of such a claim, whether or not such claim is successful against the State.
- If such a claim has occurred, or in the Contract Vendor's opinion is likely to occur, the Contract Vendor shall either procure for the State the right to continue using the materials or products or replacements or modified materials or products. If an option satisfactory to the State is not reasonably available, the State shall return the materials or products to the Contract Vendor, upon written request of the Contract Vendor and at the Contract Vendor's expense. This remedy is in addition to any other remedy provided by law.
21. **PARTICIPATING ADDENDUM AMENDMENTS.** Except as provided herein, the Participating Addendum shall be modified only by written amendment duly executed by an authorized representative of the State and the Contract Vendor. No alteration or variation of the terms and conditions of the Participating Addendum shall be valid unless made in writing and signed by the parties as required by law. Every amendment shall specify the date on which its provisions shall be effective. An approved Participating Addendum amendment means one approved by the authorized signatories of the Contract Vendor as required by law.
22. **TERMINATION OF THE PARTICIPATING ADDENDUM.** The Participating Addendum may be canceled by the State or the Commissioner of Administration at any time, with or without cause, upon 30 days written notice to the Contract Vendor. In the event the Contract Vendor is in default, the contract is subject to immediate cancellation to the extent allowable by applicable law. In the event of such a cancellation, the Contract Vendor shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed and accepted. The Participating Addendum may be canceled by the Contract Vendor upon 60 days written notice to the AMS. Any underlying lease to this Contract will remain in full force and effect throughout the stated term of such lease agreement, subject to termination provisions stipulated within such lease.
23. **ADMINISTRATIVE PERSONNEL CHANGES.** After execution of this Participating Addendum the State must be notified of intended changes in the Contract Vendor's administrative personnel as soon as practicable.
24. **PUBLICITY.** Any publicity given to the program, publications or services provided resulting from a State contract for goods or services, including but not limited to notices, informational pamphlets, press releases, research, reports, signs and similar public notices prepared by or for the Contract Vendor, or its employees individually or jointly with others, or any subcontractors, shall identify the State as the sponsoring agency and shall not be released, unless such release is a specific part of an approved work plan included in the Contract prior to its approval by the Materials Management Division Acquisition Management Specialist and the Department of Administration Communications Office.

The Contract Vendor shall make no representations of the State's opinion or position as to the quality or effectiveness of the products and/or services that are the subject of this Contract without the prior written consent of the Department of Administration. Representations include any publicity, including but not limited to advertisements, notices, press releases, reports, signs, and similar public notices.

25. **NOTICES.** If one party is required to give notice to the other under the Contract, such notice shall be in writing and shall be effective upon receipt. Delivery may be by certified United States mail or by hand, in which case a signed receipt shall be obtained. Either party must notify the other of a change in address for notification purchases.

All notices to the State shall be addressed as follows:

Lea Halverson
Acquisition Management Specialist
50 Sherburne Avenue
112 Administration Bldg.
St. Paul, MN 55155
Fax: 651.297.3996
E-mail: lea.halverson@state.mn.us

All notices to the Contract Vendor shall be addressed as follows:

Arthur E. Adams Jr.
Director, State and Local Contracts
Pitney Bowes Inc.
1 Elmcroft Road
Stamford, CT 06926-0700
Fax: 203-460-3827
email: art.adams@pb.com

26. **NONVISUAL ACCESS STANDARDS.** To the extent applicable, Minn.Stat.Sec. 16C.145 nonvisual access standards require:

That the effective interactive control and use of the technology, including the operating system applications programs, prompts, and format of the data presented, are readily achievable by nonvisual means;

That the nonvisual access technology must be compatible with information technology used by other individuals with whom the blind or visually impaired individual must interact; That nonvisual access technology must be integrated into networks used to share communications among employees, program participants, and the public; and

That the nonvisual access technology must have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

Nothing in this section requires the installation of software or peripheral devices used for nonvisual access when the information technology is being used by individuals who are not blind or visually impaired.

Should such compliance become a requirement for the products provided by the Contract Vendor to the State, the Contract Vendor will upon prior written approval from the State of Minnesota Material Management Division make every attempt to comply and accommodate via internal solutions or external vendors at the State's expense.

27. **IT ACCESSIBILITY STANDARDS.** The State of Minnesota has developed IT Accessibility Standards effective September 1, 2010, which entails, in part, the Web Content Accessibility Guidelines (WCAG) 2.0 (Level AA) and Section 508 Subparts A-D which can be viewed at http://www.mmd.admin.state.mn.us/pdf/accessibility_standard.pdf **If requested by the State**, the Contract Vendor must provide accessibility information for the IT parts of this contract. If requested, the Contract Vendor is required to provide **VPATs** for Section 508 accessibility and WCAG 2.0 accessibility standards. Attached herein for reference.

28. **MINNESOTA REPORTING REQUIREMENTS AND ADMINISTRATIVE FEE.** On a quarterly basis, the Contract Vendor shall return to the Department of Administration, Materials Management Division, a fee of .50% (.005, one-half of one percent) of the total sales during that quarter, to assist with the cost of administering the Contract. The administrative fee shall be remitted to the State within 30 days of the end of the quarter. The quarter periods are January 1 to March 31, April 1 to June 30, July 1 to September 30, and October 1 to December 31 of any given year. The Contract Vendor must provide a report detailing the total sales to State agencies and CPV members. The report must be submitted with the check on or before the required 30 days after the end of the quarter. The Contractor Vendor's WSCA /NASPO pricing to the Participating Entity may be adjusted to offset for the equivalent fee amount.
29. **SEVERABILITY.** If any provision of the Contract, including items incorporated by reference, is found to be illegal, unenforceable, or void, then both the State and the Contract Vendor shall be relieved of all obligations arising under such provisions. If the remainder of the Contract is capable of performance it shall not be affected by such declaration or finding and shall be fully performed.
30. **ELECTRONIC FUNDS TRANSFER (EFT) PAYMENT METHOD AND STRUCTURE.** In accordance with Minn. Stat. 16A.40 the Contract Vendor is required to provide their bank routing information to the Minnesota Department of Finance to enable payments to be made through EFT.
31. **COPYRIGHT.** The responder shall save and hold harmless the State of Minnesota, its officers, agents, servants and employees, from liability of any kind or nature, arising from the use of any copyrighted or not copyrighted composition, secret process, patented or not patented invention, article or appliance furnished or used in the performance of the Contract.
32. **SURVIVABILITY.** The following rights and duties of the State and responder will survive the expiration or cancellation of the resulting Contract(s). These rights and duties include, but are not limited to paragraphs Indemnification, Hold Harmless, and Limitation of Liability, State Audits, Government Data Practices, Governing Law, Jurisdiction and Venue, Intellectual Property, Indemnification, and Publicity.
33. **FUNDING OUT CLAUSE.** Notwithstanding any other cancellation clauses, the State may immediately terminate this Contract if it does not obtain funding from the Minnesota Legislature beyond June 30, or from another funding source, or if funding cannot be continued at a level sufficient to allow for the payment of the goods or services in the Contract, whether due to a lack of direct funding or agency reallocation of funding, or if operations of any paying entity are being discontinued. The State must provide the Contract Vendor with notice within a reasonable time after the decision is made to terminate the Contract. Termination will be by written or fax notice to the Contract Vendor.
- The State is not obligated to pay for any goods or service accepted or provided after notice and effective date of termination. However, the Contract Vendor will be entitled to payment for goods or services accepted or satisfactorily performed up until the effective date of the termination. The State will not be assessed any penalty if the Contract is terminated in accordance with this section.
34. **E-VERIFY CERTIFICATION.** For services in excess of \$50,000, the Contract Vendor certifies that as of the date of services performed on behalf of the State, the Contract Vendor and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. This is required by Minnesota Statutes Section 16C.075. The Contract Vendor shall be responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available on our MMD website. All subcontractor certifications must be kept on file with the Contract Vendor and made available to the State upon request.
35. **ELECTRONIC FUNDS TRANSFER (EFT) PAYMENT METHOD AND STRUCTURE.** In accordance with Minn. Stat. § 16A.40 the responder receiving the award of this Solicitation will be required to provide their bank routing information to the Department of Finance to enable payments to be made through EFT.
36. **PRODUCTS CONTAINING CERTAIN TYPES OF POLYBROMINATED DIPHENYL ETHER BANNED.** By signing and submitting a response to this solicitation, Contractor/Responder certifies that they have read and will comply with Minn. Stat. §§ 325E.385-325E.388.

325E.388 PENALTIES. A manufacturer who violates sections 325E.386 to 325E.388 is subject to a civil penalty not to exceed \$1,000 for each violation in the case of a first offense. A manufacturer is subject to a civil penalty not to exceed \$5,000 for each repeat offense. Penalties collected under this section must be deposited in an account in the special revenue fund and are appropriated in fiscal years 2008 and 2009 to the commissioner to implement and enforce this section.

37. **EXCESSIVE SERVICE.** Equipment that develops a trend of requiring excessive service calls shall be reported to the Contract Vendor by the agency as the situation warrants. Should the equipment, any accessories, or software become inoperable for a period of twenty four (24) consecutive working hours, the Contractor shall, at the agency's option provide at no charge a loaner or accessory of equal capability of the non performing piece of equipment while repairs are being completed.
38. **EVALUATION PERIOD.** Agencies will evaluate the performance of equipment within the first 30 calendar days after installation or longer as mutually agreed upon. If the equipment performance is unacceptable to the agency or not capable of handling the volume specified, the Contract Vendor, in addition to the Warranties and Remedies provided to eligible agencies under the WSCA/NASPO Master Price Agreement, agrees to replace the equipment with another contract equipment to meet the agency's needs. This will be done at no cost to the agency for installation and removal. The contract costs may change to reflect the cost of the new equipment based on contract pricing. The agency cannot use this provision to replace equipment from one Contract Vendor with equipment from another Contract Vendor, unless the Contract Vendor does not have equipment that will fulfill the original needs of the agency.
39. **WEBSITE.** Contract Vendor is required to develop and support a website specific to State of Minnesota, with content approved by the Acquisition Management Specialist. This website must be available through the internet without the use of additional software or licenses. The website must be kept up to date as products are added or deleted, or as product pricing decreases. Any updates or changes to the Contractor-provided web page(s) must not be made without prior approval from the State's Contract Administrator. The website will only be designed and activated following consultation and approval by the State. Within 60 days of Contract effective date, the Contractor must design and build a web page(s) accessible via the Internet. The website must be available 24 x 7, except for scheduled maintenance and be ADA compliant. No costs or expenses associated with providing this information shall be charged to the Participating Entity. The website shall include contract information, product information/catalog, pricing and other pertinent information as may be reasonably requested by the participating Entity.

State Of Minnesota – Affirmative Action Certification

If your response to this solicitation is or could be in excess of \$100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. **It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date and time of the bid or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification.**

BOX A – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to BOX B.

Your response will be rejected unless your business:

has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)

—or—

has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- We have a current Certificate of Compliance issued by the MDHR. **Proceed to BOX C. Include a copy of your certificate with your response.**
- We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on _____ (date). [If the date is the same as the response due date, indicate the time your plan was received: _____ (time). **Proceed to BOX C.**
- We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to BOX C. Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

Please note: Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

BOX B – For those companies not described in BOX A

Check below.

- We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. **Proceed to BOX C.**

BOX C – For all companies

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: Pitney Bowes Inc. Date _____

Authorized Signature: _____ Telephone number: 203-351-7866

Printed Name: Arthur E. Adams Jr. Title: Director, State and Local Contracts

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail: 190 East 5th St., Suite 700 St. Paul, MN 55101 TC Metro: (651) 296-5663 Toll Free: 800-657-3704
Web: www.humanrights.state.mn.us Fax: (651) 296-9042 TTY: (651) 296-1283
Email: employerinfo@therightsplace.net

POLICY REQUIREMENTS:

1. Workers' Compensation Insurance:

Statutory Compensation Coverage. Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Minimum limits of liability:

Coverage B – Employer's Liability
\$100,000 Bodily Injury by Disease per Employee
\$500,000 Bodily Injury by Disease Aggregate
\$100,000 Bodily Injury by Accident

If Minn. Stat. § 176.041 exempts the Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, the Contractor must provide a written statement, signed by the authorized signer of the Contract, stating the qualifying exemption that excludes the Contractor from MN Workers' Compensation requirements.

If during the course of the Contract the Contractor becomes eligible for Workers' Compensation, the Contractor must comply with the Workers' Compensation Insurance requirements included herein and provide the State of Minnesota with a certificate of insurance.

Evidence of Subcontractor insurance shall be filed with the Contractor.

2. Automobile Liability Insurance:

The Contractor shall maintain insurance to cover liability arising out of the ownership, operation, use or maintenance of all owned, hired and non-owned autos, and in case any work is subcontracted the Contractor will require the subcontractor to maintain Automobile Liability insurance.

A. Minimum Limits of Liability:

\$2,000,000 - Per Occurrence – Bodily Injury and Property Damage Combined Single Limit

B. Coverages:

- Owned Automobile
- Non-owned Automobile
- Hired Automobile

Evidence of Subcontractor insurance shall be filed with the Contractor.

3. General Liability Insurance:

The Contractor shall maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the Contract.

A. Minimum Limits of Liability:

\$2,000,000 - Per Occurrence
\$2,000,000 - Annual Aggregate
\$2,000,000 - Annual Aggregate applying to Products/Completed Operations

B. Coverages

- Premises and Operations Bodily Injury and Property Damage
- Personal & Advertising Injury
- Blanket Contractual
- Products and Completed Operations
- State of Minnesota named as an Additional Insured**

4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance:**

This policy will provide coverage for all claims the Contract Vendor or their Subcontractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contract Vendor's or their Subcontractor's operations under the contract.

Contract Vendor or their Subcontractor is required to carry the following **minimum** limits:

\$2,000,000 – per claim or event

\$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contract Vendor or their Subcontractor and may not exceed \$50,000 without the written approval of the State. If the Contract Vendor or their Subcontractor desires authority from the State to have a deductible in a higher amount, the Contract Vendor or their Subcontractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the State can ascertain the ability of the Contract Vendor or their Subcontractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Contract Vendor or their Subcontractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by Contract Vendor or Subcontractor to fulfill this requirement.

STATE OF MINNESOTA
DEPARTMENT OF ADMINISTRATION
MATERIALS MANAGEMENT DIVISION

TAXPAYER IDENTIFICATION

The Contract Vendor consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number to federal and State tax agencies and State personnel involved in the payment of State obligations. These identification numbers may be used in the enforcement of federal and State tax laws which could result in action requiring the Contract Vendor to file tax returns and pay delinquent tax liabilities, if any (Minn. Stat. § 270C.65).

Firm Name: Pitney Bowes Inc.

Address: 1 Elmcroft Road
Stamford, CT 06926-0700

Federal Employer ID Number or Social Security: 06-0495050

Minnesota State Tax ID Number: 8825550

Minnesota Vendor Registration Number: 194212

If you are not registered as a vendor to the State, you may register online at www.mmd.admin.state.mn.us/mn02000.htm.

(Note: If approved, you will receive your vendor number approximately three business days after you register.)

Are you a sole proprietorship? Yes No

Are you an independent contractor? Yes No

VPAT

Web Content Accessibility Guidelines 2.0 level AA

These forms are attached for reference only at this time. If requested, completion of this form is mandatory. You may prefer that technical staff complete this form.

NOTE: MN only adopted the standards that are level A and level AA. This list includes level AAA standards, which are optional.

Principle 1: Perceivable – information and user interface components must be presentable to users in ways they can perceive.

Standard	Description	Apply Yes/No	Meets Yes/No	Comments (mandatory)
Guideline 1.1 Text Alternatives: Provide text alternatives for any non-text content so that it can be changed into other forms people need, such as large print, braille, speech, symbols or simpler language.				
1.1.1	<p>Non-text Content: All non-text content that is presented to the user has a text alternative that serves the equivalent purpose, except for the situations listed below (Level A).</p> <ul style="list-style-type: none"> • Controls, Input: If non-text content is a control or accepts user input, then it has a name that describes its purpose. (Refer to Guideline 4.1 for additional requirements for controls and content that accepts user input.) • Time-Based Media: If non-text content is time-based media, then text alternatives at least provide descriptive identification of the non-text content. (Refer to Guideline 1.2 for the additional requirements for media.) • Test: If non-text content is a test or exercise that would be invalid if presented in text, then text alternatives at least provide descriptive identification of the non-text content. • Sensory: If non-text content is primarily intended to create a specific sensory experience, then text alternatives at least provide descriptive identification of the non-text content. • CAPTCHA: If the purpose of non-text content is to confirm that content is being accessed by a person rather than a computer, then text alternatives that identify and describe the purpose of the non-text content are provided, and alternative forms of CAPTCHA using output modes for different types of sensory perception are provided to accommodate different disabilities. • Decorative, Formatting, Invisible: If non-text content is pure decoration, is used only for visual formatting, or is not presented to users, then it is implemented in a way that it can be ignored by assistive technology. 			
Guideline 1.2 Time-based Media: Provide alternatives for time-based media.				
1.2.1	<p>Audio-only and Video-only (Prerecorded): For prerecorded audio-only and prerecorded video-only media, the following are true, except when the audio or video is a media alternative for text and is clearly labeled as such (Level A):</p> <ul style="list-style-type: none"> • Prerecorded Audio-only: An alternative for time-based media is provided that presents equivalent information for prerecorded audio-only content. • Prerecorded Video-only: Either an alternative for time-based media or an audio track is provided that presents equivalent information for prerecorded video-only content. 			
1.2.2	<p>Captions (Prerecorded): Captions are provided for all prerecorded audio content in synchronized media, except when the media is a media alternative for text and is clearly labeled as such. (Level A)</p>			

1.2.3	Audio Description or Media Alternative (Prerecorded): An alternative for time-based media or audio description of the prerecorded video content is provided for synchronized media, except when the media is a media alternative for text and is clearly labeled as such. (Level A)			
1.2.4	Captions (Live): Captions are provided for all live audio content in synchronized media. (Level AA)			
1.2.5	Audio Description (Prerecorded): Audio description is provided for all prerecorded video content in synchronized media. (Level AA)			
1.2.6	Sign Language (Prerecorded): Sign language interpretation is provided for all prerecorded audio content in synchronized media. (Level AAA)			
1.2.7	Extended Audio Description (Prerecorded): Where pauses in foreground audio are insufficient to allow audio descriptions to convey the sense of the video, extended audio description is provided for all prerecorded video content in synchronized media. (Level AAA)			
1.2.8	Media Alternative (Prerecorded): An alternative for time-based media is provided for all prerecorded synchronized media and for all prerecorded video-only media. (Level AAA)			
1.2.9	Audio-only (Live): An alternative for time-based media that presents equivalent information for live audio-only content is provided. (Level AAA)			

Guideline 1.3 Adaptable: Create content that can be presented in different ways (for example simpler layout) without losing information or structure.

1.3.1	Info and Relationships: Information, structure, and relationships conveyed through presentation can be programmatically determined or are available in text. (Level A)			
1.3.2	Meaningful Sequence: When the sequence in which content is presented affects its meaning, a correct reading sequence can be programmatically determined. (Level A)			
1.3.3	Sensory Characteristics: Instructions provided for understanding and operating content do not rely solely on sensory characteristics of components such as shape, size, visual location, orientation, or sound. (Level A)			

Guideline 1.4 Distinguishable: Make it easier for users to see and hear content including separating foreground from background.

1.4.1	Use of Color: Color is not used as the only visual means of conveying information, indicating an action, prompting a response, or distinguishing a visual element. (Level A)			
1.4.2	Audio Control: If any audio on a Web page plays automatically for more than 3 seconds, either a mechanism is available to pause or stop the audio, or a mechanism is available to control audio volume independently from the overall system volume level. (Level A)			
1.4.3	Contrast (Minimum): The visual presentation of text and images of text has a contrast ratio of at least 4.5:1, except for the following: (Level AA) <ul style="list-style-type: none"> • Large Text: Large-scale text and images of large-scale text have a contrast ratio of at least 3:1; • Incidental: Text or images of text that are part of an inactive user interface component, that are pure decoration, that are not visible to anyone, or that are part of a picture that contains significant other visual content, have no contrast requirement. • Logotypes: Text that is part of a logo or brand name has no minimum contrast requirement. 			
1.4.4	Resize text: Except for captions and images of text, text can be resized without assistive technology up to 200 percent without loss of content or functionality. (Level AA)			

1.4.5	<p>Images of Text: If the technologies being used can achieve the visual presentation, text is used to convey information rather than images of text except for the following: (Level AA)</p> <ul style="list-style-type: none"> • Customizable: The image of text can be visually customized to the user's requirements; • Essential: A particular presentation of text is essential to the information being conveyed. 			
1.4.6	<p>Contrast (Enhanced): The visual presentation of text and images of text has a contrast ratio of at least 7:1, except for the following: (Level AAA)</p> <ul style="list-style-type: none"> • Large Text: Large-scale text and images of large-scale text have a contrast ratio of at least 4.5:1; • Incidental: Text or images of text that are part of an inactive user interface component, that are pure decoration, that are not visible to anyone, or that are part of a picture that contains significant other visual content, have no contrast requirement. • Logotypes: Text that is part of a logo or brand name has no minimum contrast requirement. 			
1.4.7	<p>Low or No Background Audio: For prerecorded audio-only content that (1) contains primarily speech in the foreground, (2) is not an audio CAPTCHA or audio logo, and (3) is not vocalization intended to be primarily musical expression such as singing or rapping, at least one of the following is true: (Level AAA)</p> <ul style="list-style-type: none"> • No Background: The audio does not contain background sounds. • Turn Off: The background sounds can be turned off. • 20 dB: The background sounds are at least 20 decibels lower than the foreground speech content, with the exception of occasional sounds that last for only one or two seconds. 			
1.4.8	<p>Visual Presentation: For the visual presentation of blocks of text, a mechanism is available to achieve the following: (Level AAA)</p> <ul style="list-style-type: none"> • Foreground and background colors can be selected by the user. • Width is no more than 80 characters or glyphs (40 if CJK). • Text is not justified (aligned to both the left and the right margins). • Line spacing (leading) is at least space-and-a-half within paragraphs, and paragraph spacing is at least 1.5 times larger than the line spacing. • Text can be resized without assistive technology up to 200 percent in a way that does not require the user to scroll horizontally to read a line of text on a full-screen window. 			
1.4.9	<p>Images of Text (No Exception): Images of text are only used for pure decoration or where a particular presentation of text is essential to the information being conveyed. (Level AAA)</p>			

Principle 2: Operable - User interface components and navigation must be operable.

Standard	Description	Apply Yes/No	Meets Yes/No	Comments
<i>Guideline 2.1 Keyboard Accessible: Make all functionality available from a keyboard.</i>				
2.1.1	<p>Keyboard: All functionality of the content is operable through a keyboard interface without requiring specific timings for individual keystrokes, except where the underlying function requires input that depends on the path of the user's movement and not just the endpoints. (Level A)</p>			
2.1.2	<p>No Keyboard Trap: If keyboard focus can be moved to a component of the page using a keyboard interface, then focus can be moved away from that component using only a keyboard interface, and, if it requires more than unmodified arrow or tab keys or other standard exit methods, the user is advised of the method for moving focus away. (Level A)</p>			

2.1.3	Keyboard (No Exception): All functionality of the content is operable through a keyboard interface without requiring specific timings for individual keystrokes. (Level AAA)			
Guideline 2.2 Enough Time: Provide users enough time to read and use content.				
2.2.1	<p>Timing Adjustable: For each time limit that is set by the content, at least one of the following is true: (Level A)</p> <ul style="list-style-type: none"> • Turn off: The user is allowed to turn off the time limit before encountering it; or • Adjust: The user is allowed to adjust the time limit before encountering it over a wide range that is at least ten times the length of the default setting; or • Extend: The user is warned before time expires and given at least 20 seconds to extend the time limit with a simple action (for example, "press the space bar"), and the user is allowed to extend the time limit at least ten times; or • Real-time Exception: The time limit is a required part of a real-time event (for example, an auction), and no alternative to the time limit is possible; or • Essential Exception: The time limit is essential and extending it would invalidate the activity; or • 20 Hour Exception: The time limit is longer than 20 hours. 			
2.2.2	<p>Pause, Stop, Hide: For moving, blinking, scrolling, or auto-updating information, all of the following are true: (Level A)</p> <ul style="list-style-type: none"> • Moving, blinking, scrolling: For any moving, blinking or scrolling information that (1) starts automatically, (2) lasts more than five seconds, and (3) is presented in parallel with other content, there is a mechanism for the user to pause, stop, or hide it unless the movement, blinking, or scrolling is part of an activity where it is essential; and • Auto-updating: For any auto-updating information that (1) starts automatically and (2) is presented in parallel with other content, there is a mechanism for the user to pause, stop, or hide it or to control the frequency of the update unless the auto-updating is part of an activity where it is essential. 			
2.2.3	No Timing: Timing is not an essential part of the event or activity presented by the content, except for non-interactive synchronized media and real-time events. (Level AAA)			
2.2.4	Interruptions: Interruptions can be postponed or suppressed by the user, except interruptions involving an emergency. (Level AAA)			
2.2.5	Interruptions: Interruptions can be postponed or suppressed by the user, except interruptions involving an emergency. (Level AAA)			
Guideline 2.3 Seizures: Do not design content in a way that is known to cause seizures.				
2.3.1	Three Flashes or Below Threshold: Web pages do not contain anything that flashes more than three times in any one second period, or the flash is below the general flash and red flash thresholds. (Level A)			
2.3.2	Three Flashes: Web pages do not contain anything that flashes more than three times in any one second period. (Level AAA)			
Guideline 2.4 Navigable: Provide ways to help users navigate, find content, and determine where they are.				
2.4.1	Bypass Blocks: A mechanism is available to bypass blocks of content that are repeated on multiple Web pages. (Level A)			
2.4.2	Page Titled: Web pages have titles that describe topic or purpose. (Level A)			
2.4.3	Focus Order: If a Web page can be navigated sequentially and the navigation sequences affect meaning or operation, focusable components receive focus in an order that preserves meaning and operability. (Level A)			

2.4.4	Link Purpose (In Context): The purpose of each link can be determined from the link text alone or from the link text together with its programmatically determined link context, except where the purpose of the link would be ambiguous to users in general. (Level A)			
2.4.5	Multiple Ways: More than one way is available to locate a Web page within a set of Web pages except where the Web Page is the result of, or a step in, a process. (Level AA)			
2.4.6	Headings and Labels: Headings and labels describe topic or purpose. (Level AA)			
2.4.7	Focus Visible: Any keyboard operable user interface has a mode of operation where the keyboard focus indicator is visible. (Level AA)			
2.4.8	Location: Information about the user's location within a set of Web pages is available. (Level AAA)			
2.4.9	Link Purpose (Link Only): A mechanism is available to allow the purpose of each link to be identified from link text alone, except where the purpose of the link would be ambiguous to users in general. (Level AAA)			
2.4.10	Section Headings: Section headings are used to organize the content. (Level AAA)			

Principle 3: Understandable - Information and the operation of user interface must be understandable.

Standard	Description	Apply Yes/No	Meets Yes/No	Comments
<i>Guideline 3.1 Readable: Make text content readable and understandable.</i>				
3.1.1	Language of Page: The default human language of each Web page can be programmatically determined. (Level A)			
3.1.2	Language of Parts: The human language of each passage or phrase in the content can be programmatically determined except for proper names, technical terms, words of indeterminate language, and words or phrases that have become part of the vernacular of the immediately surrounding text. (Level AA)			
3.1.3	Unusual Words: A mechanism is available for identifying specific definitions of words or phrases used in an unusual or restricted way, including idioms and jargon. (Level AAA)			
3.1.4	Abbreviations: A mechanism for identifying the expanded form or meaning of abbreviations is available. (Level AAA)			
3.1.5	Reading Level: When text requires reading ability more advanced than the lower secondary education level after removal of proper names and titles, supplemental content, or a version that does not require reading ability more advanced than the lower secondary education level, is available. (Level AAA)			
3.1.6	Pronunciation: A mechanism is available for identifying specific pronunciation of words where meaning of the words, in context, is ambiguous without knowing the pronunciation. (Level AAA)			
<i>Guideline 3.2 Predictable: Make Web pages appear and operate in predictable ways.</i>				
3.2.1	On Focus: When any component receives focus, it does not initiate a change of context. (Level A)			
3.2.2	On Input: Changing the setting of any user interface component does not automatically cause a change of context unless the user has been advised of the behavior before using the component. (Level A)			
3.2.3	Consistent Navigation: Navigational mechanisms that are repeated on multiple Web pages within a set of Web pages occur in the same relative order each time they are repeated, unless a change is initiated by the user. (Level AA)			
3.2.4	Consistent Identification: Components that have the same functionality within a set of Web pages are identified consistently. (Level AA)			

3.2.5	Change on Request: Changes of context are initiated only by user request or a mechanism is available to turn off such changes. (Level AAA)			
Guideline 3.3 Input Assistance: Help users avoid and correct mistakes.				
3.3.1	Error Identification: If an input error is automatically detected, the item that is in error is identified and the error is described to the user in text. (Level A)			
3.3.2	Labels or Instructions: Labels or instructions are provided when content requires user input. (Level A)			
3.3.3	Error Suggestion: If an input error is automatically detected and suggestions for correction are known, then the suggestions are provided to the user, unless it would jeopardize the security or purpose of the content. (Level AA)			
3.3.4	Error Prevention (Legal, Financial, Data): For Web pages that cause legal commitments or financial transactions for the user to occur, that modify or delete user-controllable data in data storage systems, or that submit user test responses, at least one of the following is true: (Level AA) <ul style="list-style-type: none"> • Reversible: Submissions are reversible. • Checked: Data entered by the user is checked for input errors and the user is provided an opportunity to correct them. • Confirmed: A mechanism is available for reviewing, confirming, and correcting information before finalizing the submission. 			
3.3.5	Help: Context-sensitive help is available. (Level AAA)			
3.3.6	Error Prevention (All): For Web pages that require the user to submit information, at least one of the following is true: (Level AAA) <ul style="list-style-type: none"> • Reversible: Submissions are reversible. • Checked: Data entered by the user is checked for input errors and the user is provided an opportunity to correct them. • Confirmed: A mechanism is available for reviewing, confirming, and correcting information before finalizing the submission. 			

Principle 4: Robust - Content must be robust enough that it can be interpreted reliably by a wide variety of user agents, including assistive technologies.

Standard	Description	Apply Yes/No	Meets Yes/No	Comments
Guideline 4.1 Compatible: Maximize compatibility with current and future user agents, including assistive technologies.				
4.1.1	Parsing: In content implemented using markup languages, elements have complete start and end tags, elements are nested according to their specifications, elements do not contain duplicate attributes, and any IDs are unique, except where the specifications allow these features. (Level A)			
4.1.2	Name, Role, Value: For all user interface components (including but not limited to: form elements, links and components generated by scripts), the name and role can be programmatically determined; states, properties, and values that can be set by the user can be programmatically set; and notification of changes to these items is available to user agents, including assistive technologies. (Level A)			

VPAT

Section 508 of the Rehabilitation Act

If requested, completion of this form is mandatory. You may prefer that technical staff complete this form.

Software Applications and Operating Systems

Standard	Description	Apply Yes/No	Meets Yes/No	Comments (provide comments even when you determine that the standard doesn't apply to your product)
Section 508: 1194.21 Software Applications and Operating Systems				
(a)	When software is designed to run on a system that has a keyboard, product functions shall be executable from a keyboard where the function itself or the result of performing a function can be discerned textually.			
(b)	Applications shall not disrupt or disable activated features of other products that are identified as accessibility features, where those features are developed and documented according to industry standards. Applications also shall not disrupt or disable activated features of any operating system that are identified as accessibility features where the application programming interface for those accessibility features has been documented by the manufacturer of the operating system and is available to the product developer.			
(c)	A well-defined on-screen indication of the current focus shall be provided that moves among interactive interface elements as the input focus changes. The focus shall be programmatically exposed so that Assistive Technology can track focus and focus changes.			
(d)	Sufficient information about a user interface element including the identity, operation and state of the element shall be available to Assistive Technology. When an image represents a program element, the information conveyed by the image must also be available in text.			
(e)	When bitmap images are used to identify controls, status indicators, or other programmatic elements, the meaning assigned to those images shall be consistent throughout an application's performance.			
(f)	Textual information shall be provided through operating system functions for displaying text. The minimum information that shall be made available is text content, text input caret location, and text attributes.			
(g)	Applications shall not override user selected contrast and color selections and other individual display attributes.			
(h)	When animation is displayed, the information shall be displayable in at least one non-animated presentation mode at the option of the user.			
(i)	Color coding shall not be used as the only means of conveying information, indicating an action, prompting a response, or distinguishing a visual element.			
(j)	When a product permits a user to adjust color and contrast settings, a variety of color selections capable of producing a range of contrast levels shall be provided.			
(k)	Software shall not use flashing or blinking text, objects, or other elements having a flash or blink frequency greater than 2 Hz and lower than 55 Hz.			
(l)	When electronic forms are used, the form shall allow people using Assistive Technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.			

Web-based Internet information and communications

Standard	Description	Apply? Yes/No	Meets Yes/No	Comments
Section 508: 1194.22 Web-based Internet information and communications				
(a)	A text equivalent for every non-text element shall be provided (e.g., via "alt", "longdesc", or in element content).			
(b)	Equivalent alternatives for any multimedia presentation shall be synchronized with the presentation.			
(c)	Web pages shall be designed so that all information conveyed with color is also available without color, for example from context or markup.			
(d)	Documents shall be organized so they are readable without requiring an associated style sheet.			
(e)	Redundant text links shall be provided for each active region of a server-side image map.			
(f)	Client-side image maps shall be provided instead of server-side image maps except where the regions cannot be defined with an available geometric shape.			
(g)	Row and column headers shall be identified for data tables.			
(h)	Markup shall be used to associate data cells and header cells for data tables that have two or more logical levels of row or column headers.			
(i)	Frames shall be titled with text that facilitates frame identification and navigation.			
(j)	Pages shall be designed to avoid causing the screen to flicker with a frequency greater than 2 Hz and lower than 55 Hz.			
(k)	A text-only page, with equivalent information or functionality, shall be provided to make a web site comply with the provisions of this part, when compliance cannot be accomplished in any other way. The content of the text-only page shall be updated whenever the primary page changes.			
(l)	When pages utilize scripting languages to display content, or to create interface elements, the information provided by the script shall be identified with functional text that can be read by Assistive Technology.			
(m)	When a web page requires that an applet, plug-in or other application be present on the client system to interpret page content, the page must provide a link to a plug-in or applet that complies with §1194.21(a) through (l).			
(n)	When electronic forms are designed to be completed on-line, the form shall allow people using Assistive Technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.			
(o)	A method shall be provided that permits users to skip repetitive navigation links.			
(p)	When a timed response is required, the user shall be alert given sufficient time to indicate more time is required.			

Telecommunications products

Standard	Description	Apply? Yes/No	Meets Yes/No	Comments
Section 508: 1194.23 Telecommunications products				
(a)	Telecommunications products or systems which provide a function allowing voice communication and which do not themselves provide a TTY functionality shall provide a standard non-acoustic connection point for TTYs. Microphones shall be capable of being turned on and off to allow the user to intermix speech with TTY use.			
(b)	Telecommunications products which include voice communication functionality shall support all commonly used cross-manufacturer non-proprietary standard TTY signal protocols.			
(c)	Voice mail, auto-attendant, and interactive voice response telecommunications systems shall be usable by TTY users with their TTYs.			
(d)	Voice mail, messaging, auto-attendant, and interactive voice response telecommunications systems that require a response from a user within a time interval, shall give an alert when the time interval is about to run out, and shall provide sufficient time for the user to indicate more time is required.			
(e)	Where provided, caller identification and similar telecommunications functions shall also be available for users of TTYs, and for users who cannot see displays.			
(f)	For transmitted voice signals, telecommunications products shall provide a gain adjustable up to a minimum of 20 dB. For incremental volume control, at least one intermediate step of 12 dB of gain shall be provided.			
(g)	If the telecommunications product allows a user to adjust the receive volume, a function shall be provided to automatically reset the volume to the default level after every use.			
(h)	Where a telecommunications product delivers output by an audio transducer which is normally held up to the ear, a means for effective magnetic wireless coupling to hearing technologies shall be provided.			
(i)	Interference to hearing technologies (including hearing aids, cochlear implants, and assistive listening devices) shall be reduced to the lowest possible level that allows a user of hearing technologies to utilize the telecommunications product.			
(j)	Products that transmit or conduct information or communication, shall pass through cross-manufacturer, non-proprietary, industry-standard codes, translation protocols, formats or other information necessary to provide the information or communication in a usable format. Technologies which use encoding, signal compression, format transformation, or similar techniques shall not remove information needed for access or shall restore it upon delivery.			
(k1)	Products which have mechanically operated controls or keys shall comply with the following: Controls and Keys shall be tactilely discernible without activating the controls or keys.			

(k2)	Products which have mechanically operated controls or keys shall comply with the following: Controls and Keys shall be operable with one hand and shall not require tight grasping, pinching, twisting of the wrist. The force required to activate controls and keys shall be 5 lbs. (22.2N) maximum.			
(k3)	Products which have mechanically operated controls or keys shall comply with the following: If key repeat is supported, the delay before repeat shall be adjustable to at least 2 seconds. Key repeat rate shall be adjustable to 2 seconds per character.			
(k4)	Products which have mechanically operated controls or keys shall comply with the following: The status of all locking or toggle controls or keys shall be visually discernible, and discernible either through touch or sound.			

Video and Multi-media products

Standard	Description	Apply? Yes/No	Meets Yes/No	Comments
Section 508: 1194.24 Video and Multi-media products				
(a)	All analog television displays 13 inches and larger, and computer equipment that includes analog television receiver or display circuitry, shall be equipped with caption decoder circuitry which appropriately receives, decodes, and displays closed captions from broadcast, cable, videotape, and DVD signals. As soon as practicable, but not later than July 1, 2002, widescreen digital television (DTV) displays measuring at least 7.8 inches vertically, DTV sets with conventional displays measuring at least 13 inches vertically, and stand-alone DTV tuners, whether or not they are marketed with display screens, and computer equipment that includes DTV receiver or display circuitry, shall be equipped with caption decoder circuitry which appropriately receives, decodes, and displays closed captions from broadcast, cable, videotape, and DVD signals.			
(b)	Television tuners, including tuner cards for use in computers, shall be equipped with secondary audio program playback circuitry.			
(c)	All training and informational video and multimedia productions which support the agency's mission, regardless of format, that contain speech or other audio information necessary for the comprehension of the content, shall be open or closed captioned.			
(d)	All training and informational video and multimedia productions which support the agency's mission, regardless of format, that contain visual information necessary for the comprehension of the content, shall be audio described.			
(e)	Display or presentation of alternate text presentation or audio descriptions shall be user-selectable unless permanent.			

Self-Contained, Closed products

Standard	Description	Apply? Yes/No	Meets Yes/No	Comments
Section 508: 1194.25 Self-contained, Closed products				
(a)	Self contained products shall be usable by people with disabilities without requiring an end-user to attach Assistive Technology to the product. Personal headsets for private listening are not Assistive Technology.			
(b)	When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required.			
(c)	Where a product utilizes touchscreens or contact-sensitive controls, an input method shall be provided that complies with §1194.23 (k) (1) through (4).			
(d)	When biometric forms of user identification or control are used, an alternative form of identification or activation, which does not require the user to possess particular biological characteristics, shall also be provided.			
(e)	When products provide auditory output, the audio signal shall be provided at a standard signal level through an industry standard connector that will allow for private listening. The product must provide the ability to interrupt, pause, and restart the audio at anytime.			
(f)	When products deliver voice output in a public area, incremental volume control shall be provided with output amplification up to a level of at least 65 dB. Where the ambient noise level of the environment is above 45 dB, a volume gain of at least 20 dB above the ambient level shall be user selectable. A function shall be provided to automatically reset the volume to the default level after every use.			
(g)	Color coding shall not be used as the only means of conveying information, indicating an action, prompting a response, or distinguishing a visual element.			
(h)	When a product permits a user to adjust color and contrast settings, a range of color selections capable of producing a variety of contrast levels shall be provided.			
(i)	Products shall be designed to avoid causing the screen to flicker with a frequency greater than 2 Hz and lower than 55 Hz.			
(j1)	Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: The position of any operable control shall be determined with respect to a vertical plane, which is 48 inches in length, centered on the operable control, and at the maximum protrusion of the product within the 48 inch length on products which are freestanding, non-portable, and intended to be used in one location and which have operable controls.			
(j2)	Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: Where any operable control is 10 inches or less behind the reference plane, the height shall be 54 inches maximum and 15 inches minimum above the floor.			

(j3)	Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: Where any operable control is more than 10 inches and not more than 24 inches behind the reference plane, the height shall be 46 inches maximum and 15 inches minimum above the floor.			
(j4)	Products which are freestanding, non-portable, and intended to be used in one location and which have operable controls shall comply with the following: Operable controls shall not be more than 24 inches behind the reference plane.			

Desktop and Portable Computers

Standard	Description	Apply? Yes/No	Meets Yes/No	Comments
Section 508: 1194.26 Desktop and Portable Computers				
(a)	All mechanically operated controls and keys shall comply with §1194.23 (k) (1) through (4).			
(b)	If a product utilizes touchscreens or touch-operated controls, an input method shall be provided that complies with §1194.23 (k) (1) through (4).			
(c)	When biometric forms of user identification or control are used, an alternative form of identification or activation, which does not require the user to possess particular biological characteristics, shall also be provided.			
(d)	Where provided, at least one of each type of expansion slots, ports and connectors shall comply with publicly available industry standards			

Functional Performance Criteria

Standard	Description	Apply? Yes/No	Meets Yes/No	Comments
Section 508: 1194.31 Functional Performance Criteria				
(a)	At least one mode of operation and information retrieval that does not require user vision shall be provided, or support for Assistive Technology used by people who are blind or visually impaired shall be provided.			
(b)	At least one mode of operation and information retrieval that does not require visual acuity greater than 20/70 shall be provided in audio and enlarged print output working together or independently, or support for Assistive Technology used by people who are visually impaired shall be provided.			
(c)	At least one mode of operation and information retrieval that does not require user hearing shall be provided, or support for Assistive Technology used by people who are deaf or hard of hearing shall be provided			
(d)	Where audio information is important for the use of a product, at least one mode of operation and information retrieval shall be provided in an enhanced auditory fashion, or support for assistive hearing devices shall be provided.			
(e)	At least one mode of operation and information retrieval that does not require user speech shall be provided, or support for Assistive Technology used by people with disabilities shall be provided.			

(f)	At least one mode of operation and information retrieval that does not require fine motor control or simultaneous actions and that is operable with limited reach and strength shall be provided.			
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Information, Documentation, and Support

Standard	Description	Apply? Yes/No	Meets Yes/No	Comments
Section 508: 1194.41 Information, Documentation, and Support				
(a)	Product support documentation provided to end-users shall be made available in alternate formats upon request, at no additional charge			
(b)	End-users shall have access to a description of the accessibility and compatibility features of products in alternate formats or alternate methods upon request, at no additional charge.			
(c)	Support services for products shall accommodate the communication needs of end-users with disabilities.			

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

Pitney Bowes Global Financial Services LLC ("PBGFS") will serve as a sub-contractor under ADSP011-00000411 and will be the Lessor under this Fair Market Value Rental Terms and Condition Agreement. This Fair Market Rental Agreement cannot be used for Production Equipment Categories (Production Ink Jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment) awarded under ADSP011-00000411-7 to Pitney Bowes Inc. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own an Intellilink Control Center or Meter.

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

Monthly Billing:

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

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

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

L1. DEFINITIONS

L1.1 The following terms mean:

"Agreement" - the Order, your State's Participating Addendum, the WSCA/NASPO Master Agreement ADSP011-00000411-7, these terms and conditions, and any attached exhibits.

"Bank" - The Pitney Bowes Bank, Inc.

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

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

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

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

"Equipment" - the equipment listed on the Order, excluding any IntelliLink Control Center or Meter, and any standalone software.

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

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

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

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

"Master Agreement" - WSCA/NASPO Master Agreement ADSP011-00000411-7 Mail Room Equipment, Services and Support contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.

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

"PBGFS" - Pitney Bowes Global Financial Services LLC.

"PBI" - Pitney Bowes Inc.

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

"Postage Meter Rental Agreement" - an agreement governing the use and rental of an IntelliLink Control Center or Meter you enter into with us.

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

"SLA" - the Service Level Agreement.

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

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

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

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

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

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

L2. AGREEMENT

L2.1 You are leasing the Equipment listed on the Order. You will make each Monthly Payment by the due date shown on our invoice.

L2.2 You may not cancel this Rental for any reason except as expressly set forth in Sections L10 and L11 below.

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

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

L3. PAYMENT TERMS AND OBLIGATIONS

L3.1 We will invoice you in arrears each month for all payments on the Order (each, a "Monthly Payment"), except as provided in any SOW attached to this Agreement.

L3.2 Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired Rental, and other costs for an amount not to exceed \$2,500.

L3.3 If you request, your IntelliLink® Control Center/Meter Rental fees, Service Level Agreement fees, and Soft-Guard® payments ("PBI Payments") will be included with your Monthly Payment and begin with the start of the Rental Term. Your Monthly Payment will increase if your PBI Payments increase.

L4. EQUIPMENT OWNERSHIP

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

L5. RENTAL TERM

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

L6. END OF RENTAL OPTIONS

L6.1 During the 90 days prior to the end of your Rental, you may, if not in default, select one of the following options:

- (a) enter into a new Rental with us;
- (b) purchase the Equipment "as is, where is" for fair market value; or
- (c) return the Equipment, IntelliLink Control Center and/or Meter in its original condition, reasonable wear and tear excepted. If you return the Equipment, IntelliLink Control Center and/or Meter, at our option you will either (i) properly pack them and insure them for their full replacement value (unless you are enrolled in the ValueMAX® program) and deliver them aboard a common carrier, freight prepaid, to a destination within the United States that we specify, or (ii) properly pack and return them in the return box and with the shipping label provided by us and, in either case, pay us our then applicable processing fee.

L6.2 If you do not select one of the options in Section L6.1, you shall be deemed to have agreed to enter into month to month extensions of the term of this Agreement. You may opt to cease the automatic extensions by providing us with written notice within 60 days (but no less than 30 days or such shorter period as may be contemplated by law) prior to the expiration of the then-current term of this Agreement. Upon cancellation, you agree to either return all items pursuant to Section L6.1(c) or purchase the Equipment.

L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

L7.3 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT, AND PBI WILL HAVE ONLY SUCH LIABILITY AS SET FORTH IN THE MASTER AGREEMENT.

L8. EQUIPMENT OBLIGATIONS

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

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

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

9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the date of delivery from PBI until the end of the Rental Term (including any extensions), regardless of cause, ordinary wear and tear excepted ("Loss").

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

(c) You will keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice ("Insurance").

L9.2 ValueMAX Program.

- (a) If you do not provide evidence of insurance and have not enrolled in our own program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.
- (b) We will provide written notification reminding you of your insurance obligations described above in Section L9.1(c).
- (c) If you do not respond with evidence of insurance within the time frame specified in the notification we may immediately include the Equipment in the ValueMAX program.
- (d) If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.
- (e) If we are required to repair or replace the Equipment under the ValueMAX program and we fail to do so within 20 days of receiving your written notice of loss or damage, you may terminate this Rental.
- (f) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Rental, this program or its associated fees, nor are they overseeing our financial condition.

L10. NON-APPROPRIATION

L10.1 See Master Agreement – Non Appropriations

L11. EARLY TERMINATION

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

Cancelable Rentals – Cancel with three month penalty on rental payment per the Master Agreement.

L12. MISCELLANEOUS

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

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

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

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

L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSP011-00000411, this Agreement shall prevail.

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

L12.7 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third party software.

L 12.8 The Connect+ Series Equipment may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ Series Equipment and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

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

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSPO11-00000411 and will be the Lessor under this Fair Market Value Lease Terms and Condition Agreement. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own an Intellilink Control Center or Meter.

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

Monthly Billing:

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

L1. DEFINITIONS

L1.1 The following terms mean:

"Agreement" - the Order, your State's Participating Addendum, the WSCA/NASPO Master Agreement ADSPO11-00000411-7, these terms and conditions, and any attached exhibits.

"Bank" - The Pitney Bowes Bank, Inc.

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

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

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

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

"Equipment" - the equipment listed on the Order, excluding any IntelliLink Control Center or Meter, and any standalone software.

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

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

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

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

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

"Master Agreement" - WSCA/NASPO Master Agreement ADSPO11-00000411-7 Mail Room Equipment, Services and Support contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or best and final offer.

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

"PBGFS" - Pitney Bowes Global Financial Services LLC.

"PBI" - Pitney Bowes Inc.

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

"Postage Meter Rental Agreement" - an agreement governing the use and rental of an Intellilink Control Center or Meter you enter into with us.

"SLA" - the Service Level Agreement.

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

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

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

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

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

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

L2. AGREEMENT

L2.1 You are leasing the Equipment listed on the Order. You will make each Monthly Payment by the due date shown on our invoice.

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

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

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

L3. PAYMENT TERMS AND OBLIGATIONS

L3.1 We will invoice you in arrears each month for all payments on the Order (each, a "Monthly Payment"), except as provided in any SOW attached to this Agreement.

L3.2 Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired lease, and other costs for an amount not to exceed \$2,500.

L3.3 If you request, your IntelliLink® Control Center/Meter Rental fees, Service Level Agreement fees, and Soft-Guard® payments ("PBI Payments") will be included with your Monthly Payment and begin with the start of the Lease Term. Your Monthly Payment will increase if your PBI Payments increase.

L4. EQUIPMENT OWNERSHIP

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

L5. LEASE TERM

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

L6. END OF LEASE OPTIONS

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

- (a) enter into a new lease with us;
- (b) purchase the Equipment "as is, where is" for fair market value; or
- (c) return the Equipment, IntelliLink Control Center and/or Meter in its original condition, reasonable wear and tear excepted. If you return the Equipment, IntelliLink Control Center and/or Meter, at our option you will either (i) properly pack them and insure them for their full replacement value (unless you are enrolled in the ValueMAX® program) and deliver them aboard a common carrier, freight prepaid, to a destination within the United States that we specify, or (ii) properly pack and return them in the return box and with the shipping label provided by us and, in either case, pay us our then applicable processing fee.

L6.2 If you do not select one of the options in Section L6.1, you shall be deemed to have agreed to enter into successive month to month extensions of the term of this Agreement. You may opt to cease the automatic extensions by providing us with written notice within 60 days (but no less than 30 days or such shorter period as may be contemplated by law) prior to the expiration of the then-current term of this Agreement. Upon cancellation, you agree to either return all items pursuant to Section L6.1(c) or purchase the Equipment.

L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

L7.3 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT, AND PBI WILL HAVE ONLY SUCH LIABILITY AS SET FORTH IN THE MASTER AGREEMENT.

L8. EQUIPMENT OBLIGATIONS

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

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

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

9. RISK OF LOSS AND VALUEMAX® PROGRAM

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

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the Delivery Date from PBI until the end of the Lease Term (including any extensions), regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of the occurrence of any Loss.
- (c) You will keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice ("Insurance").

L9.2 ValueMAX Program.

- (a) If you do not provide evidence of insurance and have not enrolled in our own program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.

- (b) We will provide written notification reminding you of your insurance obligations described above in Section L9.1(c).
- (c) If you do not respond with evidence of insurance within the time frame specified in the notification we may immediately include the Equipment in the ValueMAX program.
- (d) If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.
- (e) If we are required to repair or replace the Equipment under the ValueMAX program and we fail to do so within 20 days of receiving your written notice of loss or damage, you may terminate this Lease.
- (f) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

L10. NON-APPROPRIATION

L10.1 See Master Agreement – Non Appropriations

L11. EARLY TERMINATION

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

L12. MISCELLANEOUS

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

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

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

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

L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSPO11-0000411, this Agreement shall prevail.

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

L12.7 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third party software.

L 12.8 The Connect+ Series Equipment may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ Series Equipment and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

AG: #3143918-v1

Pitney Bowes Inc.

Contract # 48227; WSCA/NASPO ADSP011-00000411-7

Authorized End User License Agreements ("EULA") / Software Licenses

Pitney Bowes MAILING, FOLDING / INSERTING, ADDRESSING, PACKAGE TRACKING / SHIPPING EQUIPMENT PRODUCTS:

1) BM EULA SMA Accounting for Mailing Machines Business Manager Products

This agreement is used for Postage Accounting Products that provide end users the ability to accurately account for all postage processed through their mailing systems. These solutions eliminate time and error issues associated with manually tracking postage costs to agencies via an automated postage accounting solution.

2) PBDS SLMA January 2010: Sendsuite / Ascent Products

This agreement is used for Distribution Solutions Products that provide end users the ability to rate, ship and track letters, parcels and packages from carriers like USPS, UPS, FedEx etc. These solutions provide the agencies postage and carrier cost savings by comparing different carrier rates that are based on size, weight and delivery dates.

3) PBDS SLMA January 2010: Arrival Package Tracking Products

This agreement is used for Mail Tracking Software Products that allows end users to track First-Class and Standard-Class mail and view online reports that show where such mail is in the mail stream and when it's been delivered. These solutions allow agencies to track all mail put into the USPS mail stream from point of mailing to point of delivery.

4) Sendsuite Live Software License / Maintenance Agreement: Sendsuite Live Products

This agreement is used for high volume integrated shipping systems that process outgoing packages and parcels.

5) Eula-addressright pro US- 06-15-07 click wrap license i0069016, Smartmailer clickwrap eula, and PB first master software license agreement-- form c0021240: Addressing Products

This agreement is used for High Volume Tabletop Inserters when combined with Address Cleansing Software Products that allows end users to cleanse address databases to ensure the correct delivery address is assigned, and can also provide the agencies USPS postal discount savings for qualified pieces mailed.

DMT PRODUCTS Include High Volume Console Inserting or Sorting Solutions:

DMT Inserters Production Category - no products in this category require software license

DIRECT CONNECT software is embedded in and is a perpetual license granted when equipment purchased.

IntelliLink Software may be required in certain cases.

DMT Folder Inserters Production Category - all DMT software is imbedded in the hardware / RD License agreement DC Verify and DF Works require **New Master Software License Agreement.**

DMT Software License& Subscription Category - any DMT product codes beginning with RD, SL or SR the software licenses are imbedded in the hardware

(Imbedded) Software License Maintenance Agreement ((010046) rev 06 30

Master Software License Agreement may apply. Reseller agreement DPV LACS license may apply for certain types of sorters.

DMT Presorting Equipment Category - software licenses required / SD-SR-SI License agreement

(Imbedded) Software License Maintenance Agreement (010046) rev 06.30

Reseller Agreement DPV LACS license may apply for certain types of sorters.

Your Business Information

Customer PO #	Date Prepared		
Customer Name	Tax ID # (FEIN/TIN)		
Billing Address: Street	City	State	ZIP+4
Contact Name	Contact Phone #	Billing ID #	
Installation Address (if different from billing address): Street City		State	ZIP+4
Fiscal Period (from - to)		Delivery CAN #	
Please note any special billing requirements here		Location ID#	

Your Business Needs

Item	Description	Program ID	Fee
Total Fees:			

Postage By Phone® Information

Postage Account Statements will be sent to:	Initial Postage to be provided by:	
Customer Name:	Check Number:	Check Date:
Billing Address (if different from billing above): Street	Reserve Account \$:	Purchase Power®\$:
City State ZIP+4	Master Postage Account Number To Be Assigned:	
Billing Contact Name:	Postage By Phone Reset Charge:	\$ _____/ea. if applicable

Your Payment Plan

Initial Term	Quarterly Fee*	<input type="checkbox"/> Soft-Guard® Subscription	Tax Exempt
		Annual Fee:	() State () County () City
			() Tax Exempt Certificate Attached
			() Tax Exempt Certificate Not Required

*Plus applicable taxes which will be applied at time of billing

Your Signature

By your signature below, you agree to be bound by this Postage Meter Rental Agreement (this "Rental"). This Rental is made and entered into pursuant to your State's/Entity's Participating Addendum, which is made in connection with the WSCA/NASPO Contract # ADSP011-0000411-7 ("Agreements"), all of which are available at www.pb.com/states. The terms and conditions of the Agreements govern this transaction, and in the event of any inconsistency with this Rental, the Agreements will supersede this Rental.

Customer Signature	Date	State's/Entity's Participating Addendum #
Print Name	Title	Email Address

Sales Information

Rep Name	Rep#	District #
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WSCA/NASPO ADSP011-0000411-7 POSTAGE METER RENTAL TERMS AND CONDITIONS

1. DEFINITIONS

As used in this Agreement, the following terms mean:

"Agreement" – the Order, the State Participating Addendum, the WSCA/NASPO Master Agreement ADSP011-0000411-7, these terms and conditions, and any attached exhibits.

"Bank" - The Pitney Bowes Bank, Inc.

"Consumable Supplies" - ink, printheads, belts, ink rollers, sealer and moistener brushes, bulbs, felts, sponges, and similar items.

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

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

"IntelliLink® Subscription" – IntelliLink® Control Center (Meter) rental.

"NASPO" - National Association of State Procurement Officials

"Order" - the cover page to this Agreement.

"PBGFS" - Pitney Bowes Global Financial Services LLC.

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

"State Participating Addendum" – The addendum to the WSCA Master Agreement entered into by the State for which the customer is an eligible entity and Pitney Bowes Inc.

"WSCA" - Western States Contracting Alliance.

"WSCA Master Agreement" or **"WSCA ADSP011-0000411-7"** – WSCA Cooperative Agreement for Mailing Equipment and Maintenance led by the State of Arizona.

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

2. INTELLILINK® SUBSCRIPTION (METER RENTAL)

2.1 Fees

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

2.2 Postage

- To obtain postage for your Meter, you must contact our POSTAGE BY PHONE® data center.
- You may transfer funds to the Bank for deposit into a Postage By Phone® Reserve Account which you maintain at the Bank ("your Reserve Account") or you may transfer funds to the United States Postal Service ("USPS") through a lockbox bank ("Lockbox Bank"). See section U1 for details.
- If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), we will advance payment on your behalf to USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your IntelliLink® Subscription fees.
- If you purchase postage through a Lockbox Bank, the USPS is responsible for refunds of unused postage and those refunds will be made in accordance with then current USPS regulations.

2.3 Terms of Use; Federal Regulations

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

2.4 Care and Risk of Loss

- You agree to take proper care of the Meter(s).
- You assume all risk of loss or damage to the Meter while you have possession.
- Upon ending this Agreement, you agree to deliver the Meter to us in good condition except for normal wear.

2.5 Rate Updates and Soft-Guard® Program

- Your Meter may require periodic rate information updates that you can obtain under our Soft-Guard® program.
- The Soft-Guard® Subscription, we will provide up to 6 rate updates during each 12 month period following the date of installation.
- We will provide rate updates only if required due to a postal or carrier change in rate, service, Zip Code or zone change.
- Your Soft-Guard® Subscription does not cover any change in rates due to custom rate changes, new classes of carrier service, or a change in Zip Code or zone due to equipment relocation.
- You can also renew the Soft-Guard® Subscription by contacting the Customer Care Center at 1-800-228-1071 (M-F 8:30am - 5:30pm CST).

2.6 Repair or Replacement

- If the Meter malfunctions or fails due to reasons other than your negligence or accident, usage which exceeds our recommendations, virus contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, service by anyone other than us, or the use of third party supplies (such as third party ink) resulting in damage to our Meter, we will repair or replace the Meter.
- REPAIR OR REPLACEMENT IS YOUR SOLE REMEDY.

2.7 LIMITATION OF LIABILITY

See – WSCA Master Price Agreement

2.8 Collection of Information

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

3. VALUE BASED SERVICES

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

3.1 Fees

- (a) Any fees charged by the USPS for any Value Based Service you purchase is payable by you in the same way that you pay for postage.
 - (b) The USPS is solely responsible for its services.
 - (c) We are not responsible for any malfunctions of any part of the communication link connecting the IntelliLink[®] Control Center with the USPS data system.
- 3.2 THE VALUE BASED SERVICES PROVIDED BY THE USPS ARE PROVIDED WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE ARE NOT LIABLE FOR ANY DAMAGES YOU MAY INCUR BY REASON OF YOUR USE OF THE VALUE BASED SERVICES PROVIDED BY THE USPS, INCLUDING INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES.
- 3.3 Ending the Value Based Services. We have the right to terminate the Value Based Services if the USPS discontinues offering the service or you breach your obligations under this Agreement and fail to cure the breach within thirty (30) days after you have been notified of it in writing.
4. **EMBEDDED SOFTWARE**
- 4.1 Our Equipment may contain embedded software. You agree that: (i) PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) you are licensed only to use the embedded software with our Equipment in which the embedded software resides; (iii) you will not copy, modify, de-compile, or otherwise

attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; (iv) you will not distribute or otherwise disclose the embedded software (or any portion thereof) to any other person; and (v) you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software, which, notwithstanding the above, is subject to any terms that may accompany such third party software.

5. **INTERNET ACCESS POINT**

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

6. **ENDING THIS AGREEMENT**

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

United States Postal Service **ACKNOWLEDGMENT OF DEPOSIT**

U1. UNITED STATES POSTAL SERVICE ACKNOWLEDGMENT OF DEPOSIT

U1.1 In connection with your use of a Postage Evidencing System as defined in the Code of Federal Regulations ("CFR"), you may transfer funds to the USPS through a lockbox bank (the "Lockbox Bank") for the purpose of prepayment of postage on Postage Evidencing Systems, generating evidence of postage, both PC Postage and meters (a "Deposit"), or you may transfer funds to the Bank for deposit into a Postage By Phone® Reserve Account ("your Reserve Account") which you maintain at the Bank. U1.2 To the extent you deposit funds in advance of the use of any evidence of postage, you may, from time to time, make Deposits in the Lockbox Bank account identified as "United States Postal Service CMRS-PB" or make deposits in your Reserve Account, in either case through electronic means, including Automated Clearinghouse Transfers. The USPS may, at its discretion, designate itself or a successor as recipient of Deposits made by you to the Lockbox Bank account described above. U1.3 Any deposit made by you in your Reserve Account is subject to the Postage By Phone® Reserve Account – Agreement and Disclosure Statement governing your Reserve Account. U1.4 Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment of evidence of postage. Such Deposits may be commingled with Deposits of other customers. You shall not receive or be entitled to any interest or other income earned on such Deposits. U1.5 The USPS will provide a refund to you for the remaining account balances of Deposits held by the USPS. These refunds are provided in accordance with the rules and regulations governing deposit of funds for evidence of postage, published in the CFR. U1.6 The Lockbox Bank, which shall collect funds on behalf of the USPS, shall provide PBI, on each business day, information as to the amount of each Deposit made to the USPS by you, so that PBI can update its records. U1.7 PBI may deposit funds on your behalf. The USPS will make no advances of funds to you. Any relationship concerning advances of funds is between you and PBI, PBGFS and/or the Bank. U1.8 You acknowledge that the terms of this Acknowledgement may be changed, modified, or revoked by the USPS, with appropriate notice. U1.9 Postal Regulations governing the deposit of funds are published in the CFR or its successor. You acknowledge that you shall be subject to all applicable rules, regulations, and orders of the USPS, including future changes to such rules, regulations, and orders, and such additional terms and conditions as may be determined in accordance with applicable law. The USPS rules, regulations, and orders shall prevail in the event of any conflict with any other terms and conditions applicable to any Deposit.