



North Carolina  
Department of Administration  
Division of Purchase & Contract

Machelle Sanders  
Secretary

Odessa McGlown  
State Purchasing Officer

**CONTRACT AMENDMENT**

**AMENDMENT # 1 TO STATEWIDE TERM CONTRACT NUMBER 600A**

**July 29, 2019**

Pursuant to **Statewide Term Contract Number 600A for Mailing Equipment, Supplies & Maintenance (NASPO ValuePoint # ADSP016-169897)**, the Department of Administration, Division of Purchase and Contract and Pitney Bowes Inc., herein after referred to as the "Parties", mutually agree to:

- Pricebook updates as referenced in the e-mail dated July 23, 2019. The updated pricebook effective as of the date of this Amendment #1 may be found at [www.pb.com/states/NorthCarolina](http://www.pb.com/states/NorthCarolina).
- Effective as of the date of execution of this Amendment No. 1, Attachments A.1, A.2, A.3, and B are hereby replaced with Attachments A.1 (July 2019), A.2 (July 2019), A.3 (July 2019) and B (July 2019) solely with respect to equipment installed and leases entered into after the effective date of this Amendment No. 1.

Both changes will become effective upon the execution of this amendment. It is the intent of this amendment to address the provision(s) noted only, and in no way should this amendment be construed to further modify this contract. All other terms and conditions remain the same. Please indicate acceptance by your signature below.

**PITNEY BOWES INC.**

Authorized Signature

Arthur E. Adams Jr.  
Director, Government Contract Compliance

Name and Title (Print)

August 30, 2019

Date

**DIVISION OF PURCHASE AND CONTRACT**

Authorized Signature

Grant F. Braley, State Procurement Manager

Name and Title (Print)

September 3, 2019

Date

**DIVISION OF PURCHASE AND CONTRACT**

Authorized Signature

Avery Johnson, Acting Deputy State  
Purchasing Officer

Name and Title (Print)

9/4/19

Date

## Attachment A.1

(July, 2019)

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

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

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

#### Monthly Rate Factors:

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

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

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

#### L1. DEFINITIONS

L1.1 The following terms mean:

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

"Bank" - The Pitney Bowes Bank, Inc.

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

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

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

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

"End User" - A state agency or entity or local government or other entity lawfully leasing Equipment and procuring services under this Agreement.

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

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

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

"Meter" - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P and C series mailing system, the postal security device that accounts for an enables postage to be purchased and printed ("PSD) and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine.

"Meter Services" means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations ("CFR"); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in Section 2.6 of the Equipment Rental and Meter Services Terms and Conditions; and the Softguard Program outlined in Section 2.5 of the Equipment Rental and Meter Services Terms and Conditions

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

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

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

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

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

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

**"PBI"** - Pitney Bowes Inc

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

**"Postage Equipment Rental and Meter Services Agreement"** – an agreement governing Equipment Rental and Meter Services you enter into with us.

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

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

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

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

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

**"Using Agency"** – The State agency or other authorized entity entering into a lease under this Agreement. Also referred to as Purchasing Entity.

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

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

**"You," "Your," "Lessee," or "Customer"** – in the context of the terms and conditions of the PA, the State; but in the context of leases, the Using Agency or Purchasing Entity identified on the Order.

## L2. AGREEMENT

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

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

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

L2.4 You authorize us to file a Uniform Commercial Code financing

statement naming you as debtor/lessee with respect to the Equipment.

## L3. PAYMENT TERMS

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

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

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

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

## L4. EQUIPMENT OWNERSHIP

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

## L5. TERM

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

## L6. SURRENDER OF EQUIPMENT

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

## L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

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

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

#### L8. EQUIPMENT OBLIGATIONS

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

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

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

#### L9. RISK OF LOSS

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.  
  
To protect the equipment from loss, you shall self-insure against loss, for its full replacement value.

#### L10. NON-APPROPRIATION

L10. See Master Agreement - Section 7.2 State of Arizona Uniform Terms and Conditions, Par 4.4. Availability of Funds for the Next State fiscal year and Par 4.5. Availability of Funds for the current State fiscal year. See Participating Addendum Section 4 i.

#### L11. REPRESENTATIONS

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

#### L12. MISCELLANEOUS

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

L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT, THE METER OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH WILL NOT BE UNREASONABLY WITHHELD, subject to the State legislature reorganizing the Using Agency and upon prior written notice to PBI.

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

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

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

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

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

L12.7 The terms and conditions in this Lease Agreement apply to the extent they are not in conflict with the Participating Addendum .

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

L12.9 We will provide you with a welcome letter by email.

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

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

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

**Monthly Rate Factors:**

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

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

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

## L1. DEFINITIONS

L1.1 The following terms mean:

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

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

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

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

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

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

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

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

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

**"Meter"** any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P and C series mailing system, the postal security device that accounts for an enables postage to be purchased and printed ("PSD") and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine.

**"Meter Services"** means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations ("CFR"); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in Section 2.6 of the Equipment Rental and Meter Services Terms and Conditions; and the Softguard Program outlined in Section 2.5 of the Equipment Rental and Meter Services Terms and Conditions.

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

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

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

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

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

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

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

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

**"Postage Equipment Rental and Meter Services Agreement"** - an agreement governing the Equipment Rental and Meter Services you enter into with us.

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

**"SLMA"** - a Software License and Maintenance Agreement you

enter into with us

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

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

**"Using Agency"** - The State agency or other authorized entity entering into a lease under this Agreement. Also referred to as Purchasing Entity

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

**"You," "Your," "Lessee," or "Customer"** - in the context of the terms and conditions of the PA, the State; but in the context of leases, Using Agency or Purchasing Entity identified on the Order.

## L2. AGREEMENT

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

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

L2.3 If you do not pay the fees when due or you do not comply with the Agreement and fail to cure the same within thirty (30) days of receipt of written notice thereof, we may disable the Meter, terminate the Agreement, relake 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.

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

## L3. PAYMENT TERMS AND OBLIGATIONS

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

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

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

## L4. EQUIPMENT OWNERSHIP

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

## L5. LEASE TERM

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

## L6. END OF LEASE OPTIONS

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

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



us.

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

## L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

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

## L8. EQUIPMENT OBLIGATIONS

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

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

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

## L9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

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

## L10. NON-APPROPRIATION

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

## L11. EARLY TERMINATION

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

Cancelable Lease – Cancel with the payment of a fee equal to three months rent per the Master Agreement.

## L12. MISCELLANEOUS

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

L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD. ANY ASSIGNMENT WITHOUT OUR CONSENT IS VOID, subject to the State legislature reorganizing the Using Agency and upon prior written notice to PBI.

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 The terms and conditions in this Lease Agreement apply to the extent they are not in conflict with the Participating Addendum .

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

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

L12.8 The Connect+ or SendPro™ P and C series mailing system may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ or SendPro™ P and C series mailing system and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

L12.9 We will provide you with a welcome letter by email.



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

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

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

**Monthly Rate Factors:**

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

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

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

## L1. DEFINITIONS

### L1. DEFINITIONS

#### L1.1 The following terms mean:

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

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

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

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

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

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

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

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

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

**Meter** - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P or C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed ("PSD"), and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine.

**Meter Services** means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations ("CFR"); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in Section 2.6 of the Equipment Rental and Meter Services Terms and Conditions; and the Softguard Program outlined in Section 2.5 of the Equipment Rental and Meter Services Terms and Conditions.

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

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

**Master Agreement** - NASPO ValuePoint Master Agreement ADSPO16-169897, as amended, Mail Room Equipment, Supplies and Maintenance contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications

and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.

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

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

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

**PBI** - Pitney Bowes Inc.

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

**Postage Equipment Rental and Meter Services Agreement** - an agreement governing the Equipment rental and Meter Services you enter into with us

**SLA** - the Service Level Agreement.

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

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

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

**Using Agency** - The State agency or other authorized entity entering into a lease under this Agreement. Also referred to as Purchasing Entity.

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

**You**, **Your**, **Lessee**, or **Customer** - in the context of the terms and conditions of the PA, the State; but in the context of leases, the Using Agency or Purchasing Entity identified on the Order.

## L2. AGREEMENT

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

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

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

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

### L3. PAYMENT TERMS

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

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

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

### L4. EQUIPMENT OWNERSHIP

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

### L5. LEASE TERM

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

### L6. END OF LEASE OPTIONS

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

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

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

### L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

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

### L8. EQUIPMENT OBLIGATIONS

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

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

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

## L9. RISK OF LOSS AND VALUEMAX<sup>®</sup> PROGRAM

### L9.1 Risk of Loss.

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

## L10. NON-APPROPRIATION

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

## L11. EARLY TERMINATION

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

## L12. MISCELLANEOUS

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

### L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT

OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD. ANY ASSIGNMENT WITHOUT OUR CONSENT IS VOID.,subject to the State legislature reorganizing the Using Agency and upon prior written notice to PBI.

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 Lease Agreement, your State's Participating Addendum and the Master Agreement ADSP016-169897, as amended, this Lease Agreement shall prevail.

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

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

(i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides;

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

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

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

## ATTACHMENT B

(July, 2019)

These terms of use are attached to and incorporated in the State of NC Participating Addendum (State Term Contract 600A) under the NASPO Master Agreement #: ADSPO16-169897.

### 1. DEFINITIONS

As used in this Agreement, the following terms mean:

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

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

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

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

**"Meter"** - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P and C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed ("PSD") and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine.

**"Meter Services"** means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations ("CFR"); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in Section 2.6 of the Equipment Rental and Meter Services Terms and Conditions; and the Softguard Program outlined in Section 2.5 of the Equipment Rental and Meter Services Terms and Conditions.

**"Master Agreement"** – NASPO ValuePoint Master Agreement ADSPO16-169897 Mail Room Equipment, Services and Maintenance contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.

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

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

**"PBGFS"** - Pitney Bowes Global Financial Services LLC or a

wholly-owned subsidiary of Pitney Bowes Inc.

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

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

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

**"Using Agency"** – The State agency or other authorized entity entering into a lease under this Agreement. Also referred to as Purchasing Entity.

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

**"You," "Your," "Lessee," or "Customer"** – in the context of the terms and conditions of the PA, the State; but in the context of leases, the Using Agency or Purchasing Entity identified on the Order.

### 2. EQUIPMENT RENTAL AND METER SERVICES

#### 2.1 Fees

- (a) We will invoice you the Equipment rental ("rental") and Meter Services fees listed on the Order.
- (b) After the Initial Term, we may increase the rental and and/or Meter Services fees in accordance with the Master Agreement.
- (d) When you receive notice of an increase, you may terminate your rental and Meter Services as of the date the increase becomes effective.
- (e) If you do not pay the fees when due or you do not comply with the Agreement, we may disable the Meter, terminate the Agreement, retake the Meter, and collect from you all fees due through the termination date of the Agreement.
- (f) You are responsible for paying any taxes on the Meter and services, including sales and use tax, unless a valid tax exemption certification acceptable to the applicable taxing authority is provided.

#### 2.2 Postage

- (a) You may transfer funds to the Bank for deposit into your Reserve Account or you may transfer funds to the United States Postal Service ("USPS") through a lockbox bank ("Lockbox Bank"). See section U1 for details.
- (b) If you participate in any optional PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), we will advance payment on your behalf to USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter Services fees.
- (c) If you purchase postage through a Lockbox Bank, the USPS is responsible for refunds of unused postage and those refunds will be made in accordance with then current USPS regulations.

#### 2.3 Terms of Use; Federal Regulations

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

#### 2.4 Care and Risk of Loss

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

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

- (a) Your Meter may require periodic rate information updates that you can obtain under our Soft-Guard® program.

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

#### 2.6 Repair or Replacement

(a) If the Meter malfunctions or fails due to reasons other than your negligence or accident, usage which exceeds our recommendations, use of Meter in a manner not authorized by this Agreement or any operator guide, use of equipment in an environment with unsuitable humidity and/or line voltage, damage in transit, virus contamination or loss of data, loss or fluctuation of power, fire, flood or other natural causes, external forces beyond our control, sabotage or service by anyone other than us, failure to use applicable software updates, use of Meter with any system for which we have advised you we will no longer provide support or which we have advised you is no longer compatible, or use of third party supplies (such as ink), hardware or software that results in (i) damage to Meter (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images

(b) REPAIR OR REPLACEMENT IS YOUR SOLE REMEDY.

#### 2.7 LIMITATION OF LIABILITY

See – Master Agreement and Participating Addendum

#### 2.8 Collection of Information

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

### 3. VALUE BASED SERVICES

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

#### 3.1 Fees

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

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

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

#### **4. EMBEDDED SOFTWARE AND SUBSCRIPTION SERVICES**

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

4.2 Subscription Services. We may offer certain on-demand services to you on a subscription basis as indicated in the applicable Order. Upon payment of any applicable subscription fees, we grant you a non-exclusive, non-transferable license to access and use the subscription services for the term set forth in the Order for your

internal business purposes only. You may not provide access to the subscription services to any third party, or use the subscription services on behalf of any third party absent our written consent. You will comply with all applicable laws, rules and regulations governing your use of the subscription services, including any data protection or privacy laws. You will not use the services to send or store infringing, obscene, threatening or unlawful material or disrupt the use by others of the subscription services, network service or network equipment, and you will not reverse engineer, decompile or disassemble the subscription services. If the subscription services you purchased come with their own terms of use, your use of those subscription services will be governed by those terms. Maintenance and technical support for any on-demand services will be provided in accordance with a separate agreement covering the same.

#### **5. INTERNET ACCESS POINT**

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

#### **6. ENDING THIS AGREEMENT.**

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



UI.1 In connection with your use of a Postage Evidencing System , you may transfer funds to the USPS through a Lockbox Bank for the purpose of prepayment of postage on Postage Evidencing Systems, generating evidence of postage(a "Deposit"), or you may transfer funds to the Bank for deposit into your Reserve Account .

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

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

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

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

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

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

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

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

#### **SENDPRO™ TERMS AND CONDITIONS**

If you are acquiring a SendPro subscription: (i) without SendKit equipment, your Terms Of Use are set forth in Exhibit \_\_\_ below; and (ii) with SendKit equipment, your Terms Of Use are set forth in Exhibit \_\_\_ below. Your use of the SendPro application is entirely governed by the SendPro Terms of Use and any other provisions of the Pitney Bowes Terms will not apply.