

Contract Amendment



ADSP016-169897

APP Amendment #6

Arizona Department of
Administration
State Procurement Office
100 N. 15th Avenue, Suite 402
Phoenix, AZ 85007

Mailing Equipment, Supplies, and Maintenance

Pitney Bowes


In accordance with the NASPO ValuePoint Master Agreement Uniform Terms and Conditions, Paragraph 5, Contract Changes, 5.1 Amendments, The above referenced contracts shall be amended as follows:

1. The contract is hereby extended for one (1) year to May 14, 2021.

ALL OTHER REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS REMAIN UNCHANGED

ACKNOWLEDGEMENT AND AUTHORIZATION

This amendment shall be fully executed upon the electronic approval in the State e-Procurement system by an authorized representative of the Contractor and applied to the contract in the State e-Procurement systems by the Procurement Officer or delegate.

	Contract Amendment		Arizona Department of Administration State Procurement Office 100 N. 15th Avenue, Suite 402 Phoenix, AZ 85007
	Contract: ADSP016-169897		
	Amendment #: 5	Date: 02/19/19	
	APP Contract Number: CTR042438		

Mailing Equipment, Supplies and Maintenance

PITNEY BOWES


1. In accordance with the NASPO ValuePoint Master Agreement Uniform Term and Conditions, Paragraph 5, Contract Changes, 5.1 Amendments, the above referenced Contract Shall be amended as follows:

The above referenced contract shall be extended to 05/14/2020.

ALL OTHER REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS REMAIN UNCHANGED

ACKNOWLEDGEMENT AND AUTHORIZATION

This amendment shall be fully executed upon the electronic approval in the State e-Procurement system by an authorized representative of the Contractor and applied to the contract in the State e-Procurement system by the Procurement Officer or delegate.


	Contract Amendment		AZ DEPT. OF ADMINISTRATION STATE PROCUREMENT OFFICE 100 N. 15TH AVE., STE. 201 PHOENIX, AZ 85007
	CONTRACT NO.: ADSP016-169897	PAGE 1 OF 1	
AMENDMENT NO.: Four (4)			

CONTRACTOR: Pitney Bowes 3001 Summer Street Stamford, CT 06926 CONTACT: Art Adams PHONE: 203.512.8420 EMAIL: art.adams@pb.com	STATE AGENCY: AZ Department of Administration (ADOA) State Procurement Office 100 N. 15th Ave., Ste.402 Phoenix, AZ 85007 CONTACT: Rocky Advani EMAIL: rocky.advani@azdoa.gov
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Mailing Equipment, Supplies and Maintenance

Pursuant to Master Agreement executed against NASPO Value Point Contract No ADSP016-00006328, Uniform Terms and conditions Paragraph 5, Contract Changes 5.1 Amendments, the above referenced contract shall be amended as follows:

1. Updated Attachment D including DMT Solutions Global Corporation, dba BlueCrest
2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.			
CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.		THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.	
Arthur E. Adams, Jr. <small>Digitally signed by Arthur E. Adams, Jr. DN: cn=Arthur E. Adams, Jr., o=Pitney Bowes Inc., ou=Global Legal and Compliance, email=art.adams@pb.com, c=US Date: 2018.08.14.09:36:35 -0400</small>			
SIGNATURE Authorized Representative Arthur E. Adams Jr. Director, Government Contract Compliance	DATE	SIGNATURE  Rocky Advani Statewide Procurement Manager	DATE 8-14-18

Attachment D

AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Contractors shall provide a list of Authorized Dealers/Partners/Sales and Service Provider (Dealer) authorized to represent them per the Terms and Conditions of this RFP by State. It is the Manufacturer's responsibility to ensure complete coverage of service throughout all States they are proposing. Manufacturer may copy and paste or delete the blank template below to add additional Authorized Dealers/Partners/Sales and Service providers per State.

State:

Partner: Advanced Mailing and Shipping Technologies

DealerAddress:2346 Market St Wheeling, WV 26003

Single Point of Contact: Kenneth J Kasznel

Title: President

Phone Number: 412-352-4008

Email Address: k.kasznel@amasti.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: PA-Washington, Allegheny, Green, Beaver, Butler, Fayette, Westmoreland, Indiana, Armstrong WV – Hancock, Brooke, Ohio, Marshall, Wetzel, Marion, Harrison, Monongalia, Wood, Ohio – Jefferson, Harrison, Belmont, Guernsey

Partner: Independent Mailing Systems

DealerAddress:208 N. Front St. Warsaw, NC 28398

Single Point of Contact: Jerry Sheffield

Title: President

Phone Number: (910) 293-2195

Email Address: jerrysheffield@hotmail.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: NC: Currituck, Camden, Gates, Harford, Pasquatank, N. Hampton, Warren, Vance, Franklin, Halifax, Bertie, Tyrrell, Washington, Martiri, Edgecombe, Nash, Hyde, Beaufort, Pitt, Greene, Wilson, Wayne, Lenior, Craven, Pamlico, Carteret, Onslow, Jones, Duplin, Sampson, Cumberland, Harnett, Morre, Hoke, Scotland, Robeson, Bladen, Pender, New Hanover, Brunswick, Pequlmans, Chowan, Columbus SC: Chesterfield, Darington, Florence, Marion, Horry, Dillon, Marboro, George

Partner: First Choice Systems & Solutions, Inc.

DealerAddress:16 Luzerne Ave, Suite 145 West Pittston, PA
18643

Single Point of Contact: Donald Martin

Title: President

Phone Number: 570-362-8084

Email Address: don@firstchoicepb.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: PA Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Lycoming, Monroe, Montour, Northumberland, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Union, Wayne, Wyoming

Attachment D

AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Partner: Northeast Mailing Systems, LLC

DealerAddress:26 Bank St. Lebanon, NH 03766

Single Point of Contact: Bill Babineau

Title: President

Phone Number: 866-330-3935

Email Address: info@northeastmailing.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: NH: Belknap, Carroll, Cheshire, Coos, Grafton, Hillsborough, Merrimack, Rockingham, Strafford, Sullivan, Clinton VT: Addison, Bennington, Caledonia, Chittenden, Essex, Franklin, Orange, Washington, Windham, Windsor

Partner: Unison Business Solutions

DealerAddress:400 E. Joppa Road Ste. 100 Towson, MD 21286

Single Point of Contact: Shawn Shannon

Title: President

Phone Number: 443-463-3378

Email Address: shawshannon3@gmail.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Anne Arundel, Baltimore, Baltimore City, Caroline, Carroll, Cecil, Dorchester, Frederick, Harford, Howard, Kent, Queen Annes, Somerset, Talbot, Washington, Wicomico, Worcester

Partner: Dakota Mailing Inc.

DealerAddress: 4141 38th St. Suite 1A Fargo, ND 58104

Single Point of Contact: Joe Engh

Title: President

Phone Number: 701-451-0663

Email Address: joe@dakotamailing.com

Web Address (if applicable) www.dakotamailing.com

Geographic area of coverage in each state for each dealer: ND: Barnes, Benson, Burleigh, Cass, Cavalier, Dickey, Eddy, Emmons, Foster, Grand Forks, Griggs, Kidder, La Moure, Logan, McIntosh, Morton, Mountrail, Nelson, Oliver, Pembina, Pierce, Ramsey, Ransom, Richland, Rolette, Sargent, Steele, Stutsman, Towner, Traill, Walsh, Wells SD: Beadle, Brookings, Brown, Clark, Codington, Day, Hamilin, Kingsbury. Mashall, Roberts, Spink MN: Becker, Beltrami, Bigstone, Cass, Chippewa, Clay, Clearwater, Crow Wing, Douglas, Grant, Griggs, Hubbard, Itasca, Kankiyohi, Kittson, Koochiching, Lac Qui Parle, Lake of the Woods, Lincoln, Lyon, Mahnomen, Marsall, Meeker, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Redwood, Renville, Roseau, Stearns, Stevens, Swift, Todd, Traverse, Wadena, Wilken, Yellow Medicine

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AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Attachment D

Partner: Pacific Mailing & Shipping Systems, Inc.
DealerAddress:15820 SE 114th Ave Clackamas, OR 97015
Single Point of Contact: Troy Wilson
Title: President
Phone Number: 503-4964202
Email Address: troy@pacmail.com
Web Address (if applicable)
Geographic area of coverage in each state for each dealer: Oregon: Clackamas, Clatsop, Columbia, Hood River, Jefferson, Linn, Marion, Multnomah, Tillamook, Washington, Yamhill Washinton: Lewis, Skamania, Cowlitz, Clark

Partner: Kelley Imaging Systems, Inc
DealerAddress:8725 S. 212th Street Kent, WA 98031
Single Point of Contact: Aric J. Manion
Title: Vice- President
Phone Number: 206-284-9100
Email Address: terry.boyle@kelleymailing.com
Web Address (if applicable)
Geographic area of coverage in each state for each dealer: WA: Benton, Clark, Cowlitz, Franklin, Lewis, King, Kittitas, Pierce, Skagit, Skamania, Snohomish, Thurston, Whatcom, Yakima, OR: Clackamas, Clatsop, Columbia, Hood, River, Jefferson, Linn, Marion, Multnomah, Tilamook, Washington, Yamil,
All of the state of Montana,

Partner: On Demand, Inc.
DealerAddress:2650 Fountain View Dr. Houston, TX 77057
Single Point of Contact: Michael Gray
Title: President
Phone Number: 832-333-3000
Email Address: mgray@ondemandhouston.com
Web Address (if applicable)
Geographic area of coverage in each state for each dealer: Austin, Brazoria, Brazos, Burleson, Chambers, Colorodao, Fayette, Fort Bend, Galveston, Grimes, Hardin, Harris, Jefferson, Lee, Liberty, Maragorda, Montgomery, Polk, San Jacino, Walker, Waller, Washington, Wharton

Partner: Laser Resources LLC
DealerAddress:4265 109th St. Urbandale, IA 50322
Single Point of Contact: Robert Lashier
Title: President
Phone Number: 515-278-4050
Email Address: bob@laserresources.com
Web Address (if applicable)
Geographic area of coverage in each state for each dealer: Adair, Benton, Blackhawk, Boone, Cedar, Cerro Gorgo, Carroll, Dallas, Franklin, Greene, Grundy, Guthrie, Hamilton, Hardin, Hancock, Iowa, Jasper, Johnson, Linn, Madison, Mahaska, Marion, Marshall, Polk, Poweshiek, Scott, Story, Tama, Warren, Webster, Wright

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Partner: Texas Office Systems, Inc
DealerAddress:1080 Industrial Blvd. Hewitt, TX 76643
Single Point of Contact: Kermit Farmer
Title: President
Phone Number: 254-666-2592
Email Address: kfarmer@officesystems2000.com;
kermitfarmer@aol.com
Web Address (if applicable) None

Geographic area of coverage in each state for each dealer: Aransas, Atascosa, Bee, Bell, Bosque, Brooks, Brazons, Brown, Burleson, Burnet, Calhoun, Camerson, Coleman, Coryell, Dewitt, Dimmit, Duval, Erath, Falls, Freestone, Frio, Goliad, Hamilton, Hill, Hidalgo, Jim Hogg, Jim Wells, Karner Kennedy, Kleeberg, La Salle, Lavaca, Lampasas, Lee, Leon, Limestone, Live Oak, Llano, Madison, Maverick, McLennan, McMullen, Milam, Mills, Navarro, Nueces, Refugio, Robertson, San Patricio, SanSaba, Star, Victoris, Williamson, Webb, Willacy, Zapata, Zavalla

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AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Partner: Advantage Business Systems
DealerAddress:5442 Executive Place Jackson, MS 39206
Single Point of Contact: John Scott Day
Title: President
Phone Number: 601-362-9192
Email Address: sday@absms.com
Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Adams, Amite, Attala, Bolivar, Calhoun, Carroll, Leflore, Lincoln, Kemper, Lee, Lowndes, Madison, Marion, Monroe, Chickasaw, Montgomery, Choctaw, Neshoba, Claiborne, Newton, Clarke, Noxubee, Clay, Oktibbeha, Coahoma, Panola, Copiah, Pike, Covington, Pontotoc, Forrest, Quitman, Franklin, Rankin, Grenada, Scott, Hinds, Sharkey, Holmes, Simpson, Humphreys, Smith, Issaquena, Sunflower, Itawamba, Tallahatchie, Jasper, Union, Jefferson, Warren, Jefferson, Davis, Washington, Jones, Wayne, Lafayette, Webster, Lamar, Wilkinson, Lauderdale, Winston, Lawrence, Yalobusha, Leake, Yazoo

Partner: Arkansas Mailing Services Inc
DealerAddress:3123 Newman Dr North Little Rock, AR 72117
Single Point of Contact: Doug Jones
Title: President
Phone Number: 501-375-4816
Email Address: dougjones@armailing.com
Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Arkansas, Ashley, Baxter, Benton, Boone, Bradley, Calhoun, Carroll, Chicot, Clark, Clay, Cleburne, Cleveland, Columbia, Conway, Craighead, Crawford, Crittenden, Cross, Dallas, Desha, Drew, Faulkner, Franklin, Fulton, Garland, Grant, Greene, Hempstead, Hot Spring, Howard, Independence, Izaard, Jackson, Jefferson, Lawrence, Lee, Lincoln, Little River, Logan, Lonoke, Madison, Marion, Miller, Mississippi, Monroe, Montgomery, Nevada, Newton, Ouachita, Perry, Phillips, Pike, Poinsett, Polk, Pope, Prairie, Pulaski, Randolph, Saline, Scott, Searcy, Sebastian, Sevier, Sharp, St. Francis, Stone, Union, Van Buren, Washington, Yell

Partner-MCC Nashville
Dealer Address-5217 Linbar Dr #306. Nashville TN 37211
Single point of contact-Shane Berry
Title-
Phone number-615-370-4211
Email address-shaneberry@memphiscommunications.net
Web address-

Geographic area of coverage in each state for dealer-Anderson, Bedford, Bledsoe, Blount, Brandley, Cannon, Carroll, Carter, Cheatam, Claiborne, Clay, Cocke, Coffee, Cumberland, Davidson, Dekalb, Dickson, Fentress, Franklin, Giles, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Hickam, Houston, Humphreys, Jackson, Jefferson, Knox, Lawrence, Lewis, Lincoln, Loudon, Macon, Marion, Marshall, Maury, McMinn, Meigs, Monroe, Montgomery, Moore, Morgan, Overton, Perry, Pcikett, Polk, Putnam, Rhea, Roane, Robertson, Rutherford, Scott, Sequatchie, Sevier, Smith, Stewart, Sumner, Troutsdale, Unicoi, Van Buren, Warren, Washington, Wayne, White, Williamson, Wilson

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AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Partner: Louisiana Mailing and Copy Systems

DealerAddress:3625 Florida Avenue Kenner, LA 70065

Single Point of Contact: Earl Tice

Title: President

Phone Number: (504) 466-2011

Email Address: ectice@bellsouth.net

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Jefferson, Lafourche, Livingston, Orleans, Saint Bernard, Saint Charles, Saint John The Baptist, Saint Tammany, Tangipahoa, Terrebonn

Partner: NAMOS (North Alabama Mailing)

DealerAddress:9580 Madison Blvd., Suite 1 Madison, AL 35758

Single Point of Contact: David Roper

Title: President

Phone Number: 256-461 6927

Email Address: david@namosnet.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Madison, Morgan, Limestone, Marshall, Cullman, Jackson, Lauderdale, Colbert, Lawrence, Franklin, Dekalb,

Partner: Pinnacle Mailing Products

DealerAddress:7701 West Kilgore Avenue, Suite #5, Yorktown, IN 47396

Single Point of Contact: Kim Laffoon

Title: Vice-President Sales

Phone Number: 800-241-3724

Email Address: kimlaffoon@pinnaclemailing.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Adams, Bartholomew, Benton, Blackford, Boone, Brown, Carroll, Cass, Clark, Clay, Clinton, Dearborn, Decatur, Delaware, Fayette, Floyd, Fountain, Franklin, Grant, Greene,Hamilton,Hancock, Hendricks, Henry, Howard, Huntington, Jackson, Jay, Jefferson, Jennings, Johnson, Lawrence, Madison, Marion, Miami, Monroe, Montgomery, Morgan, Ohio, Orange, Owen, Parke, Putnam, Randolph, Ripley, Rush, Scott, Shelby, Sullivan, Switzerland, Tippecanoe, Tipton, Union, Vermillion, Vigo, Wabash, Warren, Washington, Wayne, Wells, White

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AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

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Partner: Stuarts, Inc

DealerAddress:3642 Youree Dr. Shreveport, LA 71105

Single Point of Contact: Richard Stuart

Title: President

Phone Number: 318-869-3595

Email Address: rich@stuartsync.com

Web Address (if applicable) www.stuarts.com

Geographic area of coverage in each state for each dealer: LA: Bossier, Caddo, DeSoto, Webster, Bienville, Clairborne, Natchitoches, Red River, Union, Lincoln, Jackson, Ouachita, Caldwell, Morehouse, Richland, Franklin, Wesy Carroll, East Carroll, Nadison TX: Bowle, Cass, Harriton, Marion, Panola

Partner: Universal Business Products

DealerAddress:5326 W Crenshaw Tampa, FL 33634

Single Point of Contact: Marc Morgan

Title: President

Phone Number: 813-290-9206

Email Address: mmorgan@ubsmailing.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Brevard, Charlotte, Citrus, Collier, DeSoto, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Lake, Lee, Manatee, Monroe, Okeechobee, Orange, Osceola, Pasco, Pinellas, Polk, Sarasota, Semiole, Sumter, Volusia

Partner: Northern Business Products

DealerAddress:3 Maple St. Presque Isle, ME 04769

Single Point of Contact: Mark Carmichael

Title: President

Phone Number: 207-540-1490

Email Address: mark@northernbusinessproducts.biz

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: ME: Penobscot, Aroostook, Somerset, Washington, Piscataquis

Partner: Vans Business Machines

DealerAddress:1100 Bay View Rd. Petoskey, MI 49770

Single Point of Contact: Jerry Van Slembrouck

Title: President

Phone Number: 231-347-6450

Email Address: jerry@vansbiz.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Alpena, Emmet, Cheboygan, Presque Isle, Charlevoix, Otsego, Luce, Mackinac, Chippewa, Antrim, Montmorency, Leelanau, Benzie, Grand Traverse, Kalkaska, Crawford, Oscoda, Alcona

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AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Partner: Sumner Group dba Image Technologies of Missouri

DealerAddress:6701 Stephens Station Rd Columbia, MO
65202

Single Point of Contact: Wayne Rueger

Title: President

Phone Number: 573-499-5300

Email Address: wrueger@imagetechmo.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: Adair, Audrain, Benton, Boone, Camden, Callaway, Chariton, Cole, Cooper, Howard, Linn, Macon, Maries, Miller, Moniteau, Monroe, Montgomery, Morgan, Osage, Pettis, Pulaski, Randolph, Saline

Partner: Hillard Office Solutions

DealerAddress:3001 West Loop 250 North Midland, TX 79705

Single Point of Contact: Brent Hillard

Title: President

Phone Number: 432-617-4677

Email Address: hilliard@mmbo.com

Web Address (if applicable) www.hilliardos.com

Geographic area of coverage in each state for each dealer: Texas: Midland, Abilene, Dallas, Forth Worth, Lubbock and surrounding areas.

Partner: Artic Office

DealerAddress:100 Fireweed Lane Anchorage, AK 99503

Single Point of Contact: Bill Borchardt

Title: President

Phone Number: 907-792-1212

Email Address: bborchardt@arcticoffice.com

Web Address (if applicable) www.arcticoffice.com

Geographic area of coverage in each state for each dealer: State of Alaska

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AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Partner: STR Business Solutions

DealerAddress:6636 Hamilton Boulevard Allentown, PA 18106

Single Point of Contact: Mark Gaston

Title: President

Phone Number: 484-359-9594

Email Address: mgaston@gmail.com

Web Address (if applicable) www.strbusiness.com

Geographic area of coverage in each state for each dealer: PA: Berks, Lehigh, Northampton, Montgomery, Chester

NJ: Hunterdon, Warren

Partner: Pacific Office Automation

DealerAddress:14747 NW Greenbrier Parkway Beaverton, OR 97006

Single Point of Contact: Doug Pitassi

Title: President

Phone Number: 503-641-2000

Email Address: doug.pitassi@pacificoffice.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: OR: Beaverton, Eugene, Portland, Salem UT: Salt Lake

CA: San Francisco, San Jose AZ: Tempe, Phoenix, Tucson NM: Sante Fe, Albuquerque CO: Denver WA: Seattle,

Spokane, Tacoma, Kennewick, Evett and surrounding areas.

Partner: CRI Digital

DealerAddress:4800 Evanswood DR Columbus , OH 43229

Single Point of Contact: Scott DiFrancesco

Title: President

Phone Number: 614-268-6646

Email Address: scott@crigital.net

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: OH: Athens, Champaign, Delaware, Fairfield, Franklin,

Hardin, Hocking, Knox, Licking, Logan, Madison, Marion, Miami, Morrow, Muskingum, Pickaway, Ross, Union

Partner: DSC Office Systems

DealerAddress:10270 Alliance Road Blue Ash, OH 45242

Single Point of Contact: Bernie Reagan

Title: President

Phone Number: 513-821-1199

Email Address: BReagan@dscoffice.com

Web Address (if applicable) http://www.dscoffice.com

Geographic area of coverage in each state for each dealer: OH: Brown, Clermont, Clinton, Hamilton, Warren KY:

Campbell, Grant, Kenton, Boone, Pendleton, Bracken IN: Dearborn, Ohio, Switzerland

Attachment D

AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Partner: Spiral Binding

DealerAddress:1 Maltese DR Totowa , NJ 07512

Single Point of Contact: Ann Marie Boggio

Title: Vice-President Sales

Phone Number: 800-631-3572

Email Address: aboggio@spiralbinding.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer:

Partner: Color Mail Systems

DealerAddress:600 West Las Olas Blvd., Unit 1208S Ft.

Lauderdale, FL 33312

Single Point of Contact: Ira Wernikoff

Title: President

Phone Number: 954-389-2433

Email Address: ira@colormailoffice.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer:

Partner-DSI

Dealer address-1235 Old Alpharetta Rd STE 110 Alpharetta GA 30005

Single point of contact-Lance Reed

Title-President

Phone number-770-921-6764

Email [address- lreed@disatlanta.com](mailto:lreed@disatlanta.com)

Web address-www.dsiatlanta.com

Geographic area of coverage in each state for each dealer-entire state of Georgia

Partner-Buckmaster Office Solutions

Dealer address-623 West Stadium Land Sacramento CA 95834

Single point of contact-Mark Champas

Title-President

Phone number-916-923-0500

Email [address- mchampas@buckmasteroffice.com](mailto:mchampas@buckmasteroffice.com)

Geographic area of coverage for each state for each dealer-NV-Douglas, Storey, Washoe counties

CA-Amador, Contra Costa, Yolo, Solano, Placer, Sacramento, San Joaquin, El Dorado, Sutter

Partner-XSE-Aztec Office Technologies

Dealer address- 35 Philmack Dr STE 100 Middletown CT 06457

Single point of contact-Gerry Crean

Title-President

Phone number-888-272-8340

Email address- crean@xseggroup.com

Geographic area of coverage in each state for each dealer

Entire state of CT/MA/RI

Counties-Florida- Alachua, , Baker, , Bradford, Clay, Duval, Flaler, Marion, Nassau, Putnam, St Johns, Union, Volusia

Competitive Meters only in New Jersey Counties

New Jersey- Bergen, Essex, Hudson, Hunterdon, Monis, Ocean, Passaic, Somerset, Sussex, Union, Warren

New York- Dutchess, Putnam, Orange, Rockland, Rochester, Ulster


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AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Authorized Sales and Service Provider: DMT Solutions Global Corporation, d/b/a BlueCrest
Address: 37 Executive Drive, Danbury, CT 06810
Single Point of Contact: Eric Shields
Title: Government Contracts Analyst
Phone Number: 203.233.6231
Email address: eric.shields@pb.com
Geographic coverage: all states

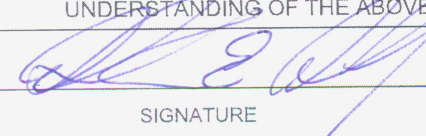

	Contract Amendment		AZ DEPT. OF ADMINISTRATION STATE PROCUREMENT OFFICE 100 N. 15 TH AVE., STE. 201 Phoenix, AZ 85007
	CONTRACT NO.: ADSPO16-169897	PAGE 1	
	AMENDMENT NO.: THREE (3)	OF 1	

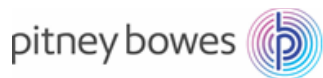
CONTRACTOR: Pitney Bowes Inc. 3001 Summer Street Stamford, CT 06926 CONTACT: Art Adams PHONE: 203-512-8420 EMAIL: art.adams@pb.com	STATE AGENCY: AZ Department of Administration (ADOA) State Procurement Office 100 N. 15th Ave., Ste.201 Phoenix, AZ 85007 CONTACT: Rocky Advani PHONE: (602) 542-0100 EMAIL: rocky.advani@azdoa.gov
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Mailing Equipment, Supplies and Maintenance

Pursuant to Master Agreement executed against NASPO Value Point Contract No ADSPO16-00006328, Uniform Terms and conditions Paragraph 5, Contract Changes 5.1 Amendments, the above referenced contract shall be amended as follows:

1. Pursuant to Section 7 State of Arizona Special Terms and Conditions, Paragraph F, Price or Rate Adjustment , the above referenced contract shall be amended to include product models identified within each class, and related accessories and software, as evidenced within pricing document titled "Pitney Bowes Price Book May 2018"
2. The above referenced contract shall be amended to include the attachment of Pitney Bowes document titled "SendPro Enterprise On-Demand Subscription Services Agreement for NASPO – final".
3. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.			
CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.		THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.	
			
SIGNATURE		SIGNATURE	
DATE		DATE	
Arthur E. Adams, Jr., Director, Government Contract Compliance Authorized Representative		Rocky Advani, Statewide Procurement Manager	



ON-DEMAND SUBSCRIPTION SERVICES AGREEMENT

Thanks for using our on-demand subscription services. These terms define the terms and conditions under which you're allowed to use the on-demand subscription services and how we'll treat your account while you're utilizing the on-demand subscription services. If you have any questions about our terms, feel free to [contact us](#).

We'll start with the basics, including a few definitions that should help you understand this agreement. This On-Demand Subscription Services Agreement (this "Agreement") is between you and Pitney Bowes Inc. ("we", "us", and "our"). This Agreement will only apply if the on-demand subscription services identified in your order form (the "Order") are not covered by one or more separate On-Demand Subscription Services Agreements. Your on-demand subscription services may also require one or more Statements of Work (each a "SOW").

The web sites through which you access the on-demand subscription services (each a "Site"; the on-demand subscription services and the Sites are collectively called the "Services") are owned and operated by us or our vendors. Additional SendPro[®] Enterprise subscription product-specific terms ("Product Terms") can be found in Exhibit A attached hereto and are incorporated into this Agreement..

1. Eligibility

In order to use the Services, you must provide true, complete and up to date contact information for so long as you access the Services. You won't use the Services in a way that violates any laws or regulations, including any relating to data protection and privacy. We may refuse service or close your account if you fail to comply with this Agreement.

2. Use of the Service

a) As long as you continue to comply with the terms of this Agreement, we grant you a non-exclusive, non-transferable license to access and use the Services for the number of months, and for up to the number of users, transactions, or other volume metrics specified in the Order. If applicable, you may upgrade your plan for additional fees. We are licensing the Services to you, and we reserve all rights to the Services not expressly granted to you in this Agreement.

b) You agree that you will use the Services only for business or commercial purposes and not for personal, family or household purposes.

c) You won't use the Services for or make the Services available to any third party. In addition, you agree not to use the Services to send infringing, obscene, threatening or unlawful or tortious material or disrupt other users of the Services. Disruptions include but are not limited to denial of service attempts, distribution of advertising or chain letters, propagation of computer worms and viruses, or use of the Services to make unauthorized entry to any other device accessible via the Services. For the Services and related software, you will not (i) make derivative works; (ii) sublicense, sell, rent, lease, lend, time-share, disclose, transfer or host the Services, documentation or any other confidential or proprietary information to or for any other parties; (iii) use the Services to modify or reproduce a third party's materials unless you have the legal right to do so; (iv) distribute any part of the Services over any network, including a local area network; or (v) extract any data from the Services and use such data for any purpose other than for your use of the Services.

- d) If you are delivered software for on premise installation as part of the Service ("Software") the following additional terms apply: You won't (i) reverse engineer, decompile or disassemble the Software; (ii) make copies of the Software, other than a reasonable number of copies for use for disaster recovery purposes; and (iii) separate the components of the Software, or install and use such components separately and independently of the Software they comprise.
- e) If you do not comply with this Section 2, you will be in material breach of this Agreement, and we will have the right to immediately terminate your use of the Services.

3. Term and Termination; Suspension

- a) The term of this Agreement begins on the effective date of the Order and will remain in effect for each Service for the duration of the Order or SOW applicable to such Service. Each Order or SOW will be effective as of the date in such Order or SOW and will remain in effect until its expiration or until your account is closed. If this Agreement is terminated, any Order entered into beforehand will, unless terminated under another provision of this Agreement, remain in effect for its entire term and this Agreement will remain in effect for the Order until its termination.
- b) Except as set forth in an Order, SOW or Product Terms, you or we may terminate your account at any time and for any reason by giving thirty days' notice to the other and we may suspend the relevant Service to you at any time, with or without cause.
- c) We may at any time without notice: i) refuse to accept your Orders for the Sites and/or Services; ii) move, suspend or terminate all or any part of the Sites and/or Services; or iii) refuse to fulfill any Order or any part of any Order or terminate your account and delete any content stored in your account if, in our sole discretion, if you violate any laws in connection with your use of the Sites or the Services or if a competent regulatory authority requires us to do so.
- d) Once your use of a Service is terminated, (i) we may permanently delete your account and all the data associated with it, (ii) you must immediately stop using the Service and Software, and remove any Software from the computers on which it was installed, (iii) each party will promptly return or destroy all confidential information of the other party; and (iv) your access to the Service will continue through the current billing period for access to the Service (the "Billing Period") for which you have paid in advance, unless you have failed to comply with this Agreement, in which case your access will be immediately revoked. You won't be entitled to a refund from us under any circumstances.
- e) Termination of this Agreement will be in addition to and not in lieu of any other legal or equitable remedies available to us.

4. Changes

We may change the Services and any features from time to time, and if such changes are material, we will notify you by sending an email to the last email address you gave to us. If you do not wish to continue using the modified Services, you may terminate your use of the Service, effective the last day of the current Billing Period for which you have paid in advance. We may change any terms of this Agreement and the fees charged for using the Services by posting revised terms and/or fees on the Sites and/or by sending an email to the last email address you gave to us. The new terms and new fees will be effective on the first day of the next Billing Period and will apply thereafter. By continuing to use the Services after any such changes, you agree to be bound by such changes. If you do not wish to agree to the new terms or the new fees, you must stop using that portion of the Services affected immediately.

5. Account and Password

By registering for the Services, you will be prompted to establish certain passwords and provide other access information to enable you to use the Services. You represent that you have all necessary authority to establish an account with us on behalf of the business. The account name, password and access information is confidential information and should be used solely by you to access your account and use the Services. You are responsible for keeping your account name, password and access information confidential. You will take all reasonable steps to prevent unauthorized access to your account and you will immediately notify us of any unauthorized use of your accounts or any other breach of security. We aren't responsible for any losses due to stolen or hacked passwords.

6. Account Disputes

We don't arbitrate disputes over who owns an account. You won't request access to or information about an account that's not yours. We decide who owns an account based on the information that has been provided to us with respect to the account, and if multiple people or entities are identified, then we will rely on the contact information listed for that account.

7. Fees; Payment Terms

a) You will pay the fees for the use of the Services which are posted on the Sites or described in an Order or SOW, and may be changed from time to time, unless specified as conditions of a subscription type. These fees do not include: (i) any applicable sales, use or other taxes, which will be separately identified on your invoice; (ii) usage-based fees for the Services, which will be separately identified on your invoice, and (iii) charges for any services not contemplated by this Agreement, such as special programming, which may be available upon request and are subject to our then-current rates. Except as provided in an Order or SOW, your subscription for the use of the Services will be billed in advance with the first payment due at the time of registration and with each subsequent payment due on the due date specified in the invoice for the payment.

b) We will automatically charge your payment source the cost of your subscription at the beginning of each Billing Period. Please note that we may receive updated billing information regarding your credit card account or other payment source and you consent to us receiving such updates.

8. Personal Information

If any of the Services collects or stores individually identifiable personal information, then we will comply with our privacy statement located at <http://www.pitneybowes.com/us/license-terms-of-use/lbs-api-privacy-statement.html> as it may be updated by us from time to time (the "Privacy Statement").

9. Trademarks

Pitney Bowes, the Pitney Bowes logo, and associated brand names and domain names are our intellectual property in the United States and other countries. All marks not owned by us are the property of their owners. You may not use, and nothing contained on the Sites or in this Agreement grants any right to use, any trademark displayed on the Site without our written permission or from the owner of the trademark. In addition, except as explicitly set forth in this Agreement, you will not use any copyrighted work displayed on the Sites or any of our other intellectual property without our prior written consent.

10. Feedback; Data

a) You grant to us (and our affiliates and vendors, if applicable) the right to use the data you provide to us as necessary to provide the Services and as provided in our Privacy Statement. We reserve the right to use, without limitation, any anonymized or aggregated data that does not identify you or any user of the Service relating to use of the Service. We retain the right to use data derived from your use of the Service for our internal purposes and for the purposes of performing analytics on the Service, or for improving or enhancing the Service or other products or services offered by us to our customers, all in accordance with the Privacy Statement.

b) You assign to us all right, title, and interest (including all rights in copyright and resulting patents) in any data, feedback, suggestions, and written materials provided to us related to your use of the Services.

c) You'll ensure that you have the appropriate rights to (including the right to provide to us) all data, files, materials or other information that you provide to us in connection with our provision of the Services.

11. LIMITATION OF LIABILITY

a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU ASSUME FULL RESPONSIBILITY FOR ANY LOSS THAT RESULTS FROM YOUR USE OF OR INABILITY TO USE THE SERVICE AND WE WILL NOT BE LIABLE FOR ANY SUCH LOSS. IF THE WAIVER OF LIABILITY IN THE PREVIOUS SENTENCE IS NOT PERMITTED BY LAW, OUR TOTAL LIABILITY FOR ALL CLAIMS MADE RELATING TO YOUR USE OF OR INABILITY TO USE THE SERVICE IN ANY BILLING PERIOD WILL BE NO MORE THAN WHAT YOU PAID US TO PROVIDE THE SERVICE FOR THE PREVIOUS BILLING PERIOD.

b) WE WON'T BE LIABLE FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFIT OR REVENUE, LOST POSTAGE, LOST BUSINESS OPPORTUNITIES, BUSINESS INTERRUPTION OR LOST DATA YOU MAY SUFFER UNDER ANY CIRCUMSTANCES, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES, OR FOR ANY CLAIM BY ANY OTHER PARTY.

12. INDEMNITY

YOU AGREE TO INDEMNIFY AND HOLD US HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) ARISING IN ANY WAY FROM YOUR USE OF THE SERVICE OR RELATED TO ANY BREACH OF THIS AGREEMENT BY YOU OR ANY USER AUTHORIZED BY YOU. WE RESERVE THE RIGHT TO ASSUME THE EXCLUSIVE DEFENSE AND CONTROL OF ANY MATTER SUBJECT TO INDEMNIFICATION BY YOU AND YOU AGREE TO COOPERATE WITH US IN MAKING THE DEFENSE. THIS SECTION 12 WILL SURVIVE ANY TERMINATION OF THIS AGREEMENT OR AN ORDER INDEFINITELY.

13. SERVICE AVAILABILITY; DISCLAIMERS

a) YOUR ACCESS TO AND USE OF THE SERVICES MAY BE INTERRUPTED FROM TIME TO TIME FOR VARIOUS REASONS, INCLUDING MALFUNCTION OF EQUIPMENT, PERIODIC UPDATING, MAINTENANCE OR REPAIR OF THE SITES, OR OTHER ACTIONS THAT WE MAY ELECT TO TAKE.

b) EXCEPT AS EXPRESSLY STATED IN ANY PRODUCT SPECIFIC TERMS, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SERVICES AND THE CONTENT ON THE SITES, INCLUDING ANY THIRD PARTY SERVICE OR DATA, ARE PROVIDED BY US "AS IS" WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, RELIABILITY AND NON-INFRINGEMENT. WE DON'T GUARANTEE

THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT WE WILL CORRECT ALL ERRORS.

14. Third Party Sites

The Sites and this Agreement may contain links to third party websites, including links to the websites of carriers ("Linked Sites"). The Linked Sites are not under our control and we are not responsible for the contents of any Linked Site, including any link contained in a Linked Site, or any changes or updates to a Linked Site. You should contact the site administrator or webmaster for those Linked Sites if you have any concerns regarding such links or the content located there.

15. Compliance with Laws

Each party will comply with all applicable federal, state and local laws, rules and regulations, including export regulations and privacy laws. You will be solely responsible for the content of all data submitted to us in connection with our provision of the Services and will comply with all laws, rules and regulations relating to the use, disclosure and transmission of such data.

16. Assignments

You may not assign any of your rights under this Agreement to anyone else. We may assign or subcontract our rights to any other individual or entity at our discretion.

17. U.S. Government Restricted Rights

If you are an agency of the United States Government, use of the Services by the Government constitutes acknowledgment of our proprietary rights in software contained in the Services, and such software will be: (i) deemed "commercial computer software" or "commercial computer software documentation" and the Government's rights with respect to such software and documentation are limited by this Agreement, pursuant to FAR § 12.212(a) and/or DFARS § 227.7202-1(a), as applicable, or their successors; and (ii) subject to "RESTRICTED RIGHTS," as described in FAR52.227-14 and/or DFAR252.227-7013 et seq., as applicable. Use, duplication, or disclosure by the Government is subject to restrictions as set forth in these regulations.

18. Choice of Law; Arbitration; WAIVER OF JURY TRIAL

a) This Agreement will be governed by the laws of the State of Delaware without regard to its principals of conflict of laws.

b) If we file an action against you claiming you breached this Agreement and we prevail, we will be entitled to recover reasonable attorneys' fees.

c) ANY CLAIM OR CAUSE OF ACTION UNDER THIS AGREEMENT THAT YOU DON'T PRESENT WITHIN 1 YEAR FROM THE DISCOVERY OF THE CLAIM OR CAUSE OF ACTION WILL BE DEEMED WAIVED. ANY DISPUTE BETWEEN THE PARTIES WILL BE RESOLVED EXCLUSIVELY BY INDIVIDUAL BINDING ARBITRATION GOVERNED BY THE FEDERAL ARBITRATION ACT AND YOU AGREE TO GIVE UP THE RIGHT TO LITIGATE DISPUTES IN COURT. Neither party will seek to have any dispute heard as a class action, private attorney general action, or in any other proceeding in which either party acts or proposes to act in a representative capacity. Any arbitration will be conducted by the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules. In the case of: (i) any dispute involving \$75,000 or less, we will reimburse your filing fees and pay the AAA's and arbitrator's fees and expenses; and (ii) any dispute involving more than \$75,000, the AAA rules will govern payment of filing fees and the AAA's and arbitrator's fees and expenses.

d) This Section 18 will survive any termination of this Agreement or an Order indefinitely.

19. Force Majeure

Except for a party's payment obligations, neither party will be liable for any delays or failure in performance from any cause beyond their control. This includes acts of God, changes to law or regulations, embargoes, war, terrorist acts, riots, strikes, power disruptions, and any disruption of internet service not caused by us.

20. Notices

Notices under this Agreement will be effective (i) in the case of a notice to you, when we send it to the last email or physical address you gave us or any address you may later provide; (ii) in the case of a notice to us alleging a breach of this Agreement, when delivered to us by email to legalnotices@pb.com or by overnight courier or delivered in person to Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926 along with a copy to our legal counsel: Attn. Chief Legal Officer and Corporate Secretary, or any addresses we may later provide; and (iii) in the case of any other notice to us, when delivered to us by physical mail to Pitney Bowes Inc., SVP & GM, Global SMB Products & Strategy, 3001 Summer Street, Stamford, CT 06926 or when you create a case at www.pitneybowes.com/us/contact-us.html (follow the instructions under "how to create a case").

21. Independent Contractor

Nothing contained in this Agreement will be construed to constitute either party as a partner, joint venturer, co-owner, employee or agent of the other party, and neither party will hold itself out as such.

22. Miscellaneous

Neither party will be subject to pre-printed or standard terms contained on any purchase order or other purchasing document, and we specifically disclaim such terms. If there's a conflict between the Product Terms and any other provision of this Agreement, the Product Terms will govern and control. Each Party will cooperate with the other and take such other actions as may reasonably be requested from time to time in order to carry out the intent and accomplish the purposes of this Agreement, including our right to verify your compliance with this Agreement and any Orders at all locations which you access the Services. If we don't immediately take action on a violation of this Agreement, we're not giving up any rights under this Agreement, and we may still take action at a later point. Each party will also keep confidential the terms and conditions of the Agreement and the SOW(s).

EXHIBIT A

PITNEY BOWES SENDPRO® ENTERPRISE SUBSCRIPTION PRODUCT SPECIFIC TERMS

Defined Terms

“**Package(s)**” means parcels, letters, and flats shipped under this Agreement.

“**Carrier**” means a third-party shipping vendor selected by you through the Service.

“**Tender**” means the transfer of physical custody of a Package that has a PBI compliant shipping label affixed to it, by you to a Carrier as demonstrated by the scanning of the label by the Carrier.

Use of the Service

You may permit your third party contractors to access the Service solely on your behalf and for your benefit so long as the contractor agrees to fully comply with all terms and conditions applicable to the Service. You remain responsible for each contractor’s compliance with those terms and conditions and any breach of those terms. All rights granted to any contractor under these terms terminate immediately upon (i) conclusion of the services provided by the contractor to you that gives rise to such right or (ii) termination of your account or your use of the Service.

Each individual Package Tendered for shipment must originate from a location in the U.S. or certain U.S. territories. You agree that you will only Tender Packages to a Carrier with shipping labels that correspond to the transportation method you selected.

Fees

The fees for the use of the Service don’t include the postage, shipping or other charges imposed by the Carrier for printing postage or labels and sending Packages through the United States Postal Service (the “USPS”) or another Carrier.

Using USPS

If you use the Service for shipping with the USPS, the USPS must approve your registration prior to use of their shipping services and you must comply with all applicable terms listed at <https://www.usps.com>. Failure to comply will constitute a material breach and the USPS will provide written notice of termination. However if allowed by USPS, you will have ten (10) days from date notice is received from USPS or a copy of such written notification from us, whichever is earlier, to cure your violations of USPS policies and procedures and have USPS rescind its termination notice.

You will be entitled to receive discounted rates for Packages you Tender to the USPS for shipment. These rates will be programmed into the Service and will be made available to you for the duration of this Agreement. Rates are subject to change at any time.

When you print USPS postage or labels using the Service, the following information is collected in order to generate valid postage indicia: (1) the date and time of the transaction; (2) the destination ZIP Code™; (3) the rate

category of each indicium created and the details of any associated special services, such as special handling or restricted delivery; and (4) the amount of postage printed.

If you use the Service to print electronic USPS Tracking (formerly Delivery Confirmation), Signature Confirmation™, or the electronic Priority Mail Express® label, complete return and destination address data, package descriptions, reference IDs, and delivery statuses for each label printed by you is maintained by us for accounting and reporting purposes.

You represent and warrant that you have maintained and will maintain any and all certifications, licenses or other authorizations necessary or proper in furtherance of your use of the Service, including without limitation, federal certification pursuant to United States Department of Transportation regulations regarding the identification, processing and transportation of hazardous materials, if applicable.

USPS Regulations

If you use the Service to print postage or send Packages with the USPS, you must comply with all USPS regulations applicable to the use of the Service. If you: (a) use your account in a fraudulent or unlawful manner; (b) do not use your account during a consecutive twelve month period; (c) fail to exercise sufficient control over your account to prevent fraudulent or unlawful use; (d) cause or allow the account to be utilized outside the United States without the prior written authorization of the Manager of Retail Systems and Equipment, U.S. Postal Service, Washington DC 20260; or (e) otherwise fail to abide by the provisions of postal regulations and these terms regarding care and use of your account, then your account may be cancelled. You acknowledge and agree that your account will be closed and your ability to use the Service terminated by us for any of the reasons described above or upon demand by the USPS. You agree that any use of the Service to fraudulently deprive 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, fictitious, or fraudulent statement can result in imprisonment for up to five (5) years and a fine of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (31 U.S.C. 3802). The mailing of matter bearing a fraudulent imprint is an example of a violation of these statutes. The USPS has granted to us the license as a PC postage vendor to create a shared postage evidencing system that users will use to dispense postage. As a user of the Service, you must understand and acknowledge that authorization to use the Service is granted by the USPS. You accept responsibility for control and use of the Service and agree to abide by all rules and regulations governing its use. The USPS may deny use of or revoke authorization to use a postage evidencing system in the event of (i) failure to comply with rules and regulations; (ii) submission of false or fictitious information; (iii) entering of a series of unpaid or short-paid mail pieces and/or packages in the mail stream; (iv) use of the system for any illegal scheme or enterprise; (v) use of the system outside the customs territory of the United States; or (vi) possession of a decertified system. You must make the postage evidencing system and transaction records available and surrender the system to us, the USPS, or its agent when notified to do so.

Non-USPS Carrier Requirements

If you use the Service to send Packages with a Carrier other than the USPS, you must comply with the requirements of that Carrier.



Contract Amendment

AZ DEPT. OF ADMINISTRATION
 STATE PROCUREMENT OFFICE
 100 N. 15TH AVE., STE. 201
 Phoenix, AZ 85007

CONTRACT NO.: ADSP016-169897

PAGE
1

AMENDMENT NO.: TWO (2)

OF
1

CONTRACTOR:

Pitney Bowes
 3001 Summer Street
 Stamford, CT 06926

CONTACT: Art Adams

PHONE: 203-512-8420

EMAIL: art.adams@pb.com

STATE AGENCY:

AZ Department of Administration (ADOA)
 State Procurement Office
 100 N. 15th Ave., Ste.201
 Phoenix, AZ 85007

CONTACT: Christopher Lacey

PHONE: (602) 542-7165

EMAIL: christopher.lacey@azdoa.gov

Mailing Equipment, Supplies and Maintenance

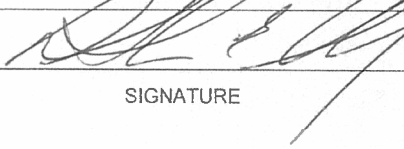
Pursuant to Master Agreement executed against NASPO Value Point Contract No ADSP016-00006328, Uniform Terms and conditions Paragraph 5, Contract Changes 5.1 Amendments, the above referenced contract shall be amended as follows:

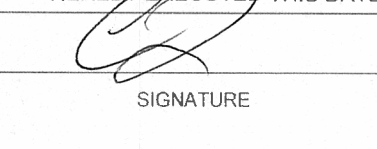
1. Pursuant to Section 7 State of Arizona Special Terms and Conditions, Paragraph F, Price or Rate Adjustment, the above reference contract shall be amended to include product models identified within each class, and related accessories and software, as evidenced within pricing document titled "Pitney Bowes Price Book FY 2018"
2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.


THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.

 7/12/2017
 SIGNATURE DATE

 10/12/17
 SIGNATURE DATE

Arthur E. Adams, Jr.
 Director, Government Contract Compliance

Christopher Lacey,
 Statewide Procurement Manager

	Contract Amendment		AZ DEPT. OF ADMINISTRATION STATE PROCUREMENT OFFICE 100 N. 15 TH AVE., STE. 201 Phoenix, AZ 85007
	CONTRACT NO.: ADSP016-169897	PAGE 1	
	AMENDMENT NO.: ONE (1)	OF 1	

<p>CONTRACTOR: Pitney Bowes 3001 Summer Street Stamford, CT 06926</p> <p>CONTACT: Art Adams PHONE: 203-512-8420 EMAIL: art.adams@pb.com</p>	<p>STATE AGENCY: AZ Department of Administration (ADOA) State Procurement Office 100 N. 15th Ave., Ste.201 Phoenix, AZ 85007</p> <p>CONTACT: Christopher Lacey PHONE: (602) 542-7165 EMAIL: christopher.lacey@azdoa.gov</p>
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Mailing Equipment, Supplies and Maintenance

Pursuant to Master Agreement executed against NASPO Value Point Contract No ADSP016-00006328, Uniform Terms and conditions Paragraph 5, Contract Changes 5.1 Amendments, the above referenced contract shall be amended as follows:

1. The Zone 1 Allowable Charge Format is hereby amended to read as follows: "No Charge Allowed, except as set forth below*".

 The following is hereby added to the end of Section 3.19 [Line Item Specifications] "The Awarded Vendor/Contractor may charge the Purchasing Entity a mutually agreed upon cost for special rigging in the event a Purchasing Entity's building demographics require such rigging for Move Zone 1 relocations (100 yards or less or within the same building). The foregoing costs shall be agreed upon in writing by the Purchasing Entity prior to any equipment relocation in Zone 1"
2. Section 6 [NASPO ValuePoint Master Agreement Terms and Conditions], subsection 16 [Inspection and Acceptance], sub-subsection c is hereby deleted in its entirety and replaced with the following: "c. The warranty period shall begin upon installation unless Contractor's "D&A – Delivery and Acceptance" practice is employed. Contractor's D&A practice is only relevant for highly complex integrated products with acceptance parameters clearly stated in advance in a Statement of Work and mutually agreed upon by the Purchasing Entity and the Contractor." In addition, sub-subsection d is hereby amended by replacing "a Master Agreement" with "an Order" in the first line and replacing "Master Agreement" with "applicable Order" in the third line of said section. The last sentence in sub-subsection d is hereby deleted.
3. Section 6 [NASPO ValuePoint Master Agreement Terms and Conditions], subsection 20 [License of Pre-Existing Intellectual Property] is hereby amended by adding "To the limited extent necessary to enable Purchasing Entity to enjoy the use of the Product for the intended purpose and function for which it is sold," at the beginning of said section, and by adding "and" between "perform" and "display".
4. General Provisions, Section 21 [Insurance], subsection (b)(1) is hereby amended by deleting "independent contractors" in the first line.
5. General Provisions, Section 33 [Indemnification], subsection a is hereby amended by deleting and replacing the first sentence with the following: "Indemnification by the Contractor of the Lead State is

governed by Section 7.1M” In addition, the following is hereby added at the end of subsection a: “The parties further agree that NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), Participating Entities, and Purchasing Entities, its departments, agencies, boards and commissions shall be responsible for its own gross negligence. Each party to this contract is responsible for its own gross negligence.

6. Section 7.1 [State of Arizona Special terms and Conditions], Subsection K [Compensation] is hereby amended by deleting “Contract” in the fifth line of said section and replacing it with “Participating Addendum with the Lead State” so that the sentence reads as follows: “Should the Contractor fail to provide all required services or deliver work products, as agreed upon by State and the Contractor, the State shall be entitled to invoke applicable remedies, including but not limited to, withholding payment to the Contractor and declaring the Contractor in material breach of the Participating Addendum with the Lead State”. In addition, the following cure period language shall be added before the last sentence in said section 7.1: “Upon notification of failure to provide the required services under an Order, the Contractor will have fifteen (15) calendar days to cure the standard of performance issue(s). If after the cure period, the Product still has not met the standard of performance, the Purchasing Entity may, at its option: (a) declare Contractor to be in breach and terminate the Order; (b) demand replacement Product from Contractor at no additional cost to Purchasing Entity; or, (c) continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor.”
7. Section 7.1 [State of Arizona Special terms and Conditions], subsection 1.3.5 of Section M [Indemnity and Insurance] is hereby deleted in its entirety and replaced with the following:

1.3.5 Network Security (Cyber) and Privacy Liability

- Each Claim \$5,000,000
- Annual Aggregate \$5,000,000

a. Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.

b. In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

c. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to vicarious liability of the insured arising out of the activities performed by or on behalf of the Contractor.

d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

8. Section 7.1 [State of Arizona Special terms and Conditions], subsection 1.8 [Subcontractors] of Section M [Indemnity and Insurance] is hereby amended by adding “and independent contractors” after the word “contractor” in the third, fifth, sixth, and last line of said section.

9. Section 7.1 [State of Arizona Special terms and Conditions], section 2 of subsection P [Data Privacy/Security Incident Management] is hereby amended as follows:

2. Discovery of Security Breach


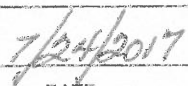

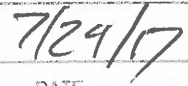
Contractor agrees to immediately notify the State CIO, the CISO and key personnel as identified by the State after Contractor has determined that a breach of security has occurred. The State agrees to provide contact information for the State CIO, the CISO and key personnel.

10. Section 7.2 [State of Arizona Uniform Terms and Conditions], subsection 3.7 [Property of the State] and 3.8 [Ownership of Intellectual Property] are hereby deleted in their entirety and replaced with the following:

“3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, first created as a deliverable output under this Contract (“Materials Work Product”) are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State. Notwithstanding anything herein, Materials Work Product shall not include any pre-existing Contractor intellectual property, including any Contractor manuals, systems, software methodologies, techniques, operating procedures, processes or other tools that are designed, modified, updated or otherwise customized in connection with providing Products or performing services under this Contract.

3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets first created as a deliverable output or conceived pursuant to or as a result of this contract and any related subcontract (“State’s Intellectual Property”), shall be work made for hire and the State shall be considered the creator of such State’s Intellectual Property. Notwithstanding anything herein, State’s Intellectual Property shall not include any pre-existing Contractor intellectual property, including any Contractor manuals, systems, software methodologies, techniques, operating procedures, processes or other tools that are designed, modified, updated or otherwise customized in connection with providing Products or performing services under this Contract. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the State’s Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any of the State’s Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the State’s Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the State’s Intellectual Property in any entity other than the State. The State’s Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

11. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.			
CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.		THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.	
			
SIGNATURE	DATE	SIGNATURE	DATE
Arthur E. Adams, Jr. Director, Government Contract Compliance Pitney Bowes Inc.		Christopher Lacey, Statewide Procurement Manager	

Attachment E

OFFER AND ACCEPTANCE

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Pitney Bowes Inc.

Company Name
3001 Summer Street

Address
Stamford CT 06926

City State Zip
art.adams@pb.com

Contact Email Address



Signature of Person Authorized to Sign Offer
Arthur E. Adams Jr.

Printed Name
Director Government Contract Compliance

Title
Phone: 203-512-8420

Fax: 203-460-3827

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order-2009-09 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS / IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No. ADSP016-169897

The effective date of the Contract shall be: May 15th 2017

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contact release document or written notice to proceed.

State of Arizona
Awarded this 9th day of May 2017



Procurement Officer



Douglas A. Ducey
Governor

Craig Brown
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

STATE PROCUREMENT OFFICE

100 NORTH FIFTEENTH AVENUE • SUITE 201
PHOENIX, ARIZONA 85007

(602) 542-5511 (main) (602) 542-5508 (fax)
<http://spo.az.gov>

Sent via e-mail to: art.adams@pb.com

May 2, 2017

Re: Award of Contract No. ADSPO16-00006328 for Mailing Equipment, Supplies and Maintenance

Dear Mr. Arthur Adams

Thank you for submitting a response to Invitation to Bid No. ADSPO16-00006328. I am pleased to inform you that your company's offer has been selected for award. The initial contract term shall begin on May 15th, 2017.

All offers received were evaluated in accordance with the evaluation criteria set forth in the solicitation document. The procurement file for this solicitation, including evaluation documents and resultant contracts, are now available for public viewing via the State's e-Procurement system, ProcureAZ.

In accordance with Special Terms and Conditions, Section 7 Lead State (State of Arizona) Terms and Conditions of the contract and prior to beginning work under the contract, your company is required to submit a Certificate of Insurance to the State Procurement Office. The certificate of insurance shall indicate that your company is in compliance with insurance requirements contained in the contract. Please submit your certificate of insurance to me no later than June 15th, 2017.

You are cautioned not to begin any work under the contract until the Procurement Officer assigned to your contract has issued a written notice to proceed.

If you have any questions regarding your company's contract, please contact me at Christopher.Lacey@azdoa.gov or 602.542.7165. Thank you for your response and for your continued interest in doing business with the State of Arizona.

Sincerely,

A handwritten signature in black ink, appearing to read "C Lacey".

Christopher Lacey
Statewide Procurement Manager

EVALUATION TOOL

SOLICITATION NO.: ADSPO16-00006328

SOLICITATION DESCRIPTION: **NASPO MAILING EQUIPMENT, SERVICES AND SUPPORT**

PRODUCT AWARDS

Award Category	Offeror	Award
Rental Postage Meter	Pitney Bowes	Yes
	Neopost	Yes
Ultra-Low Volume Mailing Systems	Neopost	Yes
	Pitney Bowes	Yes
Low Volume Mailing Systems	Pitney Bowes	Yes
	Neopost	Yes
Medium Volume Mailing Systems	Neopost	Yes
	Pitney Bowes	Yes
High Volume Mailing Systems	Neopost	Yes
	Pitney Bowes	Yes
Production Volume Mailing Systems	Neopost	Yes
	Pitney Bowes	Yes
Integrated Postal Scales	Neopost	Yes
	Pitney Bowes	Yes
Low Volume Letter Openers	Pitney Bowes	Yes
	Neopost	Yes
High Volume Letter Openers	Pitney Bowes	Yes
	Neopost	Yes
Low Volume Letter Folders	Neopost	Yes
	Pitney Bowes	Yes
High Volume Letter Folders	Neopost	Yes
	Pitney Bowes	Yes
Inserters	Pitney Bowes	Yes
Low Volume Folder Inserter	Neopost	Yes
	Pitney Bowes	Yes
Medium Volume Folder Inserter	Neopost	Yes
	Pitney Bowes	Yes
High Volume Folder Inserter	Pitney Bowes	Yes
	Neopost	Yes
Production Folder Inserter	Neopost	Yes
	Bell & Howell	Yes
	Pitney Bowes	Yes

Software (PC Postage)	Pitney Bowes Stamps.com	Yes Yes
Low Volume Ink Jet Envelope Addressing System	Neopost Pitney Bowes RIOS	Yes Yes Yes
Medium Volume Ink Jet Envelope Addressing System	Neopost Pitney Bowes RIOS	Yes Yes Yes
High Volume Ink Jet Envelope Addressing System	Neopost Pitney Bowes	Yes Yes
Production Ink Jet Envelope Addressing System	Neopost	Yes
Low Volume Tabbers	Neopost	Yes
Medium Volume Tabbers	Neopost	Yes
High Volume Tabbers	Pitney Bowes	Yes
Pressure Sealing Production	Bell & Howell	Yes
Pre-Sorting Equipment	Bell & Howell Pitney Bowes	Yes Yes
Extractors	OPEX	Yes
Mailroom Specific Furniture	Versia	Yes

EVALUATION TOOL

SOLICITATION NO.: ADSPO16-00006328

SOLICITATION DESCRIPTION: **NASPO MAILING EQUIPMENT, SERVICES AND SUPPORT**

MISCELLANEOUS SERVICES AWARDS

Vendor	Software Lic. & Subscription	Software Consulting	Training	Design Production	Install Assembly Production	Relocation Services	Equipment Lease	Equipment Rental
Bell & Howell	x	x	x	x	x	x		
Neopost	x	x	x	x	x	x	x	x
OPEX						x		
Pitney Bowes	x	x		x	x		x	
RIOS						x		
Stamps.com	x							



The State of Arizona
State Procurement Office

In conjunction with



Request for Proposals

Arizona Solicitation Number ADSPO16-00006328

**NASPO ValuePoint Master Agreement for
Mailroom Equipment, Supplies and
Maintenance**

(Enter Solicitation Posting Date)

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RFP Administrative Information

RFP Title:	Mailing Equipment, Supplies and Maintenance
RFP Project Description: (See Section 1.1)	The State of Arizona in conjunction with NASPO ValuePoint, is seeking Contractor(s) to provide a multi-state, contract for the purchase of Mailing Equipment, Services, and Support.
RFP Lead: (See Section 1.2)	Contract Lead: Christopher Lacey Agency Name: Arizona State Procurement Office Agency Address: 100 N 15 th Ave City, State, Zip: Phoenix, Arizona 85007 Contract Lead email: christopher.lacey@azdoa.gov Contact Phone: 602-542-7600
Submit electronically via IPRO: (See Section 2.4)	Electronic Submission https://procure.az.gov
Pre-Proposal Conference: Pre-Proposal Conference Location: (See Section 2.1)	Doesn't Apply 100 N 15 th Ave Suite 201 Phoenix, Arizona 85007
Deadline to Receive Questions: (See Section 2.2)	10/18/2016
Question & Answers: See Section 2.2)	All questions, including those about Terms and Conditions, must be submitted through https://procure.az.gov . Questions must be submitted by the question deadline date
RFP Closing Date: (See Section 1.3)	See IPRO Header Document
Initial Term of Contract and Renewals: (Section 7.1, subsection b)	The initial term of the Contract will be two (2) years with the option, upon mutual written agreement, for any combination of full or partial year renewals up to 36 months. Upon mutual agreement, the contract may be extended or amended.
TAKE NOTE OF THE 0.25% NASPO VALUEPOINT ADMINISTRATIVE FEE DETAILED IN PARAGRAPH 6 OF THE NASPO VALUEPOINT STANDARD TERMS AND CONDITIONS, WHICH MUST BE INCORPORATED INTO YOUR BASE PRICE. OTHER STATES, INCLUDING THE STATE OF ARIZONA, MAY NEGOTIATE ADDITIONAL ADMINISTRATIVE FEES IN THEIR PARTICIPATING AMENDMENTS FOLLOWING AWARD OF A MASTER AGREEMENT.	

REQUEST FOR PROPOSAL

Mailing Equipment, Supplies and Maintenance

Solicitation # ADSPO16-00006328

Section 1: NASPO ValuePoint Solicitation - General Information

1.1. Purpose

The State of Arizona, State Procurement Office is requesting proposals for Mailroom Equipment, Supplies and Maintenance in furtherance of the NASPO ValuePoint Cooperative Purchasing Program. The purpose of this Request for Proposals (RFP) is to establish Master Agreements with qualified offerors to provide Mailing Equipment, Supplies and Maintenance, in all applicable volume ranges from ultra-low volume through production environment equipment, to include a wide scope of products to meet the mailing needs for all Participating States.

The objective of this RFP is to obtain best value, and achieve more favorable pricing, than is obtainable by an individual state or local government entity because of the collective volume of potential purchases by numerous state and local government entities. The Master Agreement(s) resulting from this procurement may be used by state governments (including departments, agencies, institutions), institutions of higher education, political subdivisions (e.g., colleges, school districts, counties, cities, etc.), the District of Columbia, territories of the United States, and other eligible entities subject to approval of the individual state procurement director and compliance with local statutory and regulatory provisions. The initial term of the master agreement shall be two (2) years with renewal provisions as outlined in Section 6 of the NASPO ValuePoint Master Terms and conditions.

It is anticipated that this RFP may result in Master Agreement awards to multiple contractors, in the Lead State's discretion.

This RFP is designed to provide interested Offerors with sufficient information to submit proposals meeting minimum requirements, but is not intended to limit a proposal's content or exclude any relevant or essential data. Offerors are encouraged to expand upon the specifications to add service and value consistent with state requirements.

This solicitation is a replacement for the expiring Master Agreement for the State of Arizona and NASPO ValuePoint.

1.2. Lead State, Solicitation Number and Lead State Contract Administrator

The State of Arizona, State Procurement Office is the Lead State and issuing office for this document and all subsequent Amendments relating to it. This solicitation (RFP) is a competitive process, in accordance with the Arizona Procurement Code available at <https://spo.az.gov/>. The Arizona Procurement Code is a compilation in one place of

Arizona Revised Statutes (ARS) 41-2501 et seq. and administrative rules and regulations A.A.C. R2-7-1010 et seq. The solicitation # ADSP016-00006328 must be referred to on all proposals, correspondence, and documentation relating to this RFP.

The Lead State Contract Administrator identified below is the single point of contact during this procurement process. Offerors and interested persons shall direct to the Lead State Contract Administrator all questions concerning the procurement process, technical requirements of this RFP, contractual requirements, requests for brand approval, changes, clarifications, and protests, the award process, and any other questions that may arise related to this solicitation and the resulting Master Agreement. The Lead State Contract Administrator designated by the State of Arizona, State Procurement Office is:

Christopher Lacey, State Wide Procurement Manager
State of Arizona, State Procurement Office
100 N. 15th Avenue
Phoenix, Arizona 85007
christopher.lacey@azdoa.gov
602-542-7165 phone/602-542-5511 fax

1.3 Schedule of Events

Anticipated Solicitation Release:	Week of Sept 19 th 2016
Anticipated Pre-Proposal Conference:	Does Not Apply
Anticipated Question Deadline:	11/8/2016
Anticipated Closing Date and Time:	11/15/2016
Anticipated Award Date:	1/11/2017

All times are Mountain Standard time unless indicated otherwise.

1.4. Definitions

The following definitions apply to this solicitation. Section 6 also contains definitions of terms used in this solicitation and the NASPO ValuePoint Master Agreement terms and conditions.

Lead State means the State conducting this cooperative procurement, evaluation, and award.

Offeror means the company or firm who submits a proposal in response to this Request for Proposal.

Proposer has the same meaning as Offeror

Proposal means the official written response submitted by an Offeror in response to this Request for Proposal.

"Request for Proposals" or "RFP" means the entire solicitation document, including all parts, sections, exhibits, attachments, and Amendments.

1.5. NASPO ValuePoint Background Information

NASPO ValuePoint (formerly known as WSCA-NASPO) is a cooperative purchasing program of all 50 states, the District of Columbia and the territories of the United States. The Program is facilitated by the NASPO Cooperative Purchasing Organization LLC, a nonprofit subsidiary of the National Association of State Procurement Officials (NASPO), doing business as NASPO ValuePoint. NASPO is a non-profit association dedicated to strengthening the procurement community through education, research, and communication. It is made up of the directors of the central purchasing offices in each of the 50 states, the District of Columbia and the territories of the United States. NASPO ValuePoint facilitates administration of the cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. For more information consult the following websites www.naspovaluepoint.org and www.naspo.org.

1.6. Participating States

In addition to the Lead State conducting this solicitation, the following Participating States have requested to be named in this RFP as potential users of the resulting Master Agreement: (Enter States with Signed Intent to Participate Document). Other entities may become Participating Entities after award of the Master Agreement. Some States may have included special or unique terms and conditions for their state that will govern their state Participating Addendum. These terms and conditions are being provided as a courtesy to proposers to indicate which additional terms and conditions may be incorporated into the state Participating Addendum after award of the Master Agreement. The Lead State will not address questions or concerns or negotiate other States' terms and conditions. The Participating States shall negotiate these terms and conditions directly with the supplier. State-specific terms and conditions are included in Attachments I-Y.

1.7. Anticipated Usage

Attachment "Mailing Equipment Estimated Usage" contains anticipated usage from additional states who have indicated an interest in participating. No minimum or maximum level of sales volume is guaranteed or implied.

Section 2: Solicitation Requirements, Information and Instructions to Offerors

2.1. Pre-Offer Conference

A Pre-Offer Conference will be held at the time and place indicated in the solicitation's "Pre-Bid Conference" field as found within the State of Arizona's e-procurement system ProcureAZ (<https://procure.az.gov>); attendance is not required. The purpose of this conference will be to clarify the contents of the solicitation in order to prevent any misunderstanding of the State of Arizona's position. Any doubt as to the requirements of the solicitation or any apparent omission or discrepancy should be presented to the State of Arizona at the conference. The State of Arizona will then determine the appropriate action necessary, if any, and issue a written amendment to the solicitation if required. Oral statements or instructions will not constitute an amendment to the solicitation. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, or this document in an alternative format, by contacting the State of Arizona's Procurement Office listed on page 3. Requests should be made as early as possible to allow sufficient time to arrange for accommodation.

2.2. Inquiries

2.2.1 Solicitation Contact Person. Any inquiry related to this Solicitation, including any requests for inquiries regarding standards referenced in the Solicitation, shall be directed solely to the State of Arizona's Procurement Officer.

2.2.2 Submission of Inquiries. All inquiries to the State of Arizona's Procurement Officer related to the Solicitation are required to be submitted in the State of Arizona's E-Procurement System, ProcureAZ (<https://procure.az.gov>). All interested Proposers shall utilize the Q&A functionality provided through ProcureAZ (<https://procure.az.gov>). All responses to inquiries will be answered in the State's eProcurement system. Any inquiry related to the Solicitation should reference the appropriate solicitation page and paragraph number.

2.2.3 Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its Offer for accuracy before submitting an Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time.

2.2.4 Timeliness. Any inquiry or exception to the Solicitation shall be submitted as soon as possible and should be submitted at least seven days before the offer due date and time for review and determination by the State of Arizona. Failure to do so may result in the inquiry not being considered for a solicitation amendment.

2.2.5 No Right to Rely on Verbal or Electronic Mail Responses. An Offeror shall not rely on verbal or electronic mail responses to inquiries. A verbal or electronic mail reply to an inquiry does not constitute a modification of the solicitation.

2.3. Preparation of Proposals

2.3.1 Electronic Documents. This solicitation document is provided in an electronic format. Any unidentified alteration or modification to any solicitation documents, to any attachments, exhibits, forms, charts or illustrations contained herein shall be null and void. In those instances, where modifications are identified, the original document published by the State of Arizona shall take precedence. Offerors are responsible for clearly identifying any and all changes or modifications to any solicitations document upon submission to the State of Arizona.

2.3.2 Attachment Formats. All attachments shall be submitted in a format acceptable to the State. Acceptable formats include .doc (Microsoft Word document), .xls (Microsoft Excel spreadsheet), and .pdf (Adobe Acrobat portable document format). Prospective offerors that wish to submit attachments in other formats shall submit an inquiry to the Procurement Officer.

2.3.3 Confidential, Protected or Proprietary Information.

All information identified in the "Confidential" section shall be subject to review by the Lead State in accordance with the procedures prescribed by the Lead State's open records statute, freedom of information act, or similar law.

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If a person believes that any portion of a proposal, bid, offer, specification, protest or correspondence contains a trade secret or other proprietary information that should be withheld, the Offeror shall clearly designate the trade secret and other proprietary information, using the term "Confidential" and, the State of Arizona's Procurement Officer shall be so advised in writing. An Offeror shall provide a statement detailing the reasons why the information should not be disclosed including the specific harm or prejudice that may arise upon disclosure. Such material shall be identified as "Confidential" wherever it appears. Until a written determination is made, the State of Arizona's Procurement Officer shall not disclose information designated as "Confidential" except to those individuals deemed to have a legitimate State interest. In the event the State of Arizona's Procurement Officer denies the request for confidentiality, the Offeror may appeal the determination to the State of Arizona's Procurement Administrator within the time specified in the written determination. The State of Arizona, pursuant to A.C.R.R. R2-7-104, shall review all requests for confidentiality and provide a written determination. If the confidential request is denied, such information shall be disclosed as public information, unless the person, utilizes the 'Protest' provision as noted in §41-2616. **Contract terms and conditions, pricing, and information generally available to the public are not considered confidential information.**

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All Confidential, Protected or Proprietary information must be included in one section of your response. **Do not incorporate**

Confidential, Protected or Proprietary information throughout the Proposal.

- 2.3.3.2.1 In the event that a limited amount of “Confidential, Protected or Proprietary” information is deemed necessary by the Offeror to respond to solicitation, any such information must be included in a **separate section** of the Offeror’s proposal response which is clearly marked as “Confidential”. In addition, provide a reference in the proposal response directing reader to the specific area of this protected information section.
- 2.3.3.2.2 Offerors should be aware that marking any portion of an Offer as “Confidential”, may exclude the Offer from evaluation or consideration for award.
- 2.3.3.2.3 Elements of the proposal that define the contractual requirements, such as approaches to the statement of work, prices, and schedule, may not be marked as “Confidential”. Proposals not complying with these instructions for identification and segregation of confidential and proprietary information may be rejected.
- 2.3.3.2.4 Information included in the “Confidential” section of an Offeror’s proposal is not automatically accepted and protected.

2.3.4 Exceptions to Terms and Conditions.

All exceptions included with the Offer shall be submitted in the State of Arizona’s eProcurement system in a clearly identified **separate section** of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the State of Arizona’s Procurement Officer in a written statement. An Offeror shall provide a statement detailing a justification for each exception item request. The Offeror’s preprinted or standard terms will not be considered by the State of Arizona as part of any resulting Contract. **All exceptions that are contained in the Offer may negatively impact an Offeror’s susceptibility for award. An Offer that takes exception to any material requirement of the solicitation may be rejected.**

2.3.5 Evidence of Intent to be Bound.

The Offer and Acceptance form within the Solicitation shall be submitted with the Offer in the State of Arizona's eProcurement system and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. The Offer and Acceptance Form shall be submitted electronically with the submitted Offer no later than the Offer due date and time. Failure to return an Offer and Acceptance Form may result in rejection of the offer.

2.3.6 Subcontractors.

Offerors shall clearly list any proposed subcontractors. Include with their list of proposed subcontractors:

- Subcontractor's contact information;
- Subcontractor's certifications and or licenses required for the performance of the Contract; and,
- Subcontractor's proposed responsibilities under the Offeror's proposal.

2.3.7 Cost of Offer Preparation.

The State of Arizona will not reimburse any Offeror the cost of responding to a Solicitation.

2.3.8 Federal Excise Tax.

The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.

2.3.9 Identification of Taxes in Offer.

The State of Arizona is subject to all applicable state and local transaction privilege taxes. If the products and/or services specified require transaction privilege or use taxes or other applicable taxes, they shall be described and itemized separately on the Offer. Arizona transaction privilege tax shall not be considered for evaluation.

2.3.10 Disclosure.

If the person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offer shall set forth the name and address of the governmental unit, the effective date of the suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension of debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

2.3.11 Unit Price Prevails.

In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.

2.3.12 Contract Payment Terms.

Offerors must indicate the prompt payment terms that they will offer to the State (for example: 2/10 Net 30; 2/15 Net 30, etc.) At a minimum, offeror's payment terms shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days.

2.3.13 Prompt Payment Discount.

Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the Offer for the purpose of evaluating that price.

2.3.14 Delivery.

Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

2.3.15 Federal Immigration and Nationality Act.

By signing of the Offer, the Offeror warrants that both it and all proposed subcontractors are in compliance with federal immigration laws and regulation (FINA) relating to the immigration status of their employees. The State of Arizona may, at its sole discretion require evidence of compliance during the evaluation process. Should the State of Arizona request evidence of compliance, the Offeror shall have five days from receipt of the request to supply adequate information. Failure to comply with this instruction or failure to supply requested information within the timeframe specified shall result in the Offer not being considered for contract award.

2.3.16 Offshore Performance of Work Prohibited.

Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the Offer.

2.4. Submission of Offer

2.4.1 Offer Submission, Due Date, and Time.

Offers in response to this solicitation shall be submitted within the State's e-Procurement system, ProcureAZ (<https://procure.az.gov>). Offers shall be received before the date/time listed in the solicitation's 'Bid Opening Date' field. Offers submitted outside of ProcureAZ, or those that are received on or after the date/time stated in the 'Bid Opening Date' field, shall be rejected. Questions about the submission date and/or time shall be directed to the

State of Arizona's Procurement Officer or to the ProcureAZ Help Desk (procure@azdoa.gov or 602.542.7600).

2.4.2 Offer Amendment or Withdrawal.

An Offer may not be amended or withdrawn after the offer due date and time except as otherwise provided under applicable law.

2.4.3 Electronic Submission of Offer.

2431 The successful submission of your offer in ProcureAZ is critical in order for it to be completely/properly received and evaluated. Prior review of the guides available via <https://procure.az.gov> and on <https://spo.az.gov/> "Vendor Resources" tab can be of assistance in understanding the electronic submission process.

2432 The Lead State (State of Arizona) accepts no responsibility for a prospective Offeror not receiving solicitation documents and/or revisions to the solicitation. It is the responsibility of the prospective Offeror to monitor their emails for such notices and to monitor ProcureAZ (<https://procure.az.gov>) to obtain RFP addenda or other information relating to the RFP.

2.4.4 Non-collusion, Employment, and Services.

By signing the Offer and Acceptance form or other official contract form, the Offeror certifies that:

2441 The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and,

2442 The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with applicable federal, state and local laws and executive orders regarding employment.

2.4.5 Waiver and Rejection Rights:

Notwithstanding any other provision of the Solicitation, the State reserves the right to:

2451 Waive any minor informality;

2452 Reject any and all Offers or portions thereof; or,

2453 Cancel the Solicitation. If the Lead State (State of Arizona) determines such action to be in the collective best interests of Participating States, this solicitation may be canceled at any time, up until the time of award of the Master Agreement(s).

2.4.6 A responsive, responsible Offeror shall submit the following:

2461 Offer and Acceptance. Offers shall include a signed Offer and Acceptance form. The Offer and Acceptance form shall be signed with a signature by the person authorized to sign the Offer, and shall be submitted in the State of Arizona's eProcurement system with the Offer no later than the Solicitation due date and time. Failure to return an Offer and Acceptance form may result in rejection of the Offer.

2462 Acknowledgement of Solicitation Amendments. Offeror shall acknowledge Solicitation Amendments electronically in ProcureAZ (<https://procure.az.gov>) no later than the Offer due date and time. Failure to acknowledge all/any Solicitation Amendment may result in rejection of the Offer.

2.4.6.2.1 **Alternately to the electronic acknowledgement in ProcureAZ, the Offeror can attach a counter-signed copy of each Amendment in ProcureAZ as part of their Offer.**

2463 Offer Forms: Offerors shall include the following Offer Forms, completed accurately, in the format provided and according to the instructions. Failure to follow Offer Form instructions may result in rejection of Offer.

2.4.6.3.1 **Attachment A – Capacity of Offerors Questionnaire** - Submit a response addressing each item in *Attachment A – Capacity of Offeror* – The narrative response to this questionnaire shall be uploaded as an attachment in ProcureAZ.

2.4.6.3.2 **Attachment B – Key Personnel Form.** Complete and submit the Key Personnel form in accordance with the instructions.

2.4.6.3.3 **Attachment C & C-1 - Pricing and Pricing Scenario Workbooks** Attachments are located under the Attachments Tab within ProcureAZ. and must be submitted

246.3.3.1 **Attachment C – Pricing Excel Workbook** (*attached in the Attachments Tab with Procure.Az.gov*). Complete and submit the Pricing Workbook in accordance with the instructions

highlighted on the Pricing Worksheets.

24.6.3.3.2 **Attachment C1 – Pricing Scenarios Sheet** (*attached in the Attachments Tab with Procure.Az.gov*). Complete and submit the Pricing Scenario Workbook in accordance with the instructions highlighted on the Pricing Scenario Worksheets.

2.4.6.3.4 **Attachment D – Authorized Dealers Form** - Must be completed and submitted in ProcureAZ.

2.4.6.3.5 **Attachment E - Offer and Acceptance Form** Must be completed, signed/dated and submitted in ProcureAZ.

2.4.6.3.6 **Attachment F - Designation of Confidential, Trade Secret & Proprietary Information.** Must be completed, signed/dated and submitted in ProcureAZ.

2.4.6.3.7 **Attachment G – References** Must be completed (all references must be verifiable), signed/dated and submitted in ProcureAZ.

2.5. References and Experience

The Offeror agrees that by submitting an Offer, the State of Arizona or its designated agent may contact any entities listed in the Offer or any entities known to have a previous business relationship with the Offeror for the purpose of obtaining references relative to past performance and verifying experience or other information submitted with the Offer. In addition, by submitting an Offer, the Offeror is agreeing to give permission to the entity to provide information and the Offeror will take whatever action is necessary to facilitate, encourage or authorized the release of information, if necessary, the Offeror shall sign a release to obtain information.

2.6 Responsibility

In accordance with A.R.S. §41-2534(G), A.A.C. R2-7-312 and R2-7-C316, the State of Arizona shall consider, at a minimum, the following in determining Offeror's responsibility, as well, as the Offeror's responsiveness and acceptability for contract award.

- 2.6.1 Whether the Offeror has had a contract within the last five (5) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract;
- 2.6.2 Whether the Offeror's record of performance includes factual evidence of failure to satisfy the terms of the Offeror's agreements with any party to a contract. Factual evidence may consist of documented vendor performance reports, customer complaints and/or negative references;
- 2.6.3 Whether the Offeror is legally qualified to contract with the State of Arizona and the Offeror's financial, business, personnel, or other resources, including subcontractors;
 - 2.6.3.1 Legally qualified includes if the vendor or if key personnel have been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.
- 2.6.4 Whether the Offeror promptly supplied all requested information concerning its responsibility;
- 2.6.5 Whether the Offer was sufficient to permit evaluation by the State of Arizona, in accordance with the evaluation criteria identified in this Solicitation or other necessary offer components. Necessary offer components include: attachments, documents or forms to be submitted with the offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, signed Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors and any other data specifically requested in the Solicitation;
- 2.6.6 Whether the Offer was in conformance with the requirements contained in the Scope of Work, Terms and Conditions, and Instructions for the Solicitation and its Amendments, including the documents incorporated by reference;
- 2.6.7 Whether the Offer limits the rights of the State;
- 2.6.8 Whether the Offer includes or is subject to unreasonable conditions, to include conditions upon the State of Arizona or necessary for successful Contract performance. The State of Arizona shall be the sole determiner as to the reasonableness of a condition;

2.6.9 Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions; and,

2.6.10 Whether the Offeror provides misleading or inaccurate information.

2.7. Responsiveness and Acceptability

Proposals that do not contain information sufficient to evaluate the proposal in accordance with the factors identified in the solicitation or other necessary proposal components may not be considered responsive and/or acceptable. Necessary components include an indication of the Offeror's intent to be bound, price proposal, solicitation amendments, bond and reference data as required.

Proposal Content. The Offeror shall make a firm commitment to provide services as required and proposed. The material contained in the Offer shall be relevant to the service requirements stated in the solicitation. It is to be submitted in a sequence that reflects the scope of work section of this document. It is to include information relevant to the designated evaluation criteria. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal.

2.8. Opening

Proposals received by the correct time and date will be opened and the name of each Offeror will be publicly available through the State of Arizona's eProcurement system (<https://procure.az.gov>). Proposals will not be available on the eProcurement system until after contract award.

2.9. Offer Acceptance Period

Responses to this RFP, including proposed costs, will be considered firm for one hundred and eighty (180) days after the proposal due date and time.

2.10. Clarifications

Upon receipt and opening of proposals submitted in response to this solicitation, the State may request oral or written clarifications, including demonstrations or questions and answers, for the sole purpose of information gathering or for eliminating minor informalities or correcting nonjudgmental mistakes in proposals. Clarifications shall not otherwise afford Offerors the opportunity to alter or change their proposal.

2.11 Oral Presentations

The State of Arizona may request oral presentations. If requested, the Offeror shall be available for oral presentations with no more than ten (10) business days' advance notice. Participants in the oral presentations should include the Offeror's

key persons. Such oral presentations shall not otherwise afford an Offeror the opportunity to alter or change its Offer.

2.12. Evaluation

In accordance with the Arizona Procurement code A.R.S. § 41-2534, awards shall be made to the responsible Offeror(s) whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance:

1. Capacity of Offeror, Key Personnel
2. Cost
3. Exceptions to the Terms and Conditions

Exceptions to the Terms and Conditions, may impact an Offeror's susceptibility for award. Confidential or Proprietary Information

2.13 Discussions

In accordance with A.R.S. § 41-2534, after the initial receipt of proposals, the State may conduct discussions with those Offerors who submit proposals determined by the State to be reasonably susceptible of being selected for award.

2.14. Best and Final Offer (BAFO)

If discussions are conducted, the State of Arizona shall issue a written request for Best and Final Offers (BAFO's). The request shall set forth the date, time and place for the submission of BAFO's. BAFO's shall be requested only once; unless, the State of Arizona makes a determination that it is advantageous to conduct further discussions.

2.15 Contract Award

Award of a contract will be made to the most responsive and responsible Offeror(s) whose proposal is determined to be the most advantageous to the State of Arizona based on the evaluation criteria set forth in the solicitation.

2.15.1 Number of Types of Awards.

2.15.1.1 The Lead State (State of Arizona) reserves the right to make a single award, multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever the Lead State (State of Arizona) determines is most advantageous to the collective best interest of the Participating States.

2.15.1.2 Each State reserves the right to enter into a single Participating Addendum (PA) or enter into multiple

PAs, whichever is most advantageous to the Participating State.

2.15.2 Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the State of Arizona's Procurement Officer's signature on the Offer and Acceptance form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.

2.16 Public Record

All Proposals submitted in response to this Request for Proposal shall become the property of the State of Arizona and shall become a matter of Public Record available for review and must be retained by the State of Arizona for six years. Offers shall be open and available to public inspection through the State of Arizona's eProcurement system after Contract award, except for such Offers deemed to be confidential by the State of Arizona.

2.17 Protests

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted there under. Protests shall be in writing and be filed with both the State of Arizona's Procurement Officer of the purchasing agency and with the State of Arizona's Procurement Administrator. A protest of a Solicitation shall be received by the State of Arizona's Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

- 2.17.1 The name, address and telephone number of the protester;
 - 2.17.2 The signature of the protester or its representative;
 - 2.17.3 Identification of the purchasing agency and the Solicitation or Contract number;
 - 2.17.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and,
 - 2.17.5 The form of relief requested.
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Section 3: Scope of Work

Contractor shall provide equipment, services, and support to meet the mailing needs of the customer per the limitations of their award. The applicable product range will include software license and subscriptions, ultra-low volume equipment through equipment used in mailing production environments, including postage meter rental, accessories, supplies, and maintenance. All equipment and services offered must meet the approval of the USPS® if applicable.

3.1. Products and Services Categories by Geographic Area

While the primary purpose of this solicitation is to select a manufacturer(s) who can provide the equipment, supplies and service for all potential Participating Entities, a Contractor is permitted to respond for more limited geographical areas, however not less than a single Participating State. Contractor must clearly describe the geographical limits (e.g. by state name) if proposing a geographical area less than that of all potential Participating States (see Attachment A Offer Response Form Capacity of Offeror Questionnaire). However, if a Contractor elects to submit a proposal for a limited geographical area the Contractor must be willing to service the entire state(s) within that geographical area. The Contractor may request to add additional states to the contract at a later date following the award if mutually agreed upon by the Contractor and the Master Agreement Contract Administrator. Any award received does not guarantee any State will sign a Participating Addendum with the Contractor and additional states.

3.2 Products

- 3.2.1 Contractor(s) shall provide equipment and support to meet the mailing needs of the customer per the extent of their award. The applicable product range will include mailroom-related software license and subscriptions, ultra-low volume equipment and all other mail room equipment including mailing production environment equipment and accessories. The equipment, support, accessories and options as contained in specific product manufacturer's established catalog/price lists are placed into groups specified within this solicitation. All equipment, and support offered must meet the approval of the USPS® if applicable. Any awarded contractor(s) shall also include information on all environmental features of each item, including but not limited to: energy efficiency modes and their operation, double sided copying operations and double sided default programming, the extent to which any supplies and other packaging may qualify for recycling, re-manufacturing, and will provide the environmental and economic benefits of these features.
- 3.2.1.1. **Printers** – The only printers allowed for purchase through this solicitation are special printers sole use for which is tied to mail room equipment. If a regular printer (e.g. an HP Printer) is able to be utilized in the same fashion, and function as the printer available
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from the Contractor, then the printer from the Contractor is not allowed. Allowable printers may be purchased with a mail room equipment system or as a product replacement from a purchase from this or a previous Master Agreement.

- 3.2.1.2. **Computers** - The only computers allowed for purchase through this solicitation are those computers dedicated to mail room equipment and operations.
- 321.3 **Furniture** - Furniture is being awarded within each category as well as being classified as an independent category. The furniture that is applicable to the independent furniture category is furniture that is specific to mail rooms but not specific to the mail equipment category. E.g. Case work or mobile mail cart etc. The furniture section within each category is relevant to furniture that would be considered agreeable with the mailroom equipment with which they are compatible.
- 321.4 **Accessories** – All accessories, including tablets and scanners, shall be relevant to the functioning of a mail room. If there is any concern over a specific item being included in this category, said items will be submitted to the Contract Administrator for a decision. The Contract Administrator's decision is the final determination as to whether an item is included in the Scope of any Master Agreement.
- 321.5 **Trade In/Buy Back** - Contractor shall provide a Trade in /Buy Back program to help ensure Participating Entity has the best options to meet their needs. This program is required; however, it is at the sole option of the Participating Entity to utilize this program. Please provide the details of your Trade In/Buy Back program in your response.
- 321.6 All equipment identified as EnergyStar compliant shall be delivered and installed with the Energy Star or similar power management features enabled.

3.3. Remanufactured Equipment

- 3.3.1 A Contractor may offer Remanufactured or Refurbished Equipment that is certified by the Manufacturer. All Remanufactured or Refurbished Equipment will be clearly labeled as Remanufactured equipment. Pricing will be based on a quote and on an Individual Case Basis (ICB). All quotes will also provide the fixed annual maintenance rate for years 2-5. Remanufactured equipment shall come with a 1 year all-inclusive as new-warranty and the Offeror shall be able to provide maintenance for years 2-5 that includes all service, labor, software maintenance, and parts. If for any reason a Contractor is not able to provide maintenance (including parts), the Contractor(s) will provide, entirely at their expense, a replacement

piece of equipment and/or software. Any replacement items shall have the equal or greater performance and functionality along with the maintenance for the equipment for the duration of the original five (5) year maintenance period (including maintenance on the replacement equipment) at no additional charge. All other requirements of the Master Agreement continue to apply.

3.3.2

Shipping is to be FOB destination, inside to the contiguous 48 states, Washington DC and point of exportation for Alaska, Hawaii, Puerto Rico, and territories for shipments outside the 48 contiguous states. The point of exportation location must be agreed to, in writing, by the vendor and the Participating Entity. At that point, shipping terms, charges and conditions should be negotiated with the end-user. These Participating Entities must be notified in advance of any possible shipping charges and mutually agreed to in writing before any purchase or lease is allowed.

The Contractor(s) shall furnish equipment within twenty (20) business days after receipt of order, or a delivery time mutually agreed upon, in writing, between the Participating Entity and the Contractor. The Contractor shall notify the Participating Entity in advance of delivery of equipment so that the Participating Entity can make necessary arrangements. Delivery of start-up supplies shall be made upon or before delivery of equipment. Delivery shall be made in accordance with instructions (time and quantities ordered) from the Participating Entity as detailed on the Purchase Order. All deliveries shall be accompanied with a Bill of Lading containing the Purchase Order number, the items ordered, the Master Agreement numbers, (both the Master Agreement number and the Participating Entities number) pricing and any special instructions. If there is a discrepancy between the Purchase Order and what is listed on the Master Agreement, it is the Contractor's obligation to seek clarification from the Participating Entity.

All deliveries and installation work shall be performed during regular working hours, defined as 7:00 A.M. to 6:00 P.M. Monday through Friday. Changes may be granted with written approval of the Participating Entity. Any delivery required to be performed outside regular working hours or on Saturdays, Sundays or legal holidays, as may be reasonably required consistent with contractual obligations, and if agreeable to both the Contractor and the Participating Entity, shall be agreed to in writing by both parties.

The Contractor shall be responsible for the delivery of equipment in first class condition at the point of assembly, and in accordance with good commercial practices. The Contractor shall also be responsible for the removing of all debris associated with the purchase from the premises.

- Packing for shipment shall be provided to adequately protect the product and ensure safe shipment.
- Shipping cases shall be marked to indicate the name of the Contractor/Manufacturer's name and address of receiving Participating Entity, Purchase Order number, and Contract number (both the Master Agreement number and the Participating Entities number).

Participating Entities are authorized to order and the Contractor is authorized to ship only those items approved and awarded under the Master Agreement. If any items other than those awarded in the applicable Master Agreement and not eliminated in the PA negotiation process have been ordered and delivered, the Participating Entity shall take any steps necessary to have the items returned to the Contractor. Contractor shall issue full credit upon return of item(s). Violation may result in administrative actions including, but not be limited to termination of the Participating Addendum or the Master Agreement.

3.4 Training & Support Services

- 3.4.1 Upon delivery and installation of specified equipment, the Contractor shall provide training to personnel designated by the Participating Entity. Operational Training must be provided to the designated personnel until the personnel are able to operate the equipment independently. The amount of training is determined by the complexity of the equipment purchased, rented or leased by the Participating Entity. Installed product and system training shall be included in the price. Contractor shall provide additional training at the Participating Entity's request throughout the life of the equipment. All training will be performed on the Participating Entity's sites, via remote or electronic delivery. Site required training will be at no additional charge if the equipment is either under warranty or an active maintenance plan. Upon the mutual agreement of both parties, additional training outside of initial installation will be at the participating entity's expense. Contractor will be responsible for the cost of all travel, lodging and food; no charges will be passed on to the Participating Entity.

The Contractor must agree to maintain a toll-free technical support telephone line. The telephone line shall be accessible to Participating Entity personnel who need to obtain competent technical assistance regarding the installation or operation of the Contractor's equipment. The toll-free support line shall be available during regular working hours, defined as 7:00 A.M. to 6:00 P.M. local time Monday through Friday.

3.5 Instruction Manuals

- 3.5.1 Instruction manuals shall be included at no cost for each piece of equipment that is purchased or rented. The instruction manual shall contain, but not be limited to:
- Glossary
 - A section defining the capabilities of the equipment (specifications)
 - A general section describing the technical operation of the equipment
 - A section describing the installation and use criteria of the equipment
 - A section on the primary points of contacts for sales, training and maintenance/service
 - All manuals and instruction shall be in the English language

3.6 Technology Advancements

New equipment and technologies will be considered for the possible implementation as long as they are in consonance with USPS rules and guidelines.

3.7 Software purchases or subscriptions

Software acquired under this Master Agreement shall be specific to the needs of mail operations. Purchase order shall reference a manufacturer's most recent release or version of the product unless the Participating Entity specifically requests in writing a different version. As a minimum, software licenses shall provide license rights as prescribed in section 20 of the NASPO ValuePoint Master Agreement Terms and Conditions in Section 6 of this RFP. Rights in software other than as proposed shall be negotiated and agreed to by the Participating Entity as defined in the PA.

- 3.7.1 In addition to the services directly associated with the receipt of product under this Scope, the Contractor(s) will provide services related to the selection, purchase and management of distributed software, these services include, but are not limited to:
- 3.7.1.1 Assemble, Production Equipment Only
 - 3.7.1.2 Software Installation/Integration
 - 3.7.1.3 Design, Production Equipment only
 - 3.7.1.4 Maintenance, Annual and Time and Material
 - 3.7.1.5 Legacy Maintenance
 - 3.7.1.6 Lease/Rental/Purchase Options

3.8. Equipment Performance

- 3.8.1 Equipment at each individual location shall maintain, at all times a 95% or better uptime. Downtime shall be computed from the time the
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Contractor representative is notified of equipment failure until the equipment is fully operational. Equipment that does not meet the performance standard of 95% for a two (2) consecutive month period or for three (3) months in a rolling twelve (12) month period shall be replaced by the Contractor with equal or better equipment. It is understood and accepted that equipment failure may not be attributed to the use of recycled paper and/or recycled/remanufactured supplies, as long as those products meet the specifications set by the USPS.

3.8.2

Replacement of Unsatisfactory Equipment.

The Contractor shall grant a credit for any equipment which fails to perform at the effectiveness level defined in section 3.8.1 The credit shall be equivalent to the percentage of down time experienced within that month.

The Contractor may elect to replace an individual component or section that is defective in Production Equipment. The Participating Entity shall notify the Contractor in writing if the repair does not resolve the issue. This written notification will act as a cure letter allowing fifteen (15) days to have resolution plan in place.

During the warranty period, unsatisfactory equipment performance will require an even exchange of equipment of equal or greater performance at no additional cost.

After the warranty period, the credit value shall be the amount paid at the time of purchase.

If equipment or software is not functional after 60 days of delivery, the Purchasing Entity may return for full refund or cancel any rental or lease agreement with no fees or charges of any kind.

3.9. Maintenance on Purchased Equipment

3.9.1

This Master Agreement recognizes two (2) categories of maintenance, Preventive maintenance and Repair Service which is covered by the Service Level Agreement. The Contractor must have the resources, distribution capabilities, inventory of parts, consumable supplies, and staff to meet the requirements of the Master Agreement. Contractor or Contractor's Authorized Dealers/Partners shall maintain replacement parts to ensure minimum downtime. Pricing shall include all maintenance including, but not limited to, all parts, labor and time, and preventative maintenance services at the levels specified for each piece of equipment. The Contractor must offer a full service maintenance contract for all equipment placed. However, the Participating Entity shall have the option of not entering into a maintenance/service contract on purchased equipment, but choose to utilize the Time and Materials option. On-site service shall be available on an immediate

need service call basis. Preventive scheduled maintenance is based on the equipment requirements by the Manufacturer. These shall include, cleaning, lubrication, parts replacement and necessary adjustments. Maintenance on any equipment purchased under the Master Agreement must be available for five years.

- Contractor /Authorized Dealer shall provide and maintain a toll-free number, an email address and a fax number for Maintenance and Repair Service.

3.9.2 If a Contractor is called due to non-performance of a system, and the Contractor arrives and determines that the issue is with an excluded item and not their product, they will notify the Purchasing Entity. If the equipment is under a maintenance agreement or in the initial one-year warranty time frame, there will be no cost to the Purchasing Entity for the diagnostic call. If the equipment is not under warranty or a maintenance plan the Contractor may charge their hourly contracted rate.

3.10 Service Level Agreements

3.10.1 All Service Level Agreements shall meet the following requirements:

- 3.10.1.1 Two (2) hour response time (acknowledgement) to all written or oral notices of a service requirement due to an equipment stoppage or malfunction.
- 3.10.1.2 A factory trained service technician, shall be on site before close business or within 4 hours at the start of the next business day.
- 3.10.1.3 Any Purchasing Entities that require a 24hr/7 days per week maintenance agreement will be negotiated during the PA process.
- 3.10.1.4 All parts that require maintenance by a service technician are to be included and considered part of the service repair plan. Failed/defective parts shall be replaced at no additional charge to the Participating Entity.
- 3.10.1.5 Consumable supplies shall be billed separately.
- 3.10.1.6 If the equipment includes licensed software, the Contractor shall provide software support.
- 3.10.1.7 Contractor shall maintain a service log for each piece of equipment at each location. Service log shall be available for Participating entity to review.
- 3.10.1.8 The Contractor shall supply loaner equipment at equal or greater functionality, at no additional charge, for any inoperable equipment exceeding three (3) business days from time of diagnosis. The Contractor may offer, in lieu of loaner equipment, to provide

Official copies of the Master Agreement (as amended) and related documents can be found on the lead state's website
<https://procure.az.gov/bso/external/purchaseorder/poSummary.sdo?docId=ADSPO16-169897&releaseNbr=0&parentUrl=contract>
or the NASPO ValuePoint website <https://www.naspovaluepoint.org/portfolios/portfolio-contractor/541/>

_____ production or alternative services during the period of _____

repair. This shall be mutually agreed upon in writing beforehand.

3.11 Legacy Maintenance

- 3.11.1 The Contractor shall provide maintenance on legacy devices already sold to a Participating Entity. Pricing will be provided on an Individual Case Basis (ICB), through a quote process.
- 3.11.2 The Contractor must have the resources, distribution capabilities, inventory of parts, consumable supplies and staff to meet the requirements of any Master Agreement. Legacy maintenance pricing shall include but not limited to all parts, labor and time at the levels specified for each piece of equipment that has previously been purchased from the Manufacturer. The Participating Entity shall have the option of not entering into a maintenance/service contract on purchased equipment, but choose to utilize the Time and Materials option. On-site service is to be available on both an immediate need service call basis, and as needed for preventive maintenance. Preventive maintenance shall be based on the needs of the individual equipment as determined by the manufacturer. This shall include cleaning, lubrication, necessary adjustments, and replacement of unserviceable parts. Maintenance shall be available for equipment that is up to 10 years old from date of purchase.

3.12 Design and Software Consulting Services

Design layout services must be provided at no cost by the Contractor, with the exception of production environment equipment and software consulting services. The total number of hours/days required for services must be agreed to in writing before any design services or software consulting services are initiated. The Contractor shall only charge for actuals costs incurred.

3.13 Installation/Integration

- 3.13.1 All equipment prices shall include installation, with the exception of integrating software solutions and Production Equipment. Contractor may charge the contracted rate for integrating software and Production equipment installation. The total number of hours/days needed shall be agreed to, in writing, before any Installation or, Integration services may be initiated. The Contractor shall charge only for actual costs incurred.
- 3.13.2 If a Contractor needs to utilize special Rigging (e.g. a crane) where the Participating Entity does not have an elevator accessible for moving the equipment, they may charge the hourly Installation /Integration rate. However, all "rigging" charges shall be mutually agreed to, in writing, before work begins.

- 3.13.3 Contractor shall affix a label or a decal to the equipment at the time of installation showing warranty period by dates, and the name, address, and telephone number of the Contractor responsible for warranty service of the equipment.
- 3.13.4 The Contractor and the participating entity shall, prior to purchase, review the installation location to ensure the proposed location meets the manufacturer's installation criteria. If special installation is required, the Contractor and Participating Entity shall agree in writing, to the total cost of the installation based on the hourly/daily rates provided within the Master Agreement. Should the proposed installation location not meet established installation criteria, the Contractor and the Participating Entity may attempt to locate an alternate mutually agreeable location for the equipment.

3.14 Software Maintenance.

Maintenance shall be available for all software licenses purchased. Software maintenance shall include all software updates, patches and new releases/versions and shall be available to all Participating Entities. It is the Contractor's responsibility to communicate all updates, patches, and new releases/versions to all end users. No additional fee shall be charged for installation of the upgrades. The Contractor shall be responsible for Postage Scale software licensing.

3.15 Equipment Leasing.

Participating Entities may enter into lease agreements for the products covered in the Master Agreement. Responders who wish to participate in lease agreements with these individual states/entities must submit copies of all of their lease agreements with their response to this RFP. The lease agreements will not be reviewed or evaluated as part of the RFP evaluation process. The agreements will simply be made available to any state or entity who wishes to negotiate a lease agreement with a Contractor. Any additional Terms and Conditions submitted that are specifically for Equipment Leasing will not become part of the Master Agreement, but the negotiated Lease T&C's will be made part of the PA.

3.16 Equipment Rental.

Individual Participating States and Participating Entities may enter in to rental agreements for the products covered in the Master Agreements resulting from the RFP, if they have the legal authority to enter into these types of agreements. Responders who wish to participate in rental agreements with these individual states/entities must submit copies of all of their pertinent rental agreements with their responses to this RFP. No additional Terms and Conditions shall apply to any rental agreements. The rental agreements will not be reviewed or evaluated as part of the evaluation process. The agreements will simply be made available to any state or entity who wishes to negotiate a rental agreement with a Contractor. Any additional Terms and Conditions submitted that are specifically for Equipment Rental will not become part of the Master Agreement, but the

negotiated Rental T&C's will be made part of the PA.

3.17 Develop and Maintain Website.

For each Participating Entity, the Contractor shall develop and support a website specific to that Participating Entity, with content approved by the Contract Administrator and/or State Procurement Officer as appropriate. This web site information shall be available through the Internet without the use of additional software or licenses. Website should be user friendly to allow for quick and easy access and use. Contractor should provide web-based training regarding use of website at no additional cost, and online, email, or telephone help should be available to assist during the Participating Entity's standard working hours. 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. Universal Resource Locator (URL) for the website must be supplied to the Participating Entity and the Master Agreement Contract Administrator within 60 days of the execution of a PA. The website shall include Master Agreement information, product information/catalog, and other pertinent information as may be reasonably requested by Participating Entity.

- 3.17.1 *Contract and General Information.* The website will provide Master Agreement information to include, at a minimum: the contract number(s) (Master Agreement and PA); the Contractor's contact names and titles, including primary contact and contacts to whom incidents should be escalated; areas of responsibility for each contact name as well as their phone numbers and email addresses; Complete information for all Authorized Dealers/Partner for the geographical area of the Purchasing Entity to include contact names and titles, phone numbers, email addresses and a copy of the escalation plan for the Purchasing Entity; information on use of website; quote and ordering information; and any relevant notifications concerning the equipment, supplies and support available under any Master Agreement.
- 3.17.2 *Online Catalog.* The website shall provide Master Agreement and ordering information to include, at a minimum: product names, product numbers, product MSRP pricing, and product descriptions (photos optional or links to access product literature optional), and the contracted discount rate applicable to the product. Non-authorized products or groups of products shall either not be viewable on the website or shall be clearly marked as excluded products. Regardless of the number and types of links to the Contractor's electronic catalog, the Contractor shall ensure that all eligible agencies purchasing from one PA are able to access one, and only one, version of the product catalog.
- 3.17.3 *Product Searching Capability.* At a minimum, the online catalog should be searchable by product name, product number, and description.

3.18 Customer Service and Representation

- 3.18.1 *Dedicated Representation and Timely Response.* Contractor shall provide a dedicated representative for each Participating Entity. The Contractor shall submit a list of all Authorized Dealers/Partners by State. The list shall include the name of the dealer, the contact name, title, phone number, physical address, and email address. The Participating Entity shall have sole discretion as to which of the Authorized Dealers/Partner they choose to utilize. The Representative will provide an individual for quote assistance, equipment, services and support recommendations, track and report on equipment lease/rental renewal deadlines, and serve as a contact point for the Participating Entity. Contractor and Authorized Dealers must commit to returning phone calls or responding to emails within two business days.
- 3.18.2 *Problem Escalation.* Contractor must provide an incident escalation path for each Participating Entity, providing on that Participating Entity's website, the name, contact information, and role of individuals to whom problems should be escalated if the problems are not resolved by primary contact with both the Contractor and Authorize Dealer/Partner.
- 3.18.3 *Contract Reviews.* The Contractor shall attend an annual meeting with Master Agreement Contract Administrator and sourcing team to review usage and discuss any issues that are occurring, if requested. The Contractor shall meet more often if the Master Agreement Contract Administrator deems necessary. The Contractor shall conduct a customer satisfaction survey and detailed issues encountered during the previous six-month term. The Contractor shall be prepared to discuss overall effectiveness of contract, total sales, potential cost savings opportunities when could be passed through to the Participating Entities. In a renewal year, the annual review will take place prior to contract extensions. It is the Contractors responsibility to schedule meetings. The Contractor Administrator shall schedule the meeting with the Contactor.

3.19 Price Quote, General

Pricing shall be submitted in the Master Agreement as a discount off of MSRP list price, with the following exceptions: Maintenance shall be priced based on a Time and Material basis (hourly rate), Design (For Production Equipment only), Installation (Production Equipment only), and Software Consulting Services shall be provided on an hourly/daily rate basis. Individual PA's may use the Master Agreement pricing as a base and may negotiate an adjusted rate. Any negotiated PA rates, exclusive of taxes or any individual state's administrative fee, shall not exceed the MPA rates. As requested by Purchasing Entity, for example on a high volume single order, Contractor may negotiate to reduce cost for the Participating Entity. Firm individual order quotes shall be provided to Purchasing Entity prior to order submittal. All quotes for purchase, rental or lease shall

contain enough detail to easily validate pricing contained within the Master Agreement.

- 3.19.1 *Telephone or Email Quote Support.* Contractor/Authorized Dealer shall accept requests for quotes by telephone, fax, and email. Contractor /Authorized Dealer shall provide and maintain a toll-free number for Purchasing Entity to use. Contractor shall provide an email address for receipt of requests for price quotes. The Contractor must provide written quotes by fax, email or online as requested by the Participating Entity.
- 3.19.2 *Timely Quotes.* Contractor/Authorized Dealer agrees to provide quotes in a timely fashion. Expected response should be within 24 hours but no more than three business days after receiving all of the pertinent information.
- 3.19.3 *Guaranteed 90 Day Quote.* Contractor is required to honor all quotes for 90 calendar days.
- 3.19.4 *Sales Promotion.* The Contractor may conduct sales promotions involving specific products for specified time periods. The promotion should include: the product, the promotional price as compared to the original price and the start and end dates of the sales promotion. The contractor shall maintain a record of all sales promotions and make it available upon request.
- 3.19.5 *Extra-contractual Products and Services Prohibited.* Products and services not awarded in this contract are prohibited from being offered.

3.20 Line Item Specifications

Postage Meter Rental (to include Legacy Postage Meters)

- Digital postage meter must have display that provides date, piece-count, postage used, and postage unused.
- Must be refillable by phone and/or electronically that may be placed on a master account or paid by P-Card.
- Must imprint postage from \$0.01 to \$99.99.
- No administrative fees for postage meter refills.
- Rental renewal available annually.
- No automatic renewals shall be allowed on this contract.
- No penalties for early rental termination.

Mailing Systems, Ultra Low Volume

- Digital or IBI (Information Based Indicia) Operation to conform with all USPS® requirements.
-

- Manual Feed.
- Must meter, date envelopes.
- Handles mail envelopes from 3½" x 5" to 12" x 15".
- Interfaces with postage scales.
- Must include locking key or security feature.
- Must imprint postage from \$0.01 to \$99.99.
- Must have replaceable ink cartridge.
- Must have wet or dry tape system for oversize packages.

Mailing Equipment, Mailing Systems, Low Volume

- Digital or IBI (Information Based Indicia) Operation to conform with all USPS® requirements.
- Minimum feed speed of 30 pieces/minute.
- Must meter, date, and seal envelopes.
- Handles standard mail envelopes from 3½" x 5" to 12" x 15".
- Interfaces with postage scales.
- Must include locking key or security feature.
- Must imprint postage from \$0.01 to \$99.99.
- Must have replaceable ink cartridge.
- Must have wet or dry tape system for oversize packages.

Mailing Equipment, Mailing Systems, Medium Volume

- Digital or IBI (Information Based Indicia) Operation to conform with USPS® requirements.
- Minimum feed speed of 45 pieces/minute.
- Must meter, date, and seal envelopes.
- Handles letter mail and large envelopes up to 3/8" thick and 7-1/2" wide.
- Interfaces with postage scales up to 100 lbs.
- Includes tape dispenser for parcel.
- Must imprint postage from \$0.01 to \$99.99.
- Must include locking key or security feature.
- Must have replaceable ink cartridge.
- To include water reservoir with water level indicator.
- Must have sealed and non-sealed modes.

Mailing Systems, High Volume

- Digital or IBI (Information Based Indicia) Operation to conform with USPS® requirements.
 - Minimum feed speed of 200 pieces/minute.
 - Must meter, date, and seal envelopes.
 - Handles letter mail and large envelopes from 3"x 5" to 13" x 13".
 - Interfaces with postage scales up to 100lbs.
 - Includes Tape Dispenser for parcel.
 - Must imprint postage from \$0.01 to \$99.99.
-

- Must include locking key or security feature.
- Must have replaceable ink cartridge.
- To include water reservoir with water level indicator.
- Must have sealed and non-sealed modes.

Mailing System, Production

- Digital or IBI Operation to conform with USPS® requirements.
- Minimum feed speed of 300+ pieces/minute.
- Must meter, date, and seal envelopes.
- Handles letter mail and large envelopes from 3"x 5" to 13" x 13".
- Interfaces with postage scales up to 100 lbs.
- Includes Tape Dispenser for parcel.
- Must imprint postage from \$0.01 to \$99.99.
- Must include locking key or security feature.
- Must have replaceable ink cartridge.
- To include water reservoir with water level indicator.
- Must have sealed and non-sealed modes.

Integrated Postal Scales

- Capable of Interfacing with Postage Meter.
- Includes variety of rates including: Standard, First Class, Priority Mail, Certified Mail, Return Receipt Registered, C.O.D., Insured, Registered, Bulk Rates, etc.
- Includes keyboard graphics, operator prompts and menu selections.
- Special Carrier Rates.
- Capable of weighing to a 32nd of an oz., displaying in increments of 0.5 oz.
- Must electronically set postage meter by the touch of one button.
- Must include postal rate changes at no additional cost throughout the lease or maintenance contract.

Letter Openers, Low Volume

- Includes Feeder and Stacker, Variable Trim Control.
- Processing speed up to 10,000 pieces per hour Minimum.
- Self-Sharpening trim blade adjusts to allow for narrow or wide cut.
- Includes Tray that collects 80 #10 opened envelopes and trimmings

Letter Openers, High Volume

- Includes Feeder and Stacker, Variable Trim Control.
- Processing speed over 20,000 pieces per hour Minimum.
- Self-Sharpening trim blade adjusts to allow for narrow or wide cut.
- Includes Tray that collects 150 opened envelopes and trimmings.

Letter Folders, Low Volume

- Automatic.
- Folds up to 10,000 sheets per hour minimum.
- Completes Standard or Custom folds. •
- Handles at a minimum paper from 3-1/8" x 4" x 9-1/2" x 14".

Letter Folders, High Volume

- Automatic.
- Folds more than 20,000 sheets per hour minimum.
- Completes Standard or Custom folds.
- Handles at a minimum paper from 3-1/8" x 4" x 12" x 18".
- Able to process Multiple Folds.

Inserters, Production

- Processes up to 5,500 sheets per hour minimum.
- Feeds, collates, folds, and, inserts material into envelopes.
- Jobs can be pre-programmed.

Folder/Inserters, Low volume

- Automatic.
- Completes Standard or Custom folds.
- Handles paper from 3-1/8" x 4" x 9-1/2" x 14".
- Processes up to 1,500 sheets per hour minimum.
- Feeds, collates, folds, and, inserts material into envelopes.
- Jobs can be pre-programmed.

Folders/Inserters, Medium Volume

- Automatic.
- Completes Standard or Custom folds.
- Handles paper from 3-1/8" x 4" x 9-1/2" x 14".
- Processes up from 1501 – 4,999 sheets per hour minimum.
- Feeds, collates, folds, and, inserts material into envelopes.
- Jobs can be pre-programmed.

Folders/Inserters, High Volume

- Automatic.
- Completes Standard or Custom folds.
- Handles paper from 3-1/8" x 4" x 9-1/2" x 14".
- Processes up to 5,000 – 9,999 sheets per hour minimum.
- Feeds, collates, folds, and, inserts material into envelopes.
- Jobs can be pre-programmed.

Folders/Inserters, Production

- Automatic.

- Completes Standard or Custom folds.
- Handles paper from 3-1/8" x 4" x 9-1/2" x 14".
- Processes over 10,000 sheets per hour minimum.
- Feeds, collates, folds, and, inserts material into envelopes.
- Jobs can be pre-programmed.

Envelope Mail Labeler. Low Volume

- Label Speed: up to 5,000 # 10 envelopes per hour.
- Applies permanent (peel off) labels ranging in size from 1" to 4" high and maximum backing strip of 6".
- Adjustable label positioning from side-to-side and top-to-bottom of document.
- Motor driven take-up reel for label backing and control for adjusting for different types of labels and backing.
- Includes digital counter.

Envelope Mail Labeler. Medium Volume

- Label Speed: up to 10,000 # 10 envelopes per hour.
- Applies permanent (peel off) labels ranging in size from 1" to 4" high and maximum backing strip of 6".
- Adjustable label positioning from side-to-side and top-to-bottom of document.
- Motor driven take-up reel for label backing and control for adjusting for different types of labels and backing.
- Includes digital counter.

Envelope Mail Labeler. High Volume

- Label Speed: up to 15,000 # 10 envelopes per hour.
- Applies permanent (peel off) labels ranging in size from 1" to 4" high and maximum backing strip of 6".
- Adjustable label positioning from side-to-side and top-to-bottom of document.
- Motor driven take-up reel for label backing and control for adjusting for different types of labels and backing.
- Includes digital counter.

Envelope Mail Labeler. Production

- Label Speed: up to 25,000 # 10 envelopes per hour.
- Applies permanent (peel off) labels ranging in size from 1" to 4" high and maximum backing strip of 6".
- Adjustable label positioning from side-to-side and top-to-bottom of document.
- Motor driven take-up reel for label backing and control for adjusting for different types of labels and backing.
- Includes digital counter.

Envelope Addressing System. Ink Jet. Low Volume

- Label Speed: up to 2,500 # 10 envelopes per hour.
- Applies address information directly to envelopes.

- Adjustable printing positioning from side-to-side and top-to-bottom of document.
- Adjustable print resolution.
- Scalable fonts.
- Interface with Windows based software.
- Includes digital counter.

Envelope Addressing System. Ink Jet. Medium Volume

- Label Speed: up to 5,000 # 10 envelopes per hour.
- Applies address information directly to envelopes.
- Adjustable printing positioning from side-to-side and top-to-bottom of document.
- Adjustable print resolution.
- Interface with Windows based software.
- Includes digital counter.

Envelope Addressing System. Ink Jet. High Volume

- Label Speed: up to 24,999 # 10 envelopes per hour.
- Applies address information directly to envelopes.
- Adjustable printing positioning from side-to-side and top-to-bottom of document.
- Adjustable print resolution.
- Multiple print heads.
- Movable print heads.
- Print USPS Bar Codes.
- Scalable fonts.
- Interface with Windows based software.
- Includes digital counter.

Envelope Addressing System. Ink Jet. Production

- Label Speed: over 25,000 # 10 envelopes per hour.
- Applies address information directly to envelopes.
- Adjustable printing positioning from side-to-side and top-to-bottom of document.
- Adjustable print resolution.
- Multiple print heads.
- Movable print heads.
- Scalable fonts.
- Print USPS Bar Codes.
- Interface with Windows based software.
- Includes digital counter.

Tabbers. Low Volume

- Complies with all USPS® regulations.
- Single-tab speeds up to 15,000/Hr.

- Multiple tabbing options (paper, clear translucent with or without perforation etc.).
- Easy Programming and Set up.
- Automatic size adjusting (accepts various tab sizes).
- Accepts various types and sizes of media.

Tabbers. Medium Volume

- Complies with all USPS® regulations.
- Single-tab speeds from 15,001 - 22,000/Hr.
- Multiple tabbing options (paper, clear translucent with or without perforation etc.).
- Easy Programming and Set up.
- Automatic size adjusting (accepts various tab sizes).
- Accepts various types and sizes of media.

Tabbers. High Volume

- Complies with all USPS® regulations.
- Single-tab speeds greater than 22,001/Hr. – 50,000/Hr.
- Multiple tabbing options (paper, clear translucent with or without perforation etc.).
- Easy Programming and Set up.
- Accepts various types and sizes of media.

Tabbers. Production

- Complies with all USPS® regulations.
- Single-tab speeds greater than 50,000/Hr.
- Multiple tabbing options (paper, clear translucent with or without perforation etc.).
- Easy Programming and Set up.
- Accepts various types and sizes of media.

Check Imprinting/Endorsing

- Minimum monthly volume of 25,000.
- Utilize both cut sheet and continuous style documents.
- Able to provide a variety of options with regards to signatures, date stamps, seals and logos on various locations on the document.
- Counters that can be reset and non-reset for audit purposes.
- Offers both tri-color and ultraviolet ink roll options.

Pressure Sealing. Production

- Creates a single piece mailer from a full range of stock or custom forms.
- Creates a single piece mailer with a continuous seal formed to assure security and confidentiality.
- Must be able to detect when “double documents” are processed.
- Must be able to detect document jams during production.
- Shall have emergency shut off/safety devise.

Bursting Equipment, Production

- Able to burst cut sheet.
- Able to burst at the perforation.
- Stack sequentially and continuous multipart documents.
- Burst at the horizontal perforations.
- Burst various locations of perforations.

Pre-sorting Equipment, Production

- Minimum monthly volume of 100,000.
- Ability to sort various sizes of envelopes, flats and packages.
- Multiple Station.
- Various rates of speed.
- Ability to process the entire range of USPS.

Extractors

- Processes up to 3000 pieces per hour.
- One, Two, or, Three Sided Opening.
- Includes counting and monitoring system that counts pieces processed.
- Capable of processing various sizes of intermixed mail up to and including #11 envelopes, heights to 5-1/4".

Mailing Furniture (specific to a category)

- Mailroom furniture shall be appropriate for the mailroom category being it is being offered in.
- Mailroom work tables, pedestals, bins etc. must be constructed of wood, steel or plastic bases with steel, laminate or wood tops that can support the daily use and weight of mailroom product and equipment.
- Only furniture specifically related to the category/group of equipment may be purchased under this category.

Mailing Furniture (general)

- Mailroom furniture shall not be specific to a piece of equipment or a category/group.
- Mailroom free standing mail sorter tables, case works, mail carts etc. must be constructed of wood, steel or plastic bases with steel, laminate or wood tops that can support the dialing use and weight of mailroom activity.

Accessories

- Mailroom accessories must be appropriate for a mailroom operation.
- All accessories related to equipment configurations must be identified in the equipment catalogs with the associated percentage % discount(s) off the manufacturer's suggested retail price.

Software, License and Subscription

- Commercial off-the-shelf (COTS) and customized mail room related software utilized by mailing equipment (e.g. tracking software or accounting software) and purchased/leased on either a monthly or annual basis.
- All software must be specifically utilized only for mailing equipment operations.
- Includes licensing, software maintenance, technical support and updates.
- All installations will be performed by the Contracted Supplier.
- Updates shall be performed by Contracted Supplier or user.

Software Consulting Services

- Consulting services for mailing solutions that may require requirements definition, custom design, programming, testing and implementation as outlined in a detailed statement of work.

Software Integration

- Consulting services provided by Contractor that includes but not limited to the process of bringing together applications into one system to ensure the applications function together as a whole for mailing room operations functionality.

Training

- *Additional* training services as specified in Section 3.4.1.

Supplies /Consumables

- All Supplies/Consumables needed to operate the mailing device or equipment.
- Regular paper is not included in this category.
- Labels for addressing and other mail room purposes are included.

Design, Production Only

- Billable only for Production equipment.
- Total hours/days with total fee will be agreed to in writing from both parties before any work will begin.
- All other Design work is included in the cost of the mailing equipment.

Assembly/Installation, Production Only

- Billable only for Production equipment.
- Total hours/days with total fee will be agreed to in writing from both parties before any work will begin.
- All other Installation work is included in the cost of the mailing equipment.

Equipment Leasing

- See section 3.15.

Equipment Rental

- See section 3.16.

Equipment Relocations Services

- Equipment Relocation Services include: dismantling, packing, transporting and re-installing equipment at the Client Agency's request. No additional charges shall be incurred for fuel or tolls. Awarded Vendors may charge for device moves. Such charges must be in the format listed below according to the distance from the original placement:

Move Zone	Distance from the Original Device Placement	Allowable Charge Format
Zone 1	100 Yards or less; or within the same building	No Charge Allowed
Zone 2	Between Zone 1 and 50 miles	Flat Fee
Zone 3	Outside of Zone 2	Per mile fee

Section 4: NASPO ValuePoint Master Agreement Statement of Compliance

4.1. NASPO ValuePoint Master Agreement(s) resulting from this RFP will constitute the final agreement except for negotiated terms and conditions specific to a Participating Entity's Participating Addendum.

The Master Agreement will include, but not be limited to, the NASPO ValuePoint Standard Terms and Conditions in Section 6 and Lead State specific terms and conditions required to execute a master agreement, the statement of work, Section 3 and selected portions of the Offeror's Proposal.

This section highlights particular terms and conditions of NASPO ValuePoint Master Agreement Terms and Conditions, although Offerors will be bound to all the terms and conditions when executing a Master Agreement as shown in section 6. Offerors must include a statement in their Proposal that they have read and understand all of the terms and conditions as shown in the Master Agreement (section 6).

4.1.a Insurance

To be eligible for award, the Offeror agrees to acquire insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state at the prescribed levels set forth in Section 21 of the NASPO ValuePoint Master Agreement Terms and Conditions. Describe your insurance or plans to obtain insurance satisfying the requirements in Section 21.

4.1.b NASPO ValuePoint Administrative Fee and Reporting Requirements

To be eligible for award, the Offeror agrees to pay a NASPO ValuePoint administrative fee as specified in Paragraph 6 of Section 6 of the NASPO ValuePoint Master Agreement Terms and Conditions. Moreover, specific summary and detailed usage reporting requirements are prescribed in paragraph 7 of NASPO ValuePoint Master Agreement Terms and Conditions.

Offerors shall identify the person responsible for providing the mandatory usage reports. This information must be kept current during the contract period. Contractor will be required to provide reporting contact within 15 days of Master Agreement execution.

4.1.c NASPO ValuePoint eMarket Center

To be eligible for award, the Offeror agrees, by submission of a Proposal, to cooperate with NASPO ValuePoint and SciQuest (and any authorized agent or successor entity to SciQuest) to integrate its presence in the NASPO ValuePoint eMarket Center either through an electronic catalog (hosted or punchout site) or unique ordering instructions. Refer to Paragraph 9, NASPO ValuePoint Master Agreement Terms and Conditions for the prescribed requirements.

Those terms and conditions require as a minimum that the Offeror agree to participate in development of ordering instructions. Proposer shall respond how they can support the eMarket Center in the Proposal through either a hosted catalog or punchout solution.

4.2 Lead State Terms and Conditions.

Refer to Section 7 for the Lead State Special Terms and Conditions that apply to this solicitation. Offeror shall indicate in their Proposal that they have read and understand all of the requirements shown Lead State Terms and Conditions.

4.3 Participating State Terms and Conditions.

As a courtesy to Offerors, some Participating State Specific Terms and Conditions are provided in Attachments to this solicitation. These are for informational purposes only and will be negotiated with individual Participating States after award of the Master Agreement. Each State reserves the right to negotiate additional terms and conditions in its Participating Addendums. Offerors shall submit a statement that they understand they may be required to negotiate these additional terms and conditions when executing a Participating Addendum.

4.4. Technical Requirements

This section contains technical requirements pertaining to the Mailroom Equipment Supplies and Maintenance. Other sections of this RFP contain additional requirements that must be met in order to be considered responsive. Offerors must identify in their Proposal how their company meets or exceeds all requirements listed in Section 4 of this RFP solicitation.

4.4.1 Offeror Profile

Provide the following information specific to your company:

- a. Your company's full legal name.
- b. Primary business address.
- c. Describe your company ownership structure.
- d. Employee size (number of employees).
- e. Website.
- f. Sales contact information.
- g. Your client retention rate during the past 3 years.
- h. A brief history of your company and the year it was founded.
- i. Describe your company's growth during the past three years.

4.4.2 Customer Service

- a. What are your hours of operation and when are key account people available to us?
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- b. Describe how problem identification and resolution will be handled.
- c. How will you service our account? Describe the system you will use to manage our account.
- d. How do you respond to customer complaints and service issues?
- e. How do you assess customer satisfaction?
- f. What are your quality assurance measures and how are they handled in your organization?

4.4.3. Technology

- a. Describe your online system that Purchasing Entities would use to place orders and receive results? Include all methods of order submission.
- b. Describe your ability and process to support a decentralized system of orders submitted from many end users in multiple states and locations.

4.4.4. Data Security

- a. What measures do you take to protect sensitive customer information?

4.4.5 Promotion of the NASPO ValuePoint Master Agreement

The NASPO ValuePoint Master Agreement Terms and Conditions include program provisions governing participation in the cooperative, reporting and payment of administrative fees, and marketing/education relating to the NASPO ValuePoint cooperative procurement program. In this regard;

- a. Briefly describe how you intend to promote the use of the Master Agreement.
- b. Knowing that state procurement officials (CPO) must permit use of the Master Agreement in their state, how will you integrate the CPO's permission into your plan for promoting the agreement?
- c. Public entities are sensitive to "scope" issues, that is, whether performance is within the intended scope of the solicitation as awarded. In the context of your method of promoting agreements of this nature, how would you clarify any questions regarding the scope the agreement with respect to any potential order?
- d. How will your company manage due dates for administrative fee payments and usage reports?
- e. Through its Cooperative Development Coordinators and Education & Outreach team, NASPO ValuePoint assists Lead States by engaging vendors in strategies aimed at promoting master agreements. What opportunities and/or challenges do you see in working with NASPO ValuePoint staff in this way?

Section 5: Price and Cost Proposal

Cost in proposals will be evaluated independent of the technical evaluation. Cost proposal must be submitted to the Lead State as a separate document in Offerors Proposal. **Do not embed cost proposal in the technical proposal response.**

Offeror shall provide detailed costs for all costs associated with the responsibilities and related services, per Attachment C and C1.

Cost for the NASPO ValuePoint Master Agreements shall be based on the following:

Offeror must submit cost, prices and rates as required by (Pricing and Pricing Scenario Workbooks attached in ProcureAZ within the Attachments Tab), Cost Sheets. Prices and rates shall include all anticipated charges, including but not limited to, freight and delivery, cost of materials and product, travel expenses, transaction fees, overhead, profits, and other costs or expenses incidental to the Offeror's performance.

The Lead State is exempt from federal excise taxes and no payment will be made for any taxes levied on the Offeror's or any Subcontractor's employee's wages. The Lead State will pay for any applicable Lead State or local sales or use taxes on the products provided or the services rendered. If required by Lead State, Taxes shall be included as a separate line item on an Offeror's invoice. The tax rules with respect to other Participating Entities may vary and are expected to be addressed in the Participating Amendments.



Section 6: NASPO ValuePoint Master Agreement Terms and Conditions

1. Master Agreement Order of Precedence

a. Any Order placed under this Master Agreement shall consist of the following documents:

- (1) A Participating Entity's Participating Addendum ("PA");
- (2) NASPO ValuePoint Master Agreement Terms & Conditions;
- (3) A Purchase Order issued against the Master Agreement;
- (4) The Scope of Work, Section 3 of the Request for Proposals;
- (5) The Solicitation or, if separately executed after award, the Lead State's bilateral agreement that integrates applicable provisions;
- (6) Contractor's response to the Solicitation, as revised (if permitted) and accepted by the Lead State.

b. These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to this Master Agreement as an Exhibit or Attachment.

2. Definitions

Acceptance is defined by the applicable commercial code, except Acceptance shall not occur before the completion of delivery in accordance with the Order, installation if required, and a reasonable time for inspection of the Product.

Contractor means the person or entity delivering Products or performing services under the terms and conditions set forth in this Master Agreement.

Embedded Software means one or more software applications which permanently reside on a computing device.

Intellectual Property means any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.

Lead State means the State centrally administering any resulting Master Agreement(s).

Master Agreement means the underlying agreement executed by and between the Lead State, acting on behalf of the NASPO ValuePoint program, and the Contractor, as now or hereafter amended.

NASPO ValuePoint is the NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, a 501(c)(3) limited liability company that is a subsidiary organization the National Association of State Procurement Officials (NASPO), the sole member of NASPO ValuePoint. NASPO ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. NASPO ValuePoint is identified in the Master Agreement as the recipient of reports and may perform contract administration functions relating to collecting and receiving reports as well as other contract administration functions as assigned by the Lead State.

Order or Purchase Order means any purchase order, sales order, contract or other document used by a Purchasing Entity to order the Products.

Participating Addendum means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any other additional Participating Entity specific language or other requirements, e.g. ordering procedures specific to the Participating Entity, other terms and conditions.

Participating Entity means a state, or other legal entity, properly authorized to enter into a Participating Addendum.

Participating State means a state, the District of Columbia, or one of the territories of the United States that is listed in the Request for Proposal as intending to participate. Upon execution of the Participating Addendum, a Participating State becomes a Participating Entity; however, a Participating State listed in the Request for Proposals is not required to participate through execution of a Participating Addendum.

Product means any equipment, software (including embedded software), documentation, service or other deliverable supplied or created by the Contractor pursuant to this Master Agreement. The term Products, supplies and services, and products and services are used interchangeably in these terms and conditions.

Purchasing Entity means a state (as well as the District of Columbia and U.S territories), city, county, district, other political subdivision of a State, and a nonprofit organization under the laws of some states if authorized by a Participating Addendum, who issues a Purchase Order against the Master Agreement and becomes financially committed to the purchase.

NASPO ValuePoint Program Provisions

3. Term of the Master Agreement

a. The initial term of this Master Agreement is for Two (2) years. This Master Agreement may be extended beyond the original contract for up to 36 months (not to exceed a 5-year maximum) at the Lead State's discretion and by mutual agreement and upon review of requirements of Participating Entities, current market conditions, and Contractor performance.

b. The Master Agreement may be extended for a reasonable period of time, not to exceed six months, if in the judgment of the Lead State a follow-on, competitive procurement will be unavoidably delayed (despite good faith efforts) beyond the planned date of execution of the follow-on master agreement. This subsection shall not be deemed to limit the authority of a Lead State under its state law otherwise to negotiate contract extensions.

4. Amendments

The terms of this Master Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written agreement of the Lead State and Contractor.

5. Participants and Scope

a. Contractor may not deliver Products under this Master Agreement until a Participating Addendum acceptable to the Participating Entity and Contractor is executed. The NASPO ValuePoint Master Agreement Terms and Conditions are applicable to any Order by a Participating Entity (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented or amended by a Participating Addendum. By way of illustration and not limitation, this authority may apply to unique delivery and invoicing requirements, confidentiality requirements, defaults on Orders, governing law and venue relating to Orders by a Participating Entity, indemnification, and insurance requirements. Statutory or constitutional requirements relating to availability of funds may require specific language in some Participating Addenda in order to comply with applicable law. The expectation is that these alterations, modifications, supplements, or amendments will be addressed in the Participating Addendum or, with the consent of the Purchasing Entity and Contractor, may be included in the ordering document (e.g. purchase order or contract) used by the Purchasing Entity to place the Order.

b. Use of specific NASPO ValuePoint cooperative Master Agreements by state agencies, political subdivisions and other Participating Entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

c. Obligations under this Master Agreement are limited to those Participating Entities who have signed a Participating Addendum and Purchasing Entities within the scope of those Participating Addenda. Financial obligations of Participating Entities who are states are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating Entities who are states incur no financial obligations on behalf of other Purchasing Entities. Contractor shall email a fully executed PDF copy of each Participating Addendum to PA@naspovaluepoint.org to support documentation of participation and posting in appropriate data bases.

d. NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, is not a party to the Master Agreement. It is a nonprofit cooperative purchasing organization assisting states in administering the NASPO cooperative purchasing program for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for all 50 states, the District of Columbia and the territories of the United States.

e. Participating Addenda shall not be construed to amend the following provisions in this Master Agreement between the Lead State and Contractor that prescribe NASPO ValuePoint Program requirements: Term of the Master Agreement; Amendments; Participants and Scope; Administrative Fee; NASPO ValuePoint Summary and Detailed Usage Reports; NASPO ValuePoint Cooperative Program Marketing and Performance Review; NASPO ValuePoint eMarketCenter; Right to Publish; Price and Rate Guarantee Period; and Individual Customers. Any such language shall be void and of no effect.

f. Participating Entities who are not states may under some circumstances sign their own Participating Addendum, subject to the approval of participation by the Chief Procurement Official of the state where the Participating Entity is located. Coordinate requests for such participation through NASPO ValuePoint. Any permission to participate through execution of a Participating Addendum is not a determination that procurement authority exists in the Participating Entity; they must ensure that they have the requisite procurement authority to execute a Participating Addendum.

g. **Resale.** "Resale" means any payment in exchange for transfer of tangible goods, software, or assignment of the right to services. Subject to any specific conditions included in the solicitation or Contractor's proposal as accepted by the Lead State, or as explicitly permitted in a Participating Addendum, Purchasing Entities may not resell Products (the definition of which includes services that are deliverables). Absent any such condition or explicit permission, this limitation does not prohibit: sales of Products to the general public as surplus property; and fees associated with inventory transactions

with other governmental or nonprofit entities and consistent with a Purchasing Entity's laws and regulations. Any sale or transfer permitted by this subsection must be consistent with license rights granted for use of intellectual property.

6. Administrative Fees

a. The Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than sixty (60) days following the end of each calendar quarter. The NASPO ValuePoint Administrative Fee shall be submitted quarterly and is based on all sales of products and services under the Master Agreement (less any charges for taxes or shipping). The NASPO ValuePoint Administrative Fee is not negotiable. This fee is to be included as part of the pricing submitted with proposal.

b. Additionally, some states may require an additional fee be paid directly to the state only on purchases made by Purchasing Entities within that state. For all such requests, the fee level, payment method and schedule for such reports and payments will be incorporated into the Participating Addendum that is made a part of the Master Agreement. The Contractor may adjust the Master Agreement pricing accordingly for purchases made by Purchasing Entities within the jurisdiction of the state. All such agreements shall not affect the NASPO ValuePoint Administrative Fee percentage or the prices paid by the Purchasing Entities outside the jurisdiction of the state requesting the additional fee. The NASPO ValuePoint Administrative Fee in subsection 6a shall be based on the gross amount of all sales (less any charges for taxes or shipping) at the adjusted prices (if any) in Participating Addenda.

7. NASPO ValuePoint Summary and Detailed Usage Reports

In addition to other reports that may be required by this solicitation, the Contractor shall provide the following NASPO ValuePoint reports.

a. Summary Sales Data. The Contractor shall submit quarterly sales reports directly to NASPO ValuePoint using the NASPO ValuePoint Quarterly Sales/Administrative Fee Reporting Tool found at <http://www.naspo.org/WNCPO/Calculator.aspx>. Any/all sales made under this Master Agreement shall be reported as cumulative totals by state. Even if Contractor experiences zero sales during a calendar quarter, a report is still required. Reports shall be due no later than thirty (30) days following the end of the calendar quarter (as specified in the reporting tool).

b. Detailed Sales Data. Contractor shall also report detailed sales data by: (1) state; (2) entity/customer type, e.g. local government, higher education, K12, non-profit; (3) Purchasing Entity name; (4) Purchasing Entity bill-to and ship-to locations; (4) Purchasing Entity and Contractor Purchase Order identifier/number(s); (5) Purchase Order Type (e.g. sales order, credit, return, upgrade, determined by industry practices); (6) Purchase Order date; (7) Ship Date; (8) and line item description, including product number if used. The report shall be submitted in any form required by the solicitation. Reports are due on a quarterly basis and must be received by the Lead State and

NASPO ValuePoint Cooperative Development Team no later than thirty (30) days after the end of the reporting period. Reports shall be delivered to the Lead State and to the NASPO ValuePoint Cooperative Development Team electronically through a designated portal, email, CD-ROM, flash drive or other method as determined by the Lead State and NASPO ValuePoint. Detailed sales data reports shall include sales information for all sales under Participating Addenda executed under this Master Agreement. The format for the detailed sales data report is in shown in Attachment H.

c. Reportable sales for the summary sales data report and detailed sales data report includes sales to employees for personal use where authorized by the solicitation and the Participating Addendum. Report data for employees should be limited to ONLY the state and entity they are participating under the authority of (state and agency, city, county, school district, etc.) and the amount of sales. No personal identification numbers, e.g. names, addresses, **social security numbers or any other numerical identifier**, may be submitted with any report.

d. Contractor shall provide the NASPO ValuePoint Cooperative Development Coordinator with an executive summary each quarter that includes, at a minimum, a list of states with an active Participating Addendum, states that Contractor is in negotiations with and any Participating Addendum roll out or implementation activities and issues. NASPO ValuePoint Cooperative Development Coordinator and Contractor will determine the format and content of the executive summary. The executive summary is due thirty (30) days after the conclusion of each calendar quarter.

e. Timely submission of these reports is a material requirement of the Master Agreement. The recipient of the reports shall have exclusive ownership of the media containing the reports. The Lead State and NASPO ValuePoint shall have a perpetual, irrevocable, non-exclusive, royalty free, transferable right to display, modify, copy, and otherwise use reports, data and information provided under this section.

8. NASPO ValuePoint Cooperative Program Marketing and Performance Review

a. Contractor agrees to work cooperatively with NASPO ValuePoint personnel. Contractor agrees to present plans to NASPO ValuePoint for the education of Contractor's contract administrator(s) and sales/marketing workforce regarding the Master Agreement contract, including the competitive nature of NASPO ValuePoint procurements, the Master agreement and participating addendum process, and the manner in which qualifying entities can participate in the Master Agreement.

b. Contractor agrees to participate in an annual contract performance review at a location selected by the Lead State and NASPO ValuePoint, which may include a discussion of marketing action plans, target strategies, marketing materials, as well as Contractor reporting and timeliness of payment of administration fees.

9. NASPO ValuePoint eMarket Center

a. In July 2011, NASPO ValuePoint entered into a multi-year agreement with SciQuest,

Inc. whereby SciQuest will provide certain electronic catalog hosting and management services to enable eligible NASPO ValuePoint's customers to access a central online website to view and/or shop the goods and services available from existing NASPO ValuePoint Cooperative Contracts. The central online website is referred to as the NASPO ValuePoint eMarket Center.

b. The Contractor will have visibility in the eMarket Center through Ordering Instructions. These Ordering Instructions are available at no cost to the Contractor and provide customers information regarding the Contractors website and ordering information. The Contractor is required at a minimum to participate in the eMarket Center through Ordering Instructions.

c. At a minimum, the Contractor agrees to the following timeline: NASPO ValuePoint eMarket Center Site Admin shall provide a written request to the Contractor to begin Ordering Instruction process. The Contractor shall have thirty (30) days from receipt of written request to work with NASPO ValuePoint to provide any unique information and ordering instructions that the Contractor would like the customer to have.

d. If the solicitation requires either a catalog hosted on or integration of a punchout site with eMarket Center, or either solution is proposed by a Contractor and accepted by the Lead State, the provisions of the eMarket Center Appendix to these NASPO ValuePoint Master Agreement Terms and Conditions apply.

10. Right to Publish

Throughout the duration of this Master Agreement, Contractor must secure from the Lead State prior approval for the release of information that pertains to the potential work or activities covered by the Master Agreement. This limitation does not preclude publication about the award of the Master Agreement or marketing activities consistent with any proposed and accepted marketing plan. The Contractor shall not make any representations of NASPO ValuePoint's opinion or position as to the quality or effectiveness of the services that are the subject of this Master Agreement without prior written consent. Failure to adhere to this requirement may result in termination of the Master Agreement for cause.

11. Price and Rate Guarantee Period

All prices and rates must be guaranteed for the initial term of the Master Agreement. *All discounts off Manufacturer's Suggested Retail Price are the minimum allowed throughout the term of the MPA including any optional year extensions.* Following the initial Master Agreement period, any request for price or rate adjustment must be for an equal guarantee period, and must be made at least Ninety (90) Days prior to the effective date. Requests for price or rate adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the Master Agreement shall not be effective unless approved by the Lead State. No retroactive adjustments to prices or rates will be allowed.

12. Individual Customers

Except to the extent modified by a Participating Addendum, each Purchasing Entity shall follow the terms and conditions of the Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement, including but not limited to, any indemnity or right to recover any costs as such right is defined in the Master Agreement and applicable Participating Addendum for their purchases. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Purchasing Entity individuals

Administration of Orders

13. Ordering

a. Master Agreement order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

b. Purchasing Entities may define project-specific requirements and informally compete the requirement among companies having a Master Agreement on an "as needed" basis. This procedure may also be used when requirements are aggregated or other firm commitments may be made to achieve reductions in pricing. This procedure may be modified in Participating Addenda and adapted to the Purchasing Entity's rules and policies. The Purchasing Entity may in its sole discretion determine which Master Agreement Contractors should be solicited for a quote. The Purchasing Entity may select the quote that it considers most advantageous, cost and other factors considered.

c. Each Purchasing Entity will identify and utilize its own appropriate purchasing procedure and documentation. Contractor is expected to become familiar with the Purchasing Entities' rules, policies, and procedures regarding the ordering of supplies and/or services contemplated by this Master Agreement.

Contractor shall not begin work without a valid Purchase Order or other appropriate commitment document under the law of the Purchasing Entity.

d. Orders may be placed consistent with the terms of this Master Agreement during the term of the Master Agreement.

e. All Orders pursuant to this Master Agreement, at a minimum, shall include:

- (1) The services or supplies being delivered;
- (2) The place and requested time of delivery;
- (3) A billing address;
- (4) The name, phone number, and address of the Purchasing Entity

representative;

(5) The price per hour or other pricing elements consistent with this Master Agreement and the contractor's proposal;

(6) A ceiling amount of the order for services being ordered; and

(7) The Master Agreement identifier.

f. All communications concerning administration of Orders placed shall be furnished solely to the authorized purchasing agent within the Purchasing Entity's purchasing office, or to such other individual identified in writing in the Order.

g. Orders must be placed pursuant to this Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days past the then-current termination date of this Master Agreement. Contractor is reminded that financial obligations of Purchasing Entities payable after the current applicable fiscal year are contingent upon agency funds for that purpose being appropriated, budgeted, and otherwise made available.

h. Notwithstanding the expiration, cancellation or termination of this Master Agreement, Contractor agrees to perform in accordance with the terms of any Orders then outstanding at the time of such expiration or termination. Contractor shall not honor any Orders placed after the expiration, cancellation or termination of this Master Agreement, or otherwise inconsistent with its terms. Orders from any separate indefinite quantity, task orders, or other form of indefinite delivery order arrangement priced against this Master Agreement may not be placed after the expiration or termination of this Master Agreement, notwithstanding the term of any such indefinite delivery order agreement.

14. Shipping and Delivery

a. The prices are the delivered price to any Purchasing Entity. All deliveries shall be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage shall remain the Contractor's until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount, if any, will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered shall be shipped without charge.

b. All deliveries will be "Inside Deliveries" as designated by a representative of the Purchasing Entity placing the Order. Inside Delivery refers to a delivery to other than a loading dock, front lobby, or reception area. Specific delivery instructions will be noted on the order form or Purchase Order. Any damage to the building interior, scratched walls, damage to the freight elevator, etc., will be the responsibility of the Contractor. If damage does occur, it is the responsibility of the Contractor to immediately notify the Purchasing Entity placing the Order.

c. All products must be delivered in the manufacturer's standard package. Costs shall include all packing and/or crating charges. Cases shall be of durable construction, good

condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipping carton shall be marked with the commodity, brand, quantity, item code number and the Purchasing Entity's Purchase Order number

15. Laws and Regulations

Any and all Products offered and furnished shall comply fully with all applicable Federal and State laws and regulations.

16. Inspection and Acceptance

a. Where the Master Agreement or an Order does not otherwise specify a process for inspection and Acceptance, this section governs. This section is not intended to limit rights and remedies under the applicable commercial code.

b. All Products are subject to inspection at reasonable times and places before Acceptance. Contractor shall provide right of access to the Lead State, or to any other authorized agent or official of the Lead State or other Participating or Purchasing Entity, at reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance requirements under this Master Agreement. Products that do not meet specifications may be rejected. Failure to reject upon receipt, however, does not relieve the contractor of liability for material (nonconformity that substantial impairs value) latent or hidden defects subsequently revealed when goods are put to use. Acceptance of such goods may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor is liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of Product rejected and returned, or for which Acceptance is revoked.

If any services do not conform to contract requirements, the Purchasing Entity may require the Contractor to perform the services again in conformity with contract requirements, at no increase in Order amount. When defects cannot be corrected by re-performance, the Purchasing Entity may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and reduce the contract price to reflect the reduced value of services performed.

- c. The warranty period shall begin upon Acceptance.
- d. Acceptance Testing may be explicitly set out in a Master Agreement to ensure conformance to an explicit standard of performance. Acceptance Testing means the process set forth in the Master Agreement for ascertaining that the Product meets the standard of performance prior to Acceptance by the Purchasing Entity. If Acceptance Testing is prescribed, this subsection applies to applicable Products purchased under this Master Agreement, including any additional, replacement, or substitute Product(s) and any Product(s) which are modified by or with the written approval of Contractor after Acceptance by the Purchasing Entity. The Acceptance Testing period shall be thirty (30) calendar days or other time period identified in this Master Agreement or the Participating Addendum, starting from the day after the Product is delivered or, if installed, the day after the Product is installed and Contractor certifies that the Product is ready for Acceptance Testing. If the Product does not meet the standard of performance during

the initial period of Acceptance Testing, Purchasing Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the standard of performance is met. Upon rejection, the Contractor will have fifteen (15) calendar days to cure the standard of performance issue(s). If after the cure period, the Product still has not met the standard of performance, the Purchasing Entity may, at its option: (a) declare Contractor to be in breach and terminate the Order; (b) demand replacement Product from Contractor at no additional cost to Purchasing Entity; or, (c) continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor. Contractor shall pay all costs related to the preparation and shipping of Product returned pursuant to the section. No Product shall be deemed Accepted and no charges shall be paid until the standard of performance is met. The warranty period shall begin upon Acceptance.

17. Payment

Payment after Acceptance is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance, unless a different late payment amount is specified in a Participating Addendum, Order, or otherwise prescribed by applicable law. Payments will be remitted by mail or electronic transfer. Payments may be made via a State or political subdivision "Purchasing Card" with no additional charge.

18. Warranty

Warranty provisions govern where specified elsewhere in the documents that constitute the Master Agreement; otherwise this section governs. The Contractor warrants for a period of one year from the date of Acceptance that: (a) the Product performs according

to all specific claims that the Contractor made in its response to the solicitation, (b) the Product is suitable for the ordinary purposes for which such Product is used, (c) the Product is suitable for any special purposes identified in the solicitation or for which the Purchasing Entity has relied on the Contractor's skill or judgment, (d) the Product is designed and manufactured in a commercially reasonable manner, and (e) the Product is free of defects. Upon breach of the warranty, the Contractor will repair or replace (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contractor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

19. Title of Product

Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to the Product free and clear of all liens, encumbrances, or other security interests. Transfer of title to the Product shall include an irrevocable and perpetual license to use any Embedded Software in the Product. If Purchasing Entity subsequently transfers title of the Product to another entity, Purchasing Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license shall be at no additional cost or charge to either Purchasing Entity or Purchasing Entity's transferee.

20. License of Pre-Existing Intellectual Property

Contractor grants to the Purchasing Entity a nonexclusive, perpetual, royalty-free, irrevocable, license to use, publish, translate, reproduce, transfer with any sale of tangible media or Product, perform, display, and dispose of the Intellectual Property, and its derivatives, used or delivered under this Master Agreement, but not created under it

("Pre-existing Intellectual Property"). The Contractor shall be responsible for ensuring that this license is consistent with any third party rights in the Pre-existing Intellectual Property.

General Provisions

21. Insurance

a. Unless otherwise agreed in a Participating Addendum, Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state and having a rating of A-, Class VII or better, in the most recently published edition of A.M. Best's Insurance Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or, at a Participating Entity's option, result in termination of its Participating Addendum.

b. Coverage shall be written on an occurrence basis. The minimum acceptable limits shall be as indicated below:

(1) Commercial General Liability covering premises operations, independent contractors, products and completed operations, blanket contractual liability, personal injury (including death), advertising liability, and property damage, with a limit of not less than \$1 million per occurrence/\$2 million general aggregate;

(2) Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements.

c. Contractor shall pay premiums on all insurance policies. Contractor shall provide notice to a Participating Entity who is a state within five (5) business days after Contractor is first aware of expiration, cancellation or nonrenewal of such policy or is first aware that cancellation is threatened or expiration, nonrenewal or expiration otherwise may occur.

d. Prior to commencement of performance, Contractor shall provide to the Lead State a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that (1) names the Participating States identified in the Request for Proposal as additional insureds, (2) provides for written notice of cancellation shall be delivered in accordance with the policy provisions, and (3) provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of any Participating State as secondary and noncontributory. Unless otherwise agreed in any Participating Addendum, other state Participating Entities' rights and Contractor's obligations are the same as those specified in the first sentence of this subsection except the endorsement is provided to the applicable state.

e. Contractor shall furnish to the Lead State copies of certificates of all required insurance in a form sufficient to show required coverage within thirty (30) calendar days of the execution of this Master Agreement and prior to performing any work. Copies of renewal certificates of all required insurance shall be furnished within thirty (30) days after any renewal date to the applicable state Participating Entity. Failure to provide evidence of

coverage may, at the sole option of the Lead State, or any Participating Entity, result in this Master Agreement's termination or the termination of any Participating Addendum.

e. Coverage and limits shall not limit Contractor's liability and obligations under this Master Agreement, any Participating Addendum, or any Purchase Order.

22. Records Administration and Audit.

a. The Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Agreement and Orders placed by Purchasing Entities under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall permit the Lead State, a Participating Entity, a Purchasing Entity, the federal government (including its grant awarding entities and the U.S. Comptroller General), and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Agreement or orders placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of five (5) years following termination of this Agreement or final payment for any order placed by a Purchasing Entity against this Agreement, whichever is later, or such longer period as is required by the Purchasing Entity's state statutes, to assure compliance with the terms hereof or to evaluate performance hereunder.

b. Without limiting any other remedy available to any governmental entity, the Contractor shall reimburse the applicable Lead State, Participating Entity, or Purchasing Entity for any overpayments inconsistent with the terms of the Master Agreement or Orders or underpayment of fees found as a result of the examination of the Contractor's records.

c. The rights and obligations herein exist in addition to any quality assurance obligation in the Master Agreement requiring the Contractor to self-audit contract obligations and that permits the Lead State to review compliance with those obligations.

23. Confidentiality, Non-Disclosure, and Injunctive Relief

a. Confidentiality. Contractor acknowledges that it and its employees or agents may, in the course of providing a Product under this Master Agreement, be exposed to or acquire information that is confidential to Purchasing Entity or Purchasing Entity's clients. Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by Contractor or its employees or agents in the performance of this Master Agreement, including, but not necessarily limited to (1) any Purchasing Entity's records, (2) personnel records, and (3) information concerning individuals, is confidential information of Purchasing Entity ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information. Confidential Information does not include information that (1) is or becomes (other than by disclosure by Contractor) publicly known; (2) is furnished by Purchasing Entity to others without restrictions similar to those imposed by this Master Agreement; (3) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement; (4) is

obtained from a source other than Purchasing Entity without the obligation of confidentiality, (5) is disclosed with the written consent of Purchasing Entity or; (6) is independently developed by employees, agents or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

b. Non-Disclosure. Contractor shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Master Agreement. Contractor shall advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use commercially

c. Reasonable efforts to assist Purchasing Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Contractor shall advise Purchasing Entity, applicable Participating Entity, and the Lead State immediately if Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement, and Contractor shall at its expense cooperate with Purchasing Entity in seeking injunctive or other equitable relief in the name of Purchasing Entity or Contractor against any such person. Except as directed by Purchasing Entity, Contractor will not at any time during or after the term of this Master Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at Purchasing Entity's request, Contractor shall turn over to Purchasing Entity all documents, papers, and other matter in Contractor's possession that embody Confidential Information. Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits and evidence of the performance of this Master Agreement.

d. Injunctive Relief. Contractor acknowledges that breach of this section, including disclosure of any Confidential Information, will cause irreparable injury to Purchasing Entity that is inadequately compensable in damages. Accordingly, Purchasing Entity may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Purchasing Entity and are reasonable in scope and content.

e. Purchasing Entity Law. These provisions shall be applicable only to extent they are not in conflict with the applicable public disclosure laws of any Purchasing Entity.

24. Public Information.

This Master Agreement and all related documents are subject to disclosure pursuant to the Purchasing Entity's public information laws.

25. Assignment/Subcontracts

a. Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate

responsibilities under this Master Agreement, in whole or in part, without the prior written approval of the Lead State.

b. The Lead State reserves the right to assign any rights or duties, including written assignment of contract administration duties to NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint.

26. Changes in Contractor Representation

The Contractor must notify the Lead State of changes in the Contractor's key administrative personnel managing the Master Agreement in writing within 10 calendar days of the change. The Lead State reserves the right to approve changes in key personnel, as identified in the Contractor's proposal. The Contractor agrees to propose replacement key personnel having substantially equal or better education, training, and experience as was possessed by the key person proposed and evaluated in the Contractor's proposal.

27. Independent Contractor

The Contractor shall be an independent contractor. Contractor shall have no authorization, express or implied, to bind the Lead State, Participating States, other Participating Entities, or Purchasing Entities to any agreements, settlements, liability or understanding whatsoever, and agrees not to hold itself out as agent except as expressly set forth herein or as expressly agreed in any Participating Addendum.

28. Cancellation

Unless otherwise stated, this Master Agreement may be canceled by either party upon 60 days' written notice prior to the effective date of the cancellation. Further, any Participating Entity may cancel its participation upon 30 days' written notice, unless otherwise limited or stated in the Participating Addendum. Cancellation may be in whole or in part. Any cancellation under this provision shall not affect the rights and obligations attending orders outstanding at the time of cancellation, including any right of a Purchasing Entity to indemnification by the Contractor, rights of payment for Products delivered and accepted, rights attending any warranty or default in performance in association with any Order, and requirements for records administration and audit. Cancellation of the Master Agreement due to Contractor default may be immediate.

29. Force Majeure

Neither party to this Master Agreement shall be held responsible for delay or default caused by fire, riot, unusually severe weather, other acts of God, or war which are beyond that party's reasonable control. The Lead State may terminate this Master Agreement after determining such delay or default will reasonably prevent successful performance of the Master Agreement.

30. Defaults and Remedies

a. The occurrence of any of the following events shall be an event of default under this Master Agreement:

- (1) Nonperformance of contractual requirements; or
- (2) A material breach of any term or condition of this Master Agreement; or
- (3) Any certification, representation or warranty by Contractor in response to the solicitation or in this Master Agreement that proves to be untrue or materially misleading; or
- (4) Institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or
- (5) Any default specified in another section of this Master Agreement.

b. Upon the occurrence of an event of default, the Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of 15 calendar days in which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure shall not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Master Agreement.

c. If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Master Agreement and the Lead State shall have the right to exercise any or all of the following remedies:

- (1) Exercise any remedy provided by law; and
- (2) Terminate this Master Agreement and any related Contracts or portions thereof; and
- (3) Impose liquidated damages as provided in this Master Agreement; and
- (4) Suspend Contractor from being able to respond to future bid solicitations; and
- (5) Suspend Contractor's performance; and
- (6) Withhold payment until the default is remedied.

d. Unless other specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and have all of the rights and remedies under this paragraph regarding its participation in the Master Agreement, in addition to those set forth in its Participating Addendum. Unless otherwise specified in a Purchase Order, a Purchasing Entity shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in these Master Agreement Terms and Conditions shall be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

31. Waiver of Breach

Failure of the Lead State, Participating Entity, or Purchasing Entity to declare a default or enforce any rights and remedies shall not operate as a waiver under this Master Agreement or Participating Addendum. Any waiver by the Lead State, Participating Entity, or Purchasing Entity must be in writing. Waiver by the Lead State or Participating Entity of any default, right or remedy under this Master Agreement or Participating

Addendum, or by Purchasing Entity with respect to any Purchase Order, or breach of any terms or requirements of this Master Agreement, a Participating Addendum, or Purchase Order shall not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement, Participating Addendum, or Purchase Order.

32. Debarment

The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. This certification represents a recurring certification made at the time any Order is placed under this Master Agreement. If the Contractor cannot certify this statement, attach a written explanation for review by the Lead State.

33. Indemnification

a. Indemnification by the Contractor of the Lead State is governed by Section 7.1W of this RFP. Otherwise, the Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), Participating Entities, and Purchasing Entities, along with their officers, agents, and employees as well as any person or entity for which they may be liable, from and against third-party claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to tangible property arising from act(s), error(s), or omission(s) of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to the performance under the Master Agreement.

b. Indemnification – Intellectual Property. Indemnification by the Contractor of the Lead State is government by Section 7.2, State of Arizona Uniform Terms and Conditions, subsection 6.2. Otherwise, the Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), Participating Entities, Purchasing Entities, along with their officers, agents, and employees as well as any person or entity for which they may be liable ("Indemnified Party"), from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that the Product or its use, infringes Intellectual Property rights ("Intellectual Property Claim") of another person or entity.

(1) The Contractor's obligations under this section shall not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

- (a) provided by the Contractor or the Contractor's subsidiaries or affiliates;
- (b) specified by the Contractor to work with the Product; or
- (c) reasonably required, in order to use the Product in its intended manner,

and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or

(d) It would be reasonably expected to use the Product in combination with such product, system or method.

(2) The Indemnified Party shall notify the Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of it. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible. The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to vigorously pursue the defense or settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of it and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim. Unless otherwise agreed in writing, this section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.

34. No Waiver of Sovereign Immunity

In no event shall this Master Agreement, any Participating Addendum or any contract or any Purchase Order issued thereunder, or any act of the Lead State, a Participating Entity, or a Purchasing Entity be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

This section applies to a claim brought against the Participating Entities who are states only to the extent Congress has appropriately abrogated the state's sovereign immunity and is not consent by the state to be sued in federal court. This section is also not a waiver by the state of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

35. Governing Law and Venue

a. The procurement, evaluation, and award of the Master Agreement shall be governed by and construed in accordance with the laws of the Lead State sponsoring and administering the procurement. The construction and effect of the Master Agreement after award shall be governed by the law of the state serving as Lead State. The construction and effect of any Participating Addendum or Order against the Master

Agreement shall be governed by and construed in accordance with the laws of the Participating Entity's or Purchasing Entity's State.

b. Unless otherwise specified in the RFP, the venue for any protest, claim, dispute or action relating to the procurement, evaluation, and award is in the Lead State. Venue for any claim, dispute or action concerning the terms of the Master Agreement shall be in the state serving as Lead State. Venue for any claim, dispute, or action concerning any Order placed against the Master Agreement or the effect of a Participating Addendum shall be in the Purchasing Entity's State.

c. If a claim is brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for (in decreasing order of priority): The Lead State for claims relating to the procurement, evaluation, award, or contract performance or administration if the Lead State is a party; a Participating State if a named party; the state where the Participating Entity or Purchasing Entity is located if either is a named party.

36. Assignment of Antitrust Rights

Contractor irrevocably assigns to a Participating Entity who is a state any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided in that state for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at the Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

37. Contract Provisions for Orders Utilizing Federal Funds.

Pursuant to Appendix II to 2 Code of Federal Regulations (CFR) Part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. These federal requirements may be proposed by Participating Entities in Participating Addenda and Purchasing Entities for incorporation in Orders placed under this Master Agreement.

(November 2015)

eMarket Center Appendix

a. This Appendix applies whenever a catalog hosted by or integration of a punchout site with eMarket Center is required by the solicitation or either solution is proposed by a Contractor and accepted by the Lead State.

b. Supplier's Interface with the eMarket Center. There is no cost charged by SciQuest to the Contractor for loading a hosted catalog or integrating a punchout site.

c. At a minimum, the Contractor agrees to the following:

(1) Implementation Timeline: NASPO ValuePoint eMarket Center Site Admin shall provide a written request to the Contractor to begin enablement process. The Contractor shall have fifteen (15) days from receipt of written request to work with NASPO ValuePoint and SciQuest to set up an enablement schedule, at which time SciQuest's technical documentation shall be provided to the Contractor. The schedule will include future calls and milestone dates related to test and go live dates. The contractor shall have a total of Ninety (90) days to deliver either a (1) hosted catalog or (2) punch-out catalog, from date of receipt of written request.

(2) NASPO ValuePoint and SciQuest will work with the Contractor, to decide which of the catalog structures (either hosted or punch-out as further described below) shall be provided by the Contractor. **Whether hosted or punch-out, the catalog must be strictly limited to the Contractor's awarded contract offering (e.g. products and/or services not authorized through the resulting cooperative contract should not be viewable by NASPO ValuePoint Participating Entity users).**

(a) Hosted Catalog. By providing a hosted catalog, the Contractor is providing a list of its awarded products/services and pricing in an electronic data file in a format acceptable to SciQuest, such as Tab Delimited Text files. In this scenario, the Contractor must submit updated electronic data [Insert Time Frame Here] to the eMarket Center for the Lead State's approval to maintain the most up-to-date version of its product/service offering under the cooperative contract in the eMarket Center.

(b) Punch-Out Catalog. By providing a punch-out catalog, the Contractor is providing its own online catalog, which must be capable of being integrated with the eMarket Center as a. Standard punch-in via Commerce eXtensible Markup Language (cXML). In this scenario, the Contractor shall validate that its online catalog is up-to-date by providing a written update to the Lead State stating they have audited the offered products/services and pricing listed on its online catalog. The site must also return detailed UNSPSC codes (as outlined in line 3) for each line item. Contractor also agrees to provide e-Quote functionality to facilitate volume discounts.

d. Revising Pricing and Product Offerings: Any revisions to product/service offerings

(new products, altered SKUs, new pricing etc.) must be pre-approved by the Lead State and shall be subject to any other applicable restrictions with respect to the frequency or amount of such revisions. However, no cooperative contract enabled in the eMarket Center may include price changes on a more frequent basis than once per year. The following conditions apply with respect to hosted catalogs:

(1). Updated pricing files are required by the 1st of the month and shall go into effect in the eMarket Center on the 1st day of the following month (i.e. file received on 1/01/13 would be effective in the eMarket Center on 2/01/13). Files received after the 1st of the month may be delayed up to a month (i.e. file received on 11/06/09 would be effect in the eMarket Center on 1/01/10).

(2) Lead State-approved price changes are not effective until implemented within the eMarket Center. Errors in the Contractor's submitted pricing files will delay the implementation of the price changes in eMarket Center.

e. Supplier Network Requirements: Contractor shall join the SciQuest Supplier Network (SQSN) and shall use the SciQuest's Supplier Portal to import the Contractor's catalog and pricing, into the SciQuest system, and view reports on catalog spend and product/pricing freshness. The Contractor can receive orders through electronic delivery (cXML) or through low-tech options such as fax. More information about the SQSN can be found at: www.sciquest.com or call the SciQuest Supplier Network Services team at 800-233-1121.

f. Minimum Requirements: Whether the Contractor is providing a hosted catalog or a punch-out catalog, the Contractor agrees to meet the following requirements:

(1) Catalog must contain the most current pricing, including all applicable administrative fees and/or discounts, as well as the most up-to-date product/service offering the Contractor is authorized to provide in accordance with the cooperative contract; and

(2) The accuracy of the catalog must be maintained by Contractor throughout the duration of the cooperative contract between the Contractor and the Contract Administrator; and

(3) The Catalog must include a Lead State contract identification number; and

(4) The Catalog must include detailed product line item descriptions; and

(5) The Catalog must include pictures when possible; and

(6) The Catalog must include any additional NASPO ValuePoint and Participating Addendum requirements. Although suppliers in the SQSN normally submit one (1) catalog, it is possible to have multiple contracts applicable to different NASPO ValuePoint Participating Entities. For example, a supplier may have different pricing for

state government agencies and Board of Regents institutions. Suppliers have the ability and responsibility to submit separate contract pricing for the same catalog if applicable. The system will deliver the appropriate contract pricing to the user viewing the catalog.

g. Order Acceptance Requirements: Contractor must be able to accept Purchase Orders via fax or cXML. The Contractor shall provide positive confirmation via phone or email within 24 hours of the Contractor's receipt of the Purchase Order. If the Purchasing Order is received after 3pm EST on the day before a weekend or holiday, the Contractor must provide positive confirmation via phone or email on the next business day.

h. UNSPSC Requirements: Contractor shall support use of the United Nations Standard Product and Services Code (UNSPSC). UNSPSC versions that must be adhered to are driven by SciQuest for the suppliers and are upgraded every year. NASPO ValuePoint reserves the right to migrate to future versions of the UNSPSC and the Contractor shall be required to support the migration effort. All line items, goods or services provided under the resulting statewide contract must be associated to a UNSPSC code. All line items must be identified at the most detailed UNSPSC level indicated by segment, family, class and commodity. More information about the UNSPSC is available at: <http://www.unspsc.com> and <http://www.unspsc.com/FAQs.asp#howdoesunspscwork>.

i. Applicability: Contractor agrees that NASPO ValuePoint controls which contracts appear in the eMarket Center and that NASPO ValuePoint may elect at any time to remove any supplier's offering from the eMarket Center.

j. The Lead State reserves the right to approve the pricing on the eMarket Center. This catalog review right is solely for the benefit of the Lead State and Participating Entities, and the review and approval shall not waive the requirement that products and services be offered at prices (and approved fees) required by the Master Agreement.

k. Several NASPO ValuePoint Participating Entities currently maintain separate SciQuest eMarketplaces, these Participating Entities do enable certain NASPO ValuePoint Cooperative Contracts. In the event one of these entities elects to use this NASPO ValuePoint Cooperative Contract (available through the eMarket Center) but publish to their own eMarketplace, the Contractor agrees to work in good faith with the entity and NASPO ValuePoint to implement the catalog. NASPO ValuePoint does not anticipate that this will require substantial additional efforts by the Contractor; however, the supplier agrees to take commercially reasonable efforts to enable such separate SciQuest catalogs.

Section 7: Lead State (State of Arizona) Terms and Conditions

7.1 State of Arizona Special terms and Conditions

A. Purpose

Pursuant to provisions of the Arizona Procurement Code. A.R.S. 41-2501 Et Seq., the State of Arizona intends to establish a Contract (Participating Addendum, PA) for the materials or services as listed herein on service to the State.

B. Contract Type- Fixed Price

C. Licenses

Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of a business conducted by the contractor.

D. Volume of Work

The State does not guarantee a specific amount of work either for the life of the Contract or on an annual basis.

E. Key Personnel

It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions.

1. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to the State.
2. Key personnel who are not available for work under this Contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the contractor shall immediately notify the State and shall subject to the concurrence of the State, replace such personnel of substantially equal ability and qualifications.

F. Price or Rate Adjustment

Any price or rate adjustment shall be within the confines of the awarded contract, or as negotiated in service to this Contract. Any price or rate adjustment requested must not exceed the Producers Price Index (PPI) by Industry: Other Commercial and Service Industry Machinery Manufacturing: Mailing, Letter Handling, and Addressing Machines, Except Parts and Attachments, Series ID: PCU3333183333183A at time of requested adjustment. Any negotiated price adjustments for this Contract shall be documented via a bilateral Contract Amendment.

G. Information Disclosure

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

H. Employees of the Contractor

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

I. Warranty

All services supplied under this Contract shall be fully guaranteed by the Contractor for a minimum period of ninety (90) days from the date of acceptance by the State. Any defects of design, workmanship, or delivered materials that would result in non-compliance shall be fully corrected by the Contractor without cost to the State.

J. Non-Exclusive Contract

Any Contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

1. Method of Assessment:

At the completion of each quarter, the contractor reviews all sales under their contract in preparation for submission of their Usage Report. The contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: <https://spo.az.gov/state-purchasing-cooperative>. At its option, the State may expand or narrow the applicability of this fee. The State shall provide thirty (30) written notice prior to exercising or changing this option. The contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:

- Total sales receipts from State agencies, boards and commissions;
- Total sales receipts from members of the State Purchasing Cooperative; and
- Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

2. Submission of Reports and Fees:

Within thirty (30) days following the end of the quarter, the contractor submits their Usage Report and if applicable, a check in the amount of one percent (1%) of their sales receipts from members of the State Purchasing Cooperative, to the Department of Administration, State Procurement Office. Contractors are required to use the State's current report templates unless you have authorization from your contract officer to use a different format. You need to complete Form 799, which is a cover letter that gives the totals of your transactions; and Form 801, which is an Excel spreadsheet that details your transactions. Sales to state agencies and the cooperative members are to be totaled separately. The most current forms can be downloaded at <https://spo.az.gov/statewide-contracts-administrative-fee>.

4.1 The submission schedule for Administrative Fees and Usage reports shall be as follows:

FY Q1, July through September Due October 31
FY Q2, October through December Due January 31
FY Q3, January through March Due by April 30
FY Q4, April through June Due by July 31

2.2 Usage Reports and any questions are to be submitted by email to the state's designated usage report email address: usage@azdoa.gov

3. Administrative Fee

The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.

4. Contractor's failure to remit administrative fees

Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

K. Compensation

Should the Contractor fail to provide all required services or deliver work products, as agreed upon by State and the Contractor, the State shall be entitled to invoke applicable remedies, including but not limited to, withholding payment to the Contractor and declaring the Contractor in material breach of the Contract. If the Contractor is in any manner in default of any obligation or the Contractor's work or performance is determined by the State to be defective, sub-standard, or if audit exceptions are identified, the State may, in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default, defect, exception or sub-standard performance. The Contractor shall reimburse the State on demand, or the State may deduct from future payments, any amounts paid for work products or performance which are determined to be an audit exception, defective or sub-standard performance. The Contractor shall correct its mistakes or errors without additional cost to the State. The State shall be the sole determiner as to defective or sub-standard performance.

The Contractor shall fulfill their contractual requirements including the Deliverables identified in the Statement of Work and fulfill the roles and responsibilities described in the Statement of Work for a firm fixed price, inclusive of travel and travel-related expenses. The fixed amount shall be inclusive of any fees for the use of any third party products or services required for use in the performance of this Contract.

L. Offshore Performance of Work Prohibited

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

M. Indemnification and Insurance

1.1 To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, and any jurisdiction or agency issuing permits for any work included in the project, and their respective directors, officers, officials, agents and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, costs, losses, or expenses, (including reasonable attorney's fees), (hereinafter collectively referred to as "Claims") arising out of actual or alleged bodily injury or personal injury of any person (including death) or

loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of Contractor's directors, officers, agents, employees, volunteers or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all Claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. This indemnification will survive the termination of the above listed contract with the Contractor.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

1.2 Insurance Requirements

1.2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

1.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

1.3 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

1.3.1 Commercial General Liability (CGL) – Occurrence Form Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Each Occurrence	\$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.

- c. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.3 Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
- Each Accident \$1,000,000
- Disease – Each Employee \$1,000,000
- Disease – Policy Limit \$1,000,000

- d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- e. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

1.3.4 Technology Errors & Omissions Insurance

- Each Claim \$2,000,000
- Annual Aggregate \$2,000,000

- f. Such insurance shall cover any, and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.
- g. Coverage shall include or shall not exclude settlement and/or defense of claims involving intellectual property, including but not limited to patent or copyright infringement.
- h. In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years, beginning at the time work under this Contract is completed.

1.3.5 Media Liability Coverage

- Each Claim \$2,000,000
- Annual Aggregate \$2,000,000

- i. Such insurance shall cover any and all errors and omissions or negligent acts in the production of content, including but not limited to plagiarism, defamation, libel, slander, false advertising, invasion of privacy, and infringement of copyright, title, slogan, trademark, service mark and trade dress.
- j. In the event that the Media Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be

exercised for a period of two (2) years beginning at the time work under this Contract is completed.

1.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

1.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract

1.5 Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

1.6 Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

1.7 Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) as required by this Contract. An authorized representative of the insurer shall sign the certificates.

1.7.1 All certificates and endorsements, as required by this written agreement, are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

1.7.2 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

1.8 Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

1.9 Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

1.10 Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

P. Data Privacy/Security Incident Management

Contractor and its agents shall cooperate and collaborate with appropriate State personnel to identify and respond to an information security or data privacy incident, including a security breach.

1. Threat of Security Breach

Contractor(s) agrees to notify the State Chief Information Officer (CIO), the State Chief Information Security Officer (CISO) and other key personnel as identified by the State of any perceived threats placing the supported infrastructure and/or applications in danger of breach of security. The speed of notice shall be at least commensurate with the level of threat, as perceived by the Contractor(s). The State agrees to provide contact information for the State CIO, CISO and key personnel to the Contractor(s).

2. Discovery of Security Breach

Contractor agrees to immediately notify the State CIO, the CISO and key personnel as identified by the State of a discovered breach of security. The State agrees to provide contact information for the State CIO, the CISO and key personnel.

Q. Access Constraints and Requirements

Contractor access to State facilities and resources shall be properly authorized by State personnel, based on business need and will be restricted to least possible privilege. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures. Policies / Standards, ADOA/ASET Policies / Procedures, and Arizona Revised Statutes (A.R.S.) §28-447, §28-449, §38-421, §13-2408, §13-2316, §41-770.

Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws.

Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

R. Compliance Requirements for A.R.S. § 41-4401, Government Procurement: E-Verify Requirement

1. The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.")
2. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the

Contractor may be subject to penalties up to and including termination of the Contract.

3. Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.
4. The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph One (1).

7.2 State of Arizona Uniform Terms and Conditions

1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4. *"Contractor"* means any person who has a Contract with the State.
- 1.5. *"Days"* means calendar days unless otherwise specified.
- 1.6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8. *"Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

- 1.9. *“Procurement Officer”* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10. *“Services”* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11. *“Subcontract”* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12. *“State”* means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13. *“State Fiscal Year”* means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;
 - 2.3.3. Statement or Scope of Work;
 - 2.3.4. Specifications;
 - 2.3.5. Attachments;
 - 2.3.6. Exhibits;
 - 2.3.7. Documents referenced or included in the Solicitation.
- 2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

- 2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

- 3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized

Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

- 3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
- 3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating

to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.

3.11 Offshore Performance of Work Prohibited.

Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

4.3. Applicable Taxes.

4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4. IRS W9 Form. In order to receive payment, the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1. Accept a decrease in price offered by the contractor;

4.5.2. Cancel the Contract; or

4.5.3. Cancel the contract and re-solicit the requirements.

5. Contract Changes

5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's

proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

- 5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- 6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2. Indemnification
 - 6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.
 - 6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."
- 6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4. Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall not include the following occurrences:

6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

- 6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

- 7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
 - 7.2.1. Of a quality to pass without objection in the trade under the Contract description;
 - 7.2.2. Fit for the intended purposes for which the materials are used;
 - 7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - 7.2.4. Adequately contained, packaged and marked as the Contract may require; and
 - 7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5. Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6. Survival of Rights and Obligations after Contract Expiration or Termination.
 - 7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- 8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2. Stop Work Order.
 - 8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
 - 8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its

rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

- 8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

- 9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

- 9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State.

In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

- 9.5. Termination for Default.

9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

- 9.6. Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. §12-1518, except as may be required by other applicable statutes (Title 41).

12. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.

Current Q & A for this bid:					
Question #	Created Date	User Created	Question Subject	Question	Answer
1	09/20/2016	Jennifer White/Bell and Howell, LLC	Due Date	Just want to clarify due date, RFP document says 11/16/16; however, on procureAZ it states 10/25/16. Will you please confirm due date?	We have updated the RFP. Please review the attachment listed Revised RFP
2	09/23/2016	Cameron Murray/Roar Postal Supplies	Question Regarding Supplies Tab on Pricing Spreadsheets for Solicitation #ADSP016-00006328	Is the "Supplies" tab missing from the two RFP Attachments? In NASPO ValuePoint Master Agreement for Mailroom Equipment, Supplies and Maintenance, there is a listing for each category. When you look at the Excel spreadsheet all categories are listed except for supplies. Should we bid the supplies under the appropriate category/tab?	The RFP request X % off supplies in the "Price & Pricing attachment"
3	10/06/2016	Bill Walter/PITNEY BOWES	Page 5, 1.3, Pre-Proposal Conference	Will the Lead State consider an additional extension of the existing agreement so that the vendor has time to negotiate the Participating Addenda with the participating states so that there isn't a time period where we are without an agreement with the participating states?	Yes, this will be under consideration
4	10/06/2016	Bill Walter/PITNEY BOWES	Page 7, 2.2.4, Timeliness	Questions and exceptions are due the same day. Once we receive a response to all Vendors questions asked, will NASPO extend the Exceptions submission due date seven (7) business days thereby extending bid due date?	Refer to Amendment 4
5	10/06/2016	Bill Walter/PITNEY BOWES	Page 10, 2.3.6, Subcontractors	Some of the products/services included in the solicitation may include cloud hosting services. As those services are not specific to this solicitation would AZ consider adding the following definition to the Uniform Terms and Conditions, and participating addenda, consistent with the definition in the Public Cloud Hosting Services addendum entered into by AZ? The definition is as follows: ?Cloud Hosting Providers? are those service providers whose services are available under ADSP016-	NO. No The state of AZ will not add that definition to the uniform term and conditions. If offers submittal includes software or cloud hosting services the offeror shall provide copies of the software license agreements or cloud hosting agreements to the end user.

				00006328. For purposes of this master agreements and the resulting participating addenda, these cloud hosting providers are not Contractor?s subcontractor or agent and the agreements between Contractor and these cloud hosting providers are not Subcontracts.	
6	10/06/2016	Bill Walter/PITNEY BOWES	Page 17, 2.12, Evaluation	The last sentence appears to be incomplete. Please provide the missing language.	Refer to Amendment 3
8	10/06/2016	Bill Walter/PITNEY BOWES	Page 25, 3.10.1.2, Four Hour Response Time:	This agreement is a national agreement and geographical constraints might make it difficult, or even impossible, to be on-site in four (4) hours. May we change this to read 24 hours or one (1) business day to be consistent with the current agreement? We can offer four (4) hour response in some geographies, but we would have to mutually agree on those locations on a per quote basis.	Refer to Amendment 3
7	10/06/2016	Bill Walter/PITNEY BOWES	Page 19, 3.2.1.1, Printers	Would the ?special printers sole use for which is tied to mail room equipment? include certain stand-alone production printers often included in large-scale mail room operations?	NO
9	10/06/2016	Bill Walter/PITNEY BOWES	Page 26, 3.13.1, Install Required On All Equipment:	Some low end products provided by Vendor are commercially considered ?self-installable.? Vendor understands that some agency personnel require the need for professional installation of our most basic products, and therefore request an optional installation fee to offset the cost associated with this circumstance.	The vendor should provide installation support for all requests for same at no additional charge.
10	10/06/2016	Bill Walter/PITNEY BOWES	Page 32, Mailing System, Production:	The Vendor?s product research team is unable to find any documented specification for production mailing system with a minimum processing speed of 1000 pieces per minute provided by any vendor or manufacturer. Vendor requests that the minimum feed requirement for this item be reduced to 300 pieces/minute.	Refer to Amendment 3
11	10/06/2016	Bill Walter/PITNEY BOWES	Page 43, section 5.1, Price and Rate	Can this section be changed to read ?The	NO

			Guarantee Period; and Page 50, Section 11, Price and Rate Guara	Vendor may request the option to adjust their MSRP after 12 months during the initial term and then at renewal. The vendor shall provide a fully documented request and it is at the Lead State?s discretion as to if following their initial request for the list of the contract.	
12	10/07/2016	Stacey Graham/NEOPOST USA INC	Answers to questions	When can we expect to have answers to the questions submitted on Oct 18, 2016	N/A
13	10/07/2016	Julie Slutsky/PC Nation	SECTION 3.2: SCOPE OF WORK	What are the specs or previous models for information below? Is there any verification on the specs the state wants to propose? 3.2.1.1- Printer Details 3.2.1.2 Computers Details (specs, quantity) 3.2.1.3 Furniture Derails (specs, quantity) 3.2.1.4 Accessories Details	NO refer to previous contract
14	10/07/2016	Lynda Hitchman/OPEX	Question: Section 1.3 (Schedule of Events); page 5 of the bid	? Anticipated Question Deadline: Since the last day for submitting questions related to this bid is 10/18/2016, what is the estimated date for providing responses to bidders? questions? Will the responses be made available via IPRO or will be sent via email to the individual bidder that submitted the questions?	N/A
15	10/07/2016	Lynda Hitchman/OPEX	Question: Section 1.3 (Schedule of Events); page 5 of the bid	? Anticipated Closing Date and Time: Bidder is concerned that the responses to bidder?s questions will be released in proximity (7 calendar days) to the current bid due date of 10/25/2016 which we believe will not provide sufficient time for a bidder to review the responses and adjust the bidder?s bid response in accordance to the responses. o Will State of Arizona and NASPO consider a bid due date extension from 10/25/2016 (Tuesday) to 11/2/2016 (Wednesday)?	N/A
16	10/07/2016	Lynda Hitchman/OPEX	Question Section 3; Sub-Section 3.8 Equipment Performance (pages 23-24 of the bid)	With respect to Section 3.8.1 (page 23 ? page 24), bidder would like to ask several questions regarding the following sentence ?Equipment that does not meet the performance standard of 95% for a two (2) consecutive month	Determine by the length of the warranty. Reference credit it must be a replacement not a credit.

				<p>period or for three (3) months in a rolling twelve (12) month period shall be replaced by the Contractor with equal or better equipment.? ? In the event Section 3.8.1 is invoked by the purchaser, is the bidder required to provide an equal or better equipment regardless if the product has been used by purchaser for 2 years, 4 years, 7 years, or longer duration? ? Additionally, what would happen if the purchaser chooses not to purchase a maintenance service program for the equipment? Does the purchaser still have the right to enforce Section 3.8.1 even if the purchaser chose not to purchase a maintenance service program for the equipment? ? Is the purchaser permitted to invoke both Section 3.8.1 and Section 3.8.2 at the same time? More specifically, is a bidder required to provide both a credit and a replacement product? ? Additionally, can a purchaser invoke Section 3.8.1 and Section 3.8.2 after the expiration of the one year warranty period even though the purchaser chose not to purchase maintenance services for the product after the expiration of the one year warranty period?</p>	
19	10/07/2016	Lynda Hitchman/OPEX	Question Section 3; Sub-Section 3.12 Design (page 26 of the bid)	<p>The following question pertains to the extractor category. ? Please kindly clarify if the design layout services pertain to having the bidder provide guidance on the preferred installation location for the extractor. The purchaser will be responsible for ensuring that the site has the proper electrical requirements and physical space.</p>	YES
17	10/07/2016	Lynda Hitchman/OPEX	Question Section 3; Sub-Section 3.8 Equipment Performance (pages 23-24 of the bid)	<p>With respect to Section 3.8.2 (page 24), bidder would like to ask several questions regarding the following sentence ?After the warranty period, the credit value shall be the amount paid at the time of purchase.? ? What is the</p>	Please see answer 16

				formula for calculating the actual amount for the credit? ? Is the purchase price of the product considered the maximum amount of the credit? ? In the event Section 3.8.2 is invoked by the purchaser, is the bidder required to provide a credit (in an amount based on the purchase price of the product) regardless if the product has been used by purchaser for 2 years, 4 years, 7 years, or longer duration?	
18	10/07/2016	Lynda Hitchman/OPEX	Question Section 3; Sub-Section 3.11 Legacy Maintenance (page 26 of the bid)	? Please kindly clarify if legacy maintenance services pertains to servicing equipment that were sold under the current WSCA contract for Mailroom Equipment, Suppliers and Maintenance. ? Please kindly advise whether a bidder is required or not required to list the legacy maintenance fees in the bid response.	Legacy equipment will be priced on individual equipment or case basis
20	10/07/2016	Lynda Hitchman/OPEX	Question Section 3; Sub-Section 3.17 Develop and Maintain Website (page 28 of the bid)	Are the website requirements described under Section 3.17 subject to the terms under Section 4.1(c), titled ?NASPO ValuePoint eMarket Center? (page 40 of the bid), Section 9 of the NASPO ValuePoint Master Agreement Terms and conditions (page 49-50 of the bid) and the eMarket Center Appendix (page 65 of the bid)? -If yes, then please kindly confirm if all the requirements under Section 3.17 (Develop and Maintain Website; page 28 of the bid) are not applicable to bidder in the event bidder chooses the hosted catalog option. -If SciQuest is providing the catalog hosting services, is bidder still required to provide online, email and/or telephone assistance on how to use eMarket Center under Section 3.17? -If SciQuest is providing the catalog hosting services, is bidder still required to ensure that the website is ADA compliant? -If SciQuest is providing the catalog hosting services, will SciQuest provide the	No the 3.17 Website is referencing a website that is created/maintained by the contractor. It is separate from the eMarket Center.

				ability to conduct the product searching capability as described under Section 3.17.3? -Is bidder required to only provide one (1) pricing catalog that can be accessed by Participating Entities that have signed an addendum to the Master Agreement with the successful bidder?	
22	10/07/2016	Lynda Hitchman/OPEX	Question Section 3; Sub-Section 3.18 Customer Service and Representation (page 29 of the bid)	Under Section 3.18.1, bidder is the original equipment manufacturer for the extractor product and has a dedicated sales department that sells equipment throughout the United States for which all are direct employees of bidder. Bidder also has a dedicated service department that services bidder's equipment throughout the United States for which all are direct employees of bidder. As such, bidder does not use dealers and/or partners to sell the extractors. - Based on the above information, should bidder then list the name of the designed bidder personnel that oversee the territory in Attachment D (Authorized Dealers/Partners/Sales and Service Provider List)?	NO
21	10/07/2016	Lynda Hitchman/OPEX	Question Section 3; Sub-Section 3.17 Develop and Maintain Website (page 28 of the bid)	Is the timeframe to complete the website requirements 60 calendar days or 90 calendar days from the date we receive the request from NASPO ValuePoint? According to eMarket Center Appendix (page 65 of the bid), bidder has 90 calendar days to work with SciQuest to complete the process for the catalog requirements.	60 days, the 3.17 Website is referencing a website that is created/maintained by the contractor. It is separate from the eMarket Center.
24	10/07/2016	Lynda Hitchman/OPEX	Question Section 4; Sub-Section 4.3 Participating State Terms and Conditions (page 41 of the bid)	In reviewing Section 4.3, it is bidder's understanding the inclusion of Participating State Specific Terms and Conditions are informational purposes only and will only be negotiated with the designated Participating Entity following award of the Master Agreement. o Please kindly confirm that bidder is not required to provide written comments in the bid response to the Participating State Specific	Yes, under the solicitation we would negotiate ONLY terms and conditions for the State of AZ Master.

				<p>Terms and Conditions that are provided in Attachment I (starting on page 106 of the bid). o Based on the terms under Section 4.1 (NASPO ValuePoint Master Agreement Statement of Compliance; page 40 of the bid), it is bidder's understanding that Section 7 of the bid which contains the Lead State (State of Arizona) terms and conditions is a component of the master agreement. Please kindly clarify and/or confirm if Section 4.3 is not applicable to Section 7 titled "Lead State (State of Arizona) Terms and Conditions" (page 68-90 of the bid).</p>	
23	10/07/2016	Lynda Hitchman/OPEX	<p>Question Section 4; Sub-Section 4.1 (c) NASPO ValuePoint eMarket Center (page 40 of the bid)</p>	<p>o Can a bidder choose the hosted catalog file option instead of the punch out site option which both options are further described in eMarket Appendix (page 65 - 67 of the bid)? o If bidder is able to choose the hosted catalog file option for eMarket Center, please kindly confirm if all the requirements under Section 3.17 (Develop and Maintain Website; page 28 of the bid) will not apply to bidder. o More specifically, please confirm if the requirements under Section 3.17 are only applicable to a bidder that chooses the punch out catalog option. o Can a bidder choose the hosted catalog file option instead of the punch out site option which both options are further described in eMarket Appendix (page 65 - 67 of the bid)? o If bidder is able to choose the hosted catalog file option for eMarket Center, please kindly confirm if all the requirements under Section 3.17 (Develop and Maintain Website; page 28 of the bid) will not apply to bidder. o More specifically, please confirm if the requirements under Section 3.17 are only applicable to a bidder that chooses the punch out catalog option.</p>	<p>The bidder can choose either hosted or punchout catalog. the 3.17 Website is referencing a website that is created/maintained by the contractor. It is separate from the eMarket Center.</p>
25	10/07/2016	Lynda Hitchman/OPEX	<p>Question Section 5; Sub-Section 5.1 Price and Rate Guarantee</p>	<p>This Section 5.1 references Section 6 and Section 7 of the Master Agreement.</p>	<p>Refer to Amendment 3</p>

			Period (page 43 of the bid)	Please note Section 6 of the Master Agreement pertains to administrative fees and Section 7 pertains to the usage reports. Please kindly clarify if Section 5.1 should reference Section 11 titled "Price and Rate Guarantee Period" of the Master Agreement.	
26	10/07/2016	Lynda Hitchman/OPEX	Q. Section 6: Provision 11 of Master Agreement (Price & Rate Guarantee Period); (page 50 of the bid)	-What is the approval process and/or criteria when a contractor requests a price increase after the expiration of the initial term (initial two years of the Master Period)? -Is the price increase request applicable to (a) products, (b) services, (c) equipment relocation fees (page 39 of the bid), and (d) supplies/consumable items (page 38 of the bid)? -Is this provision (#11) subject to the price cap terms which shall not exceed the Producers Price Index under Section 7.1 F (Price or Rate Adjustment under Section 7 titled "Lead State (State of Arizona) Terms and Conditions")?	Price increase applicable to all products and services as necessary. Should not exceed PPI for products.
27	10/07/2016	Lynda Hitchman/OPEX	Q. Section 6 (NASPO ValuePoint Master Agreement Terms & Conditions) & Sect. 7 (Lead State (Arizona) T&C	Based on the terms specified under Provision # 1 of Section 6 titled "Master Agreement Order of Precedence", can you please clarify if the terms of Section 6 will take precedence over the terms contained in Section 7? Provision # 1 of Section 6 is provided on page 44 of the bid. More specifically, if a provision contained within Section 7 conflicts with a provision in Section 6, then will the provision under Section 6 take precedence?	Please refer to page 44
28	10/07/2016	Lynda Hitchman/OPEX	Question eMarket Appendix (page 65 & 67 of the bid)	Section (c)(1) Under Section (c)(1), would NASPO consider extending the completion timeframe of 90 calendar days to 120 calendar days? Section (g) Under Section (g), please advise if the acceptance of an order and/or process of placement of an order is an item the contractor can discuss directly with the Purchasing Entity that is submitting the firm purchase order. -If the bidder has a hosted catalog	No. Orders made via the eMarket Center will be transmitted to the contractor via eMail, Fax or CXML-the contractor chooses. No. No. UNSPSC is required for both hosted and punchout. Yes at the time of fully executed Master Agreement.

				<p>in eMC and a Purchasing Entity purchases an item(s) via eMC, will a bidder receive the purchase order via email or will the bidder be required to log into via eMC to retrieve the order? - Is the cXML only applicable to a bidder that chooses the punch out catalog option? Section (h) -Under Section (h), please advise if a contractor is required to become a member of UNSPSC in order to obtain an UNSPSC code. - Additionally, is a bidder required to purchase a membership from UNSPSC in order to receive the applicable UNSPSC code? -If yes, is there an annual membership fee that is associated with becoming a member of UNSPSC? What type of membership plan or package is a bidder required to purchase from UNSPSC? -Does the UNSPSP requirement apply to a bidder under the hosted catalog option or is the UNSPSC requirement only applicable to a bidder under the punch-out catalog option? Section (k) Under Section (k), would NASPO be able to provide a list of Participating Entities that currently maintain separate SciQuest eMarketplaces?</p>	
30	10/07/2016	Lynda Hitchman/OPEX	Question Attachment A; Question 6.5 (page 94 of the bid)	<p>This question 6.5 does not include a category for extractors. Please confirm whether question 6.5 is not applicable to the extractor category and as such, a bidder who is offering a product under the extractor category will not be required to provide a response for Question 6.5 to Attachment A.</p>	The vendor should add this category if it desires to offer extractor products.
29	10/07/2016	Lynda Hitchman/OPEX	Question Attachment A; Question 4 ? Authorized Dealers/Partners/Sales and Service Provider Relations	<p>Bidder is the original equipment manufacturer for the extractor product and has a dedicated sales department that sells equipment throughout the United States for which all are direct employees of bidder. Bidder also has a dedicated service department that services bidder's equipment through the United States for which all are direct</p>	NO

				employees of bidder. As such, bidder does not use dealers and/or partners to sell the extractors. Based on the above, should bidder provide responses to Question 4 including the subparts based on the current operations/processes bidder has in place for the sales and/or service departments?	
31	10/11/2016	Jennifer White/Bell and Howell, LLC	Extension to Deadline	Does the Lead State anticipate an extension to this bid?	No we do not
32	10/12/2016	Lynda Hitchman/OPEX	Question Section 3; Sub-Section 3.9.1 Maintenance on Purchased Equipment (page 24 of the bid)	Under sub-section 3.9.1, it states that on-site service shall be available on an immediate need service call basis. Can you please confirm if this requirement is only applicable to a Purchasing Entity that purchased a full service maintenance contract following the expiration of the 1 year warranty and therefore, is not applicable to a Purchasing Entity that chose the time and materials option.	This arrangement is negotiable between the vendor and the agency that has an expired warranty.
33	10/12/2016	Lynda Hitchman/OPEX	Section 2; Sub-Section 2.3.9 Identification of Taxes in Offer (pg. 10):	Can you please confirm an offeror should list the sales tax percentage that is collected based on a city/county level plus any state sales tax in the response? Please note that Section 5 of the RFP (page 43) states that the offeror is required to list the taxes as required by the Lead State, as a separate line item on an offeror's invoice.	Entitys are responsible for all applicable state and local taxes.
34	10/13/2016	Jennifer White/Bell and Howell, LLC	Extension to Deadline	Will the Lead State please consider an extension to the bid deadline?	No extension at this time
35	10/13/2016	Jennifer White/Bell and Howell, LLC	Questions	I see that there are 34 questions, will they be provided to all vendors for review?	Yes, they will be available for all to review
36	10/13/2016	Bill Walter/PITNEY BOWES	Page 6, 1.7, Anticipated Usage	Attachment ?Mailing Equipment Estimated Usage? is missing. Please provide a copy.	The estimated usadge is found in the Intent to Participate doucments at the end of the RFP. They total an annual spend of \$64,386,350.
37	10/13/2016	Bill Walter/PITNEY BOWES	Page 10, 2.3.6, Subcontractors	as with the current Agreement, please confirm that the service provided by a third party to deliver and pick-up equipment and	Such entities are considered service providers and not subcontractors.

				supplies does not constitute a subcontract and/or subcontractor. For example, the contractor may use USPS, FedEx, UPS or equivalent to deliver and pick-up equipment and supplies.	
38	10/13/2016	Bill Walter/PITNEY BOWES	Page 10, 2.3.6, Subcontractors, 2nd bullet point	Are there any specialized licenses or certificates required for onsite services?	Refer to Amendment 3
39	10/13/2016	Bill Walter/PITNEY BOWES	Page 10, Section 2.3.8, Identification of Taxes in Offer	please confirm that the State of AZ is willing to reimburse the Vendor for all applicable state and local transaction privilege taxes including the Arizona transaction privilege tax.	The State of AZ is not tax exempt, and therefore shall pay all applicable taxes. Submitted on any invoice
41	10/13/2016	Bill Walter/PITNEY BOWES	Page 19, 3, Scope of Work and 3.2, Products	Not all equipment and services offered would need USPS approval. May we add, ?if applicable??	Refer to Amendment 3
40	10/13/2016	Bill Walter/PITNEY BOWES	Page 16, 2.3.16, Offshore Performance of Work Prohibited	What does the Lead State consider indirect or overhead services?	Only direct services in performance of this contract
44	10/13/2016	Bill Walter/PITNEY BOWES	Page 24, 3.8.2, Replacement of Unsatisfactory Equipment	Vendor requests you modify the following language ?The Contractor may elect to replace an individual component or section that is defective in Production Equipment	Yes, vendor may elect to replace in kind defective production equipment rather than repairing it.
43	10/13/2016	Bill Walter/PITNEY BOWES	Page 24, 3.8.2, Replacement of Unsatisfactory Equipment	How do we limit Vendor responsibility here and ensure client cannot cancel if delay is due to lack of access to customer location, network, etc.? Should this section?s reference to section 3.6.1 actually be 3.8.1?	Refer to Amendment 3
42	10/13/2016	Bill Walter/PITNEY BOWES	Page 20, 3.2.1.6, Products	May we add ?if identified as Energy Star? between ?and? and ?installed? in the second line?	NO
46	10/13/2016	Bill Walter/PITNEY BOWES	Page 26, 3.12, Design	Will NASPO expand this section to include Software?	Refer to Amendment 3
47	10/13/2016	Bill Walter/PITNEY BOWES	Page 26, 3.13.1, Installation/Integration	Per our current agreement, may we offer discounted half and full day rates for installation and integration services	Refer to Amendment 3
45	10/13/2016	Bill Walter/PITNEY BOWES	Page 25, 3.10.1.1, Service Level Agreements	May we change ?malfunction? to ?equipment breakdown?	NO
48	10/13/2016	Bill Walter/PITNEY BOWES	Page 27, 3.14, Software Maintenance	Per our current agreement, may we offer discounted half and full day rates for software integration services?	Refer to Amendment 3

49	10/13/2016	Bill Walter/PITNEY BOWES	Page 27, 3.14 Software Maintenance	Vendor requests you remove, ?No additional fee shall be charged for installation of the upgrades. ? Upgrades are self-installed	NO
50	10/13/2016	Bill Walter/PITNEY BOWES	Page 30, 3.19.2, Timely Quotes	There is much research and information gathering required when proposing equipment solutions for multi-location enterprises, and vendors cannot control the velocity, or the quality of responses provided by agency personnel at each location. Vendor request that quotation times are mutually agreed upon for multi-location (5 or more) proposals	NO
53	10/13/2016	Bill Walter/PITNEY BOWES	Page 32, Letter Openers, Low Volume	The low volume letter opener category has a stated minimum processing speed of 25,000 pieces per hour. After market research, could this category be lowered to 10,000 per hour in order to ensure the most vendor responses and the largest number of viable options for the members?	Refer to Amendment 3
51	10/13/2016	Bill Walter/PITNEY BOWES	Page 30, 3.19.3, Guaranteed 90 Day Quote	Would 30 days be acceptable?	NO
52	10/13/2016	Bill Walter/PITNEY BOWES	Page 30, 3.19.4, Sales Promotion	Vendor requests that quotations offered under limited time promotional programs be honored for thirty (30) calendar days	NO
54	10/13/2016	Bill Walter/PITNEY BOWES	Page 32, Letter Openers, High Volume	the low volume letter opener category has a stated minimum processing speed of 25,000 pieces per hour. After market research, could this category be lowered to 20,000 per hour in order to ensure the most vendor responses and the largest number of viable options for the members?	Refer to Amendment 3
55	10/13/2016	Bill Walter/PITNEY BOWES	Page 32, Letter Folders, Low Volume	the low volume letter folder category has a stated minimum processing speed of 15,000 pieces per hour. After market research, could this category be lowered to 10,000 per hour in order to ensure the most vendor responses and the largest number of viable options for the members?	Refer to Amendment 3
56	10/13/2016	Bill Walter/PITNEY BOWES	Page 32, Letter Openers, High Volume	the high volume letter opener category has a stated minimum processing	Refer to Amendment 3

				speed of 25,000 pieces per hour. After market research, could this category be lowered to 20,000 per hour in order to ensure the most vendor responses and the largest number of viable options for the members?	
59	10/13/2016	Bill Walter/PITNEY BOWES	Page 45, Section 2, Definitions, Purchasing Entity	May we revise the definition to replace the last two words in the definition with "acquire the product" so that it is clear that it only applies to an outright purchase and not a lease/rental?	Yes, if ValuePoint's General Counsel approves
57	10/13/2016	Bill Walter/PITNEY BOWES	Page 39, 4.1, Agreement to Terms and Conditions	We will need to add our software license terms and additional terms related to specific products to the Participating Addenda when the PAs are negotiated. This is consistent with the current agreement.	Please refer to page 40 section 4.1
58	10/13/2016	Bill Walter/PITNEY BOWES	Page 40, 4.1.c, NASPO ValuePoint eMarket Center	Vendor inquires if there are costs involved with integrating into the NASPO ValuePoint eMarket Center or SciQuest.	NO
60	10/13/2016	Bill Walter/PITNEY BOWES	Page 53, Section 17, Payment	Vendor request NASPO modifies the language as follows "After 45 Thirty (30) days the Contractor may assess overdue account charges?"	NO
61	10/13/2016	Bill Walter/PITNEY BOWES	Page 53, Section 17, Payment	Vendor request that NASPO modify the language to indicate that Purchase Cards cannot be used for the purchase of postage	NO
62	10/13/2016	Bill Walter/PITNEY BOWES	Page 55, Section 19, Title of Product	Is it possible to revise this language so that it only applies to an outright purchase and not to leases and rentals?	NO
63	10/13/2016	Bill Walter/PITNEY BOWES	Page 55, Section 20, License of Pre-Existing Intellectual Property	Please explain the purpose of this section. Software licenses would go with the equipment.	Please refer to section 20
64	10/13/2016	Bill Walter/PITNEY BOWES	Page 57, Section 22, Records Administration and Audit	Can this section be limited to the auditable records to usage, maintenance and billing records? Also, will the State agree to provide Contractor with five (5) days prior notice of an audit?	NO, must conform to state audit requirements
65	10/13/2016	Bill Walter/PITNEY BOWES	Page 58, Section 25, Assignment/Subcontract	Please confirm that this would not apply to leased equipment and that we are permitted to use a third party leasing company for	NO

				production equipment and an affiliate company for leases of other equipment.	
68	10/13/2016	Bill Walter/PITNEY BOWES	Attachments	? Is it possible to add a separate tab on Attachment C and C.1 for the remanufactured offering?	Per 3.3.1 pricing is provided on an individual quote basis.
66	10/13/2016	Bill Walter/PITNEY BOWES	Page 62, Section 33, Indemnification	Reference to section 7.1W should read 7.1M. Also, may we revise the section to include a negligence standard consistent with standard industry terms?	NO
67	10/13/2016	Bill Walter/PITNEY BOWES	Page 77, Q, Access Restraints and Requirements	Please define which access requirements would apply to this product group and which vendor employees would be impacted?	It would be defined in each states PA
70	10/13/2016	Bill Walter/PITNEY BOWES	Administrative fees	? As with the current contract, can the Contractor increase its price offered to a Participating State by the amount of any administrative fee imposed by the Participating State that is not specified within the solicitation prior to the Contractor submitting its response?	See page 48 section 6 paragraph b
71	10/13/2016	Bill Walter/PITNEY BOWES	Page 71, Section M	May we delete the word ?agents??	NO
69	10/13/2016	Bill Walter/PITNEY BOWES	Responsiveness	? Vendor Requests the Lead State to Respond to Vendor Inquiries within 30 Days Timeframe. Example; Product Updates and Promotional Offerings?	NO
73	10/13/2016	Bill Walter/PITNEY BOWES	Page 81, Section 3.7, Property of the State	Will the State consider the following changes which are consistent with the current agreement? ?Any materials, including reports, computer programs and other deliverables, first created as a deliverable output under this Contract (?Materials Work Product?) are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State. Notwithstanding anything herein, Materials Work Product shall not include any pre-existing Contractor intellectual property, including any Contractor manuals,	Refer to sections 2.3.4 on page 9

				systems, software methodologies, techniques, operating procedures, processes or other tools that are designed, modified, updated or otherwise customized in connection with providing Products or performing services under this Contract.?	
74	10/13/2016	Bill Walter/PITNEY BOWES	Page 81, Section 3.8, Ownership of Intellectual Property	Will the State consider the following changes which are consistent with the first half of the same provision in the current agreement? ?Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets first created as a deliverable output or conceived pursuant to or as a result of this contract and any related subcontract (?State?s Intellectual Property?), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. Notwithstanding anything herein, Materials Work Product shall not include any pre-existing Contractor intellectual property, including any Contractor manuals, systems, software methodologies, techniques, operating procedures, processes or other tools that are designed, modified, updated or otherwise customized in connection with providing Products or performing services under this Contract.?	Refer to sections 2.3.4 on page 9
72	10/13/2016	Bill Walter/PITNEY BOWES	Page 78, Section R.4	Please define ?papers?.	Please refer section R paragraph 1 page 77
76	10/13/2016	Bill Walter/PITNEY BOWES	Page 83, Section 5.2, Subcontracts	Will the State consent to an assignment to the Vendor?s financial institution of its rights under a lease or rental fi the Vendor remains liable for its obligations under the lease or rental after the assignment? Also, please add the following to the end of said section. The Contractor may assign its rights to an affiliated entity	Please refer to pg. 27 3.15 Equipment leasing

				without the written approval of the Master Price Agreement Administrator of the Lead State. The Master Price Agreement Administrator must be notified of any such assignment within 5 business days.	
77	10/13/2016	Bill Walter/PITNEY BOWES	Page 84, Section 6.1, Risk of Loss;	Please confirm that the State will notify the Contractor of nonconforming materials within sixty (60) days of receipt.	Please refer to 2.3.4 on pg 9
75	10/13/2016	Bill Walter/PITNEY BOWES	Page 82, Section 4.3.2, State and Local Transaction Privilege Taxes	Please clarify in addition to sales tax, where Purchasing Entities are not exempt from federal excise, privilege tax, purchase or property tax, the contractor shall add the applicable taxes on the billing invoice as a separate line item	Entitys are responsible for all applicable state and local tax
78	10/13/2016	Bill Walter/PITNEY BOWES	Page 89, Section 9.4, Termination for Convenience; Section 9.5, Termination for Default;	We would like to add a new section 9.7 to address obligations of the Participating Entity post termination to make it clear that a termination of the Contract, of convenience or default, shall in no way effect the Participating Entity?s obligations under any other agreement, contract, lease, rental, etc. entered into before the termination of the Contract. We would also like to add a new section 9.8 to address survivability.	Please refer to 2.3.4 on pg 9
79	10/17/2016	Jennifer White/Bell and Howell, LLC	Warranty	In order to reconcile Arizona?s Special Terms and Conditions, which take precedence, with the Arizona?s Uniform Terms and Conditions and NASPO ValuePoint Master Agreement Terms and Conditions, is the minimum warranty for a period of ninety (90) days?	No. Per Section 6. Part 1. Paragraph 18. Warranty - 1 year
80	10/17/2016	Jennifer White/Bell and Howell, LLC	Terms and Conditions	where the NASPO Terms and Conditions fall in regards to order of precedence	Refer to Section 6. Part 1.
81	10/17/2016	Jennifer White/Bell and Howell, LLC	Performance Bond	Section 2.6, is a performance bond required and if yes, what is the required amount for such performance bond?	NO
82	10/17/2016	Jennifer White/Bell and Howell, LLC	Section 3.8.2	Section 3.8.2, please clarify that the credit granted to equipment that does not maintain 95% uptime, only applies to equipment that is	YES

				currently in the warranty period or on a maintenance contract.	
83	10/17/2016	Jennifer White/Bell and Howell, LLC	3.3 Remanufactured Equipment	Per the RFP, "Contractor must furnish equipment w/in 20 business days after receipt of order, or delivery time mutually agreed upon in writing between entity and contractor." ** QUESTION: is this requirement only applicable to remanufactured/refurbished equipment?	No. For all equipment.
86	10/17/2016	Ranier sadang/Mailroom Dynamics services, LLC	Awards Master Agreement	3) Does an approved vendor of the Master Cooperative Agreement have the option of not providing a quotation to any government agency participating in this agreement and its participating agreements for any reason?	Specified in each PA negotiated with each individual state.
85	10/17/2016	Ranier sadang/Mailroom Dynamics services, LLC	Subcontractors	2) Our response will contain products and support services for which we have exclusive rights from the manufacturer as they pertain to this solicitation and potential participation agreements. It could be possible that at some future date, we enter into an agreement with a subcontractor that at this point in time is unknown to us at this time to meet a service support requirement. How should we best address the section regarding Subcontractors?	Please refer to section 2.3.6 pg 10
84	10/17/2016	Ranier sadang/Mailroom Dynamics services, LLC	Evaluation Preferences	1) Are any preferences available for small businesses, DVBE's and / or minority owned businesses?	NO. Small businesses and others encouraged to submit proposals and seek teaming arrangements.
89	10/17/2016	Ranier sadang/Mailroom Dynamics services, LLC	Pricing Format	Itemized Pricing: There are numerous components beyond those that may be included in the pricing spreadsheet. Understanding that contract when awarded will require detailed and itemized pricing in significant detail beyond that in this RFP, what specific level of detail is required at this stage of the evaluation beyond that in the spreadsheet attachments?	Revised Attachment "Price and Pricing states the percent discount off manufacturer retail price (MSRP) for the offered equipment category or service. Attachment C1 "Pricing scenario" the net costs reflect the percent deicount off MSRP

					for the equipment or service specified and is used as a basis to compare pricing.
87	10/17/2016	Ranier sadang/Mailroom Dynamics services, LLC	Remanufactured Products	The pricing worksheets do include Remanufactured Products, how should these products and their pricing be included for evaluation?	Refer to section 3.3.1 pg 20
88	10/17/2016	Ranier sadang/Mailroom Dynamics services, LLC	Cosing Date Extension	The closing date for questions is stated as 10.18.2016, we would request that that the anticipated Closing Date and Time be extended to 10 business days from the date the responses are posted	N/A
90	10/18/2016	Bill Walter/PITNEY BOWES	Section 2.2.4	Further to a question that we submitted on October 6, 2016, Pitney Bowes respectfully takes an exception to Section 2.2.4 of the Solicitation. We previously submitted a question regarding the timing of questions, responses to the questions submitted, and submittal of exceptions. We have not received an answer to this question or any of the other questions that we submitted on October 6, 2016 and October 13, 2016. In order to provide the most meaningful Offer in response to the Solicitation, Pitney Bowes will be reviewing the answers to the questions we have submitted and will then determine which terms and conditions we may want to take exception to and will submit any such exceptions with our Offer in accordance with Section 2.3.4 of the Solicitation.	Refer to amendment #3
91	10/18/2016	Stacey Graham/NEOPOST USA INC	Page 5 Section 1.3	We are requesting that the Close Date be extended to November 5th. This will give vendors time after the responses to vendor questions are released to ensure they are providing the most comprehensive and cost effective solution.	Refer to amendment #3
92	10/18/2016	Stacey Graham/NEOPOST USA INC	Page 16 Section 2.7	Does NASPO wish us to include brochures for all proposed products, or will providing a link to the information on our website be sufficient?	NO

93	10/18/2016	Stacey Graham/NEOPOST USA INC	Page 24-25 Sectin 3.8.1 and 3.8.2	Please confirm that 3.6.1 referenced should really read 3.8.1? Please clarify if this requirement is asking for a refund or a credit based on % of downtime? Please clarify the parameters around replacement versus credit.	Corrected
94	10/18/2016	Stacey Graham/NEOPOST USA INC	Page 39 Equipment Relocation Services	Please clarify if the vendor is expected to actually transport the equipment or is just responsible for dismantling and re-installing.	Refer to amendment #3
95	10/18/2016	Jennifer White/Bell and Howell, LLC	Risk of Loss	As to the risk of loss not transferring until acceptance of the equipment and the state having control of its own security and safeguarding of its facilities, would the state being willing to consider risk of loss being transferred upon delivery, except in the case the loss is caused by the Contractor?	NO
96	10/18/2016	Bill Walter/PITNEY BOWES	Section 3.15, Equipment Leasing	Please confirm whether a third party leasing company (limited to Production mail equipment), which would contract with the End User under a State's PA, would be considered an independent lessor under the Master Agreement	Refer to amendment #3
97	10/18/2016	Bill Walter/PITNEY BOWES	Page 53 (?) Section 14 (a) Shipping and Delivery, Page 85, Section 6.1 Risk and Liability, and Hawa	Would the State of Arizona (acting on behalf of itself and on behalf of NASPO) and the State of Hawaii consider Risk of Loss for conforming goods passing to the purchasing Entity when the product is in the sole possession of the Purchasing Entity, such that these provision would be consistent with Section 6.1 (Risk and Liability) of the State of Arizona Uniform Terms and Conditions?	NO
98	10/18/2016	Jennifer White/Bell and Howell, LLC	Website Requirement	Will you please clarify, are you asking Vendors to do both 1) online catalog on our website AND 2) integrate into SiQuest's system? OR is the SiQuest integration the only website requirement?	The contractor must agree to both eMarket Center and a separate website.
99	11/01/2016	Lynda Hitchman/OPEX	Amendment #3; Item #12 of Amendment # 3	Offeror would like to inquire about the revision as described in item #12 of Amendment 3 which pertains to Section 3 of the RFP titled "Scope of Work,	Yes, you will need to respond to all items that were not included in the revision for #12

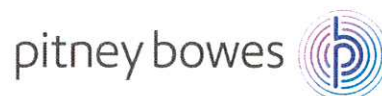
				Line Item Specifications.? Can you please kindly confirm if the other categories not listed under item #12 of Amendment 3 are still available for an offeror to submit a response to? More specifically, since the extractor category is not listed under item #12 of Amendment 3, please kindly confirm if an offeror is still able to submit a response to the bid for the extractor category.	
100	11/01/2016	Lynda Hitchman/OPEX	Amendment #3; Item #13 of Amendment # 3	Offeror would like to inquire about the revision as described in item #13 of Amendment 3 which pertains to the replacement of Attachment C (Excel Spreadsheet). Offeror noticed that the updated Attachment C which was made available on October 31, 2016 only includes 3 worksheets (software consulting services worksheet, design-production only worksheet, and installation-assembly-production worksheet). Please kindly confirm if an offeror who is submitting a response to the bid for the extractor category will no longer be required to submit a completed Attachment C spreadsheet.	Refer to Amendment 6
103	11/01/2016	Stacey Graham/NEOPOST USA INC	Page 16 Section 2.7	Please clarify your response to above question. No brochures are needed?	We need everything electronic
101	11/01/2016	Stacey Graham/NEOPOST USA INC	Amendment 4	Based on Amendment 4, what format would you like our inquiries/exceptions submitted in?	Please refer to 2.3.4 exceptions to terms and conditions.
102	11/01/2016	Stacey Graham/NEOPOST USA INC	Amendment 4	Additionally, where should we submit them?	Please refer to 2.3.4 exceptions to terms and conditions.
104	11/01/2016	Stacey Graham/NEOPOST USA INC	Amendment 4	When you reference 7 days, do you mean business days or calendar days?	calendar
105	11/02/2016	Lynda Hitchman/OPEX	ProcureAZ Tentative Downtime	Offeror saw Notice #226, dated 10/26/16 on ProcureAZ website notifying of Potential Downtime for ProcureAZ which reads, "ProcureAZ is tentatively scheduled to be taken offline for a system transition beginning Thursday, November 10th at 8:00PM MST. The	This downtime activity has been canceled

				system will be unavailable until Tuesday, November 15 at a time yet to be determined." Given that the bid response due date is November 15, 2016 and the ProcureAZ website will be down from November 10 to a yet to be determined time on November 15, will the due date be extended? Thank you.	
106	11/03/2016	Stacey Graham/NEOPOST USA INC	Brochures	Apologies, but we are still unclear of your response. Do you want us to include all product brochure attachments with the bid response? There are many.	Please include this information electronic with your submission. Please contact the procure AZ help desk for further questions
108	11/03/2016	Stacey Graham/NEOPOST USA INC	Submission of Exceptions	Based on your request for vendor exceptions earlier, how do we upload an attachment with our exceptions? 2.3.4 is not clear. There is no way to do this through the Q & A area. We see no vehicle for attachments.	Please contact the procure AZ Help desk for further assistance.
107	11/03/2016	Stacey Graham/NEOPOST USA INC	C-1	Will you be updating C-1 to reflect the spec changes in your amendment 3?	NO
109	11/03/2016	Stacey Graham/NEOPOST USA INC	Brochures	Do you want brochures for only products from the C-1 price sheet? Thank you	No Brochures
111	11/03/2016	Bill Walter/PITNEY BOWES	Page 52 Section 14 (a) and page 84 Section 6.1	Would the State of Arizona (acting on behalf of itself and on behalf of NASPO) consider Risk of Loss for conforming goods passing to the Purchasing Entity when the product is in the sole possession of the Purchasing Entity, such that these provision would be consistent with Section 6.1 (Risk and Liability) of the State of Arizona Uniform Terms and Conditions?	This is a question more appropriate toward NASPO
110	11/03/2016	Bill Walter/PITNEY BOWES	Page 48, Sections 6(a) and (b), Administrative Fees	This section outlines the administrative fee we will pay. PBI requests that the calculation of the fee be based on net sales (gross sales, less taxes, shipping, returns, and cancellations) provides a more accurate picture of vendor sales and is consistent with the current Master Agreement section 5 Usage Reports and Administrative Fees.	NO

112	11/07/2016	Stacey Graham/NEOPOST USA INC	Exceptions to Terms & Conditions	You routed us to the AZ help desk for our question 108. We called the AZ help desk and they explained to us where to add our exceptions. However, we are concerned about you receiving them as we are not ready to submit the entire bid yet. Can you confirm that you are in receipt of the requested exceptions to terms and conditions even without the bid being submitted at this point? Thank you.	Please contact the procure AZ Help Desk for assistance.
113	11/07/2016	Jennifer White/Bell and Howell, LLC	Answers to Vendor Questions	Will the Lead State be posting an Addendum with answers to all Vendor Questions?	These questions should always be view-able in the Q& A tab. If there are any questions please contact the help desk.
114	11/08/2016	Jennifer White/Bell and Howell, LLC	Answers to Vendor Questions	As the only questions and answers view-able to me in the Q&A tab are those that I have posted, not all vendor questions and Lead State answers, will an Addendum be posted with all Vendor questions and Lead State responses? e.g. I see 113 questions are posted, however, I can only see the 12 I asked.	Please contact the Procure AZ Help Desk for help on this matter
115	11/08/2016	Stacey Graham/NEOPOST USA INC	Exceptions to Terms & Conditions	I just spoke with the help desk. They have confirmed that you will not be able to see our exceptions to the terms and conditions that we submitted until the bid is 'submitted'. We are not ready to fully submit the bid yet. They suggested, since you requested the exceptions ahead of time, that we send them directly via email. However, we do not want to compromise the bid process. Please advise how you would like us to proceed? Should we send our response to the terms and conditions that you have requested directly to someone via email so that you will be able to view them?	Send everything Procure AZ Only
116	11/08/2016	Sharmali Commodore/PITNEY BOWES	Page 52, Section 14(a) and page 84 Section 6.1	Would NASPO consider Risk of Loss for conforming goods passing to the Purchasing Entity when the product is in the sole possession of the Purchasing Entity, such that these provisions would be consistent with Section	

Official copies of the Master Agreement (as amended) and related documents can be found on the lead state's website <https://procure.az.gov/bso/external/purchaseorder/poSummary.sdo?docId=ADSPO16-169897&releaseNbr=0&parentUrl=contract> or the NASPO ValuePoint website <https://www.naspovaluepoint.org/portfolios/portfolio-contractor/541/>

				6.1 (Risk and Liability) of the State of Arizona Uniform Terms and Conditions?	
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February 27, 2017

Christopher Lacey, Senior Procurement Specialist
State of Arizona, State Procurement Office
100 N. 15th Avenue
Phoenix, AZ 85007

Re: Solicitation No. ADSP016-00006328 Mailroom Equipment, Supplies, and Maintenance
Best and Final Offer ("BAFO")

Attachments: Pitney Bowes RFP Attachment C1 BAFO.xls
Pitney Bowes Attachment C_rev3 BAFO.xls

Dear Mr. Lacey:

Pitney Bowes Inc. ("PBI") is hereby submitting its Best and Final Offer letter in response to the above referenced Solicitation for Mailroom Equipment, Supplies and Maintenance.

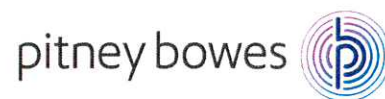
We have included the two attachments that you requested be completed and submitted as part of our BAFO. These attachments set forth our best and final pricing.

We sincerely thank you for the opportunity of providing you with our BAFO. Pitney Bowes looks forward to continuing our relationship with NASPO. If you should have any questions, please feel free to contact Bill Walter at (480)-206-2984.

Kindest Regards,

A handwritten signature in blue ink, appearing to read 'Arthur E. Adams, Jr.', written over a light blue horizontal line.

Arthur E. Adams, Jr.
Director, Government Contract Compliance
Pitney Bowes Inc.



November 15, 2016

Christopher Lacey, Senior Procurement Specialist
State of Arizona, State Procurement Office
100 N. 15th Avenue
Phoenix, Arizona 85007

Re: Solicitation No. ADSP016-00006328
Mailroom Equipment, Supplies, and Maintenance

Attachments: Completed Request for Proposal Documentation and Attachments as referenced herein and therein

Pitney Bowes Terms and Conditions (listed below herein)
Pitney Bowes Licenses and Agreements
Pitney Bowes Customer Satisfaction Guarantees
PBI exceptions to NASPO ValuePoint Solicitation as of 11.8.13 v3

Dear Mr. Lacey:

Pitney Bowes Inc. ("PBI") is pleased to submit the enclosed offer in response to the above referenced Solicitation for Mailroom Equipment, Supplies and Maintenance. For more than 96 years, PBI has been helping customers meet their varied mailing needs at highly competitive prices. As the original equipment and software manufacturer and service provider for the products offered, we are committed to providing superior customer service, product, quality, value based solutions and technology, innovative cost solutions and outstanding service. Please note this offer is contingent on the terms of this offer letter as well as the exceptions (*PBI exceptions to NASPO ValuePoint Solicitation as of 11.8.13 v3.docx*) included as part of our submittal on *ProcureAZ*. Any subsequent contract or purchase order will be governed by the terms of your solicitation document as well as any terms contained in our proposal. Pitney Bowes is willing to negotiate in good faith upon award. If the terms and conditions are not acceptable as offered, the price proposal as submitted is not valid and subject to change and new negotiation.

The proposal responds to your RFP questions and outlines our offer. PBI bids in accordance with the Solicitation and the attached PBI Agreements. The Agreements are industry standard and are specific to the type of products and software being offered.

Pitney Bowes understands that as part of the Participating Addendum process each Participating State and Offeror will negotiate additional terms and conditions presented by the Participating State (including, those provided for informational purposes within this solicitation). In as much, our response to this solicitation is being submitted without taking any exceptions to the Participating State Specific Terms and Conditions provided within this solicitation and we reserve the right to negotiate all provisions of Participating Addenda, including, those that were provided for informational purposes in this solicitation.

Pitney Bowes respectfully has exceptions to some of the sections in the Solicitation and has included them as PBI exceptions in the NASPO ValuePoint Solicitation as of 11.8.13 v3.docx attached in *ProcureAZ*.

Below is a list of Pitney Bowes Terms and Conditions, Product Licenses, etc. which will be attached as separate attachments:

SMB Terms

Customer Satisfaction Guarantee March 2015
Business Manager Software License Agreement OCT 2016
Distribution Solutions SLMA Nov 2015-Pathfinder-v092215
EULA ConnectRight Mailer
Ink Jet Toner Warranty
PlanetPress- End User License Agreement-click wrap



Planet Press Service Link
SendPro U.S. Terms of Use Subscription MAY 2016
SendPro U.S. Terms of Use with Equipment Lease MAY 2016
Pitney Bowes Supplies Return Policy
Postage Meter Rental Terms
pbSmartPostage-terms
Clean version NASPO Option A Term Rental Installment Purchase Lease 11-14-16 finalv2
Clean Version NASPO OPT B FMV Rental ADSP011 11-14-16 finalv2
Clean version NASPO Opt C State and Local FMV Lease 11-14 finalv2
Summary Leasing-Rental Programs Naspo Valuepoint 11 14 16

PB Software Inc. Terms

Master License Agreement 02-2015 NASPO

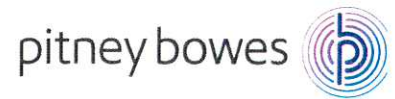
PB DMT Terms

DMT Customer Satisfaction Guarantee_Jason Dies November 2016
IBM Lease-Purchase Master Agreement Z1265741-US-06 LPMA 11-2013 (1)
MAM SAMPLE Rental Agreement 111116 FINAL
MAM SAMPLE Tax Exempt Lease Purchase Agreement 111116 FINAL
PNC Muni Short Form Lease Pkg \$1 Out FINAL
PNC Muni Short Form Lease Pkg FMV FINAL
Direct Connect Software License EXHIBIT NASPO 2016
Sorter (Imbedded) Software License Maintenance Agrmnt and DPV-LACS - NASPO 2016
DMT DirectView License Agreement July 2016 NASPO

Pitney Bowes is offering the following leasing options, designated by product line, in compliance with Section 3.15, Equipment Leasing in the RFP (Arizona Solicitation Number ADSP016-00006328). Related lease terms and conditions are labeled and are included under the attachments on ProcureAZ.

1. Pitney Bowes Global Financial Services LLC "GFS" Term Rental (Installment Purchase) – Option A, Fair Market Value Rental – Option B, and Fair Market Value Lease – Option C pursuant to Sections 3.15 and 3.16, respectively and its terms and conditions are offered for lease transaction for the SMB Product line specifically listed above.
2. For the Pitney Bowes DMT product line and related services (as described in tabs on the Price Attachments C and C-1 ("Folders-Inserters Production, Inserters-Production, Pre-sorting Equipment Production and Software License and Subscriptions applicable to DMT Production Mail Equipment")) (the "DMT Product Line") leases may be available in an applicable State through a third party lending companies, including, PNC Equipment Finance, IBM Credit LLC and Municipal Asset Management, Inc. For informational purposes, the terms and conditions of the (i) Municipal Master Lease Purchase Agreement or the Muni Short Form FMV lease [PNC], (ii) a Lease/Purchase Master Agreement for State and Local Government, [IBM] and (iii) a Tax Exempt Lease/Purchase Agreement and a Rental Agreement [MAM] lease (together the "DMT Leases"), as such may be available in a particular State, have been included with this RFP response. Pricing by third party leasing companies for DMT Leases to be provided.

In applicable States, the DMT Leases may be offered under this Arizona Solicitation Number ADSP016-00006328 and the State Participating Addenda and, in such cases, if there is a conflict between a DMT Lease, and the related State Participating Addenda, the DMT Leases shall govern. Alternatively, in applicable States, the DMT Leases may be offered as a separate contract outside the Participating Addenda and this Agreement. Further, in the event a State wishes to use its own lender, it will be considered a separate contract outside the Participating Addenda and this Agreement. Note that the DMT Product Line is not offered under the GFS lease program described above in Item 1. Further, the DMT Product Line is not available for an Equipment Rental program, as described in Section 3.16 of the RFP.



Optional Purchase Power program:

The Purchasing Entity's actual purchase of postage is not incorporated within the Master Agreement. Pitney Bowes does offer an optional program to assist a Purchasing Entity's funding of its actual postage purchased, where their procurement authority allows. The Pitney Bowes Purchase Power program is offered as a convenience and is strictly an optional program with separate terms, conditions, financing rates and fees. In essence, the Purchasing Entity utilizes our bank credit line to fund their purchase of postage. There may be an overage fee charged to the Purchasing Entity associated with this program when Pitney Bowes funds excess postage downloaded to the Purchasing Entity's meter. Pitney Bowes does offer other funding methods all of which are identified within the attached Postage Meter Terms and Conditions.

In accordance with the NASPO ValuePoint Master Agreement, Pitney Bowes waives the transaction fee related to the process of resetting a Meter.

We sincerely thank you for the opportunity of providing you with solutions that meet your goals. Pitney Bowes looks forward to the opportunity to become one of your most valuable vendors in support of your member organizations. If you should have any questions, please feel free to contact Bill Walter at (480)-206-2984.

Kindest Regards,

A handwritten signature in blue ink, appearing to read 'A. Adams Jr.', written over a faint circular stamp.

Arthur E. Adams Jr.
Director, Government Contract Compliance
Pitney Bowes Inc.



Customer Satisfaction Guarantee

Pitney Bowes Mailing, North America is committed to providing our customers with the finest products backed by the highest quality care and service. As long as you continually maintain coverage with a Pitney Bowes maintenance agreement for hardware and a software maintenance agreement for software after warranty, Pitney Bowes promises to provide you the following:

Guaranteed product performance

For all new and remanufactured Pitney Bowes branded products provided by Pitney Bowes in the U.S., we guarantee performance to our specifications for the initial term of the lease or three years if purchased. If, during that period, the product does not perform to our specifications, and we cannot repair it, we will replace it with a comparable product. If during the first ninety days after installation the replacement product does not perform as specified, you will be entitled to a refund of payments made to us for the replacement product. If the original or replacement product fails to perform due to the use of a non-Pitney Bowes consumable supply or unapproved software/hardware modification, this guarantee will not apply.

Guaranteed nationwide service

Our nationwide service force will respond to service and preventative maintenance requests as part of your maintenance agreement for hardware. If we find that we cannot return your Pitney Bowes branded equipment to a satisfactory operating condition within a reasonable time, where appropriate, we will provide you with a loaner at no additional cost.

Help line support

For customers with products that are supported through our Diagnostics Center, toll-free telephone technical assistance is available Monday through Friday, 8:00 A.M. until 8:00 P.M. EST exclusive of holidays.

Rate change protection

With our ability to accommodate a wide range of carriers, we are your rate data source. Also, should you select any of our plans that include software rate protection, we guarantee that you will not be charged for unexpected rate changes within the scope of your plan.

Operator productivity and training excellence

For all products that we install, our skilled professionals will effectively deliver the agreed upon installation and training services. Furthermore, if you attend our acclaimed Mail Management Seminar, we will train your employee(s) on the latest and most efficient use of postal services.

Purchase Power[®] service

The Pitney Bowes Bank, Inc. provides postage advances to all qualified customers in good standing. You will not have to pay for postage in advance. You can mail now and pay later when you get your bill.

At Pitney Bowes, we are committed to maintaining long-term partnerships with our customers. If our sales and service support team has been unable to satisfy you, I would like to hear from you. Please call my office at 800 622 2296.

We won't be satisfied until you are satisfied.

A handwritten signature in cursive script that reads "Harris Warsaw".

Harris Warsaw

Senior Vice President of Global Sales, Global SMB Solutions

Pitney Bowes Business Manager Software License Agreement

PLEASE READ THIS SOFTWARE LICENSE AGREEMENT CAREFULLY BEFORE INSTALLING THE SOFTWARE. THIS SOFTWARE LICENSE AGREEMENT STATES THE TERMS AND CONDITIONS UPON WHICH PITNEY BOWES INC. (“PITNEY BOWES” OR “LICENSOR”) OFFERS TO LICENSE THE SOFTWARE. BY INSTALLING, OR OTHERWISE USING THE SOFTWARE, YOU (“LICENSEE”) ACKNOWLEDGE THAT YOU HAVE READ THIS SOFTWARE LICENSE AGREEMENT, AND THAT YOU AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS. YOU ALSO REPRESENT THAT YOU HAVE THE LEGAL CAPACITY TO ENTER INTO A BINDING CONTRACT AND ARE AUTHORIZED TO BIND THE USER OF THE SOFTWARE. IF YOU DO NOT AGREE TO ALL OF THE TERMS AND CONDITIONS OF THIS SOFTWARE LICENSE AGREEMENT, YOU MAY NOT INSTALL THE SOFTWARE NOR USE IT AND IT IS YOUR RESPONSIBILITY TO EXIT THE INSTALLATION PROGRAM WITHOUT INSTALLING THE SOFTWARE, AND, IF INSTALLED, TO DELETE THE SOFTWARE FROM YOUR COMPUTER.

This license covers all software programs and user documentation supplied by Pitney Bowes. This includes Pitney Bowes' proprietary programs and databases as well as programs and databases developed by third parties and distributed under license by Pitney Bowes.

GENERAL PROVISIONS

1.0 DEFINITIONS.

1.1 Licensed Software. For purposes of this Agreement, “LICENSED SOFTWARE” shall mean LICENSOR’s Business Manager Software and any related licensed materials such as data base files, operating instructions and user manuals. LICENSED SOFTWARE shall also include any updates and revisions to the LICENSOR’s Business Manager Software that are provided to LICENSEE under the terms and conditions of the SALES/LEASE AGREEMENT or the Software Maintenance Agreement.

1.2 Sales/Lease Agreement. For purposes of this Agreement, “SALES/LEASE AGREEMENT” shall mean the sales or lease agreement between LICENSOR and LICENSEE for the LICENSED SOFTWARE and any accompanying equipment.

1.3 Term. For a sale of a Pitney Bowes Business Manager Software license to LICENSEE, “TERM” shall be co-terminus with LICENSOR’s Software Maintenance and Data Subscription Agreement (described below). For a lease of a Pitney Bowes Business Manager Software license to LICENSEE, “TERM” shall mean the term of the lease.

1.4 License Fee: For a sale of a Pitney Bowes Business Manager Software license to LICENSEE, "LICENSE FEE" shall mean the fee paid by LICENSEE for the Licensed Software only. LICENSEE FEE shall not include any fees paid by LICENSEE for any professional services, mailing equipment or peripherals. For a lease of a Pitney Bowes Business Manager Software license to LICENSEE, "LICENSE FEE" shall mean the portion of LICENSEE's lease payment that is allocated for payment of the Licensed Software only. LICENSE FEE shall not include any portion of LICENSEE's lease payment that is allocated for payment of any professional services, mailing equipment or peripherals.

2.0 LICENSE TERMS AND RESTRICTIONS.

2.1 Subject to payment of all applicable fees stated in the SALES/LEASE AGREEMENT for the LICENSED SOFTWARE, LICENSOR grants to Licensee and Licensee accepts, for the TERM, a non-exclusive, non-transferable license to: (i) use the LICENSED SOFTWARE only with LICENSOR's mailing machines or other hardware that is identified in the SALES/LEASE AGREEMENT or an applicable Statement of Work between LICENSOR and LICENSEE; (ii) use the LICENSED SOFTWARE only at the location that is identified in the SALES/LEASE AGREEMENT or an applicable Statement of Work between LICENSOR and LICENSEE; (iii) process LICENSEE's own accounting data; and (iv) utilize operating instructions and user manuals in support of the use of the LICENSED SOFTWARE. Except as authorized in the SALES/LEASE AGREEMENT or an applicable Statement of Work between LICENSOR and LICENSEE, LICENSEE shall not use the LICENSED SOFTWARE in the operation of a time-sharing or service bureau arrangement or as an application service provider. Because this license is limited to designated hardware at a designated location, prior written authorization is required from LICENSOR to transfer the LICENSED SOFTWARE to another location. Such consent shall not be unreasonably withheld.

2.2 LICENSED SOFTWARE may not be copied, except for user manuals and operating instructions ("Documentation"). Documentation in printed or electronic form may be copied solely for use in support of the LICENSED SOFTWARE.

2.3 This Agreement does not include the right to sublicense, transfer or assign the LICENSED SOFTWARE without the prior written consent of LICENSOR, and any such attempted sublicense, transfer, or assignment shall be void.

2.4 LICENSEE is authorized to use the LICENSED SOFTWARE on a single mailing machine or other hardware as defined in SALES/LEASE AGREEMENT or an applicable Statement of Work between LICENSOR and LICENSEE only upon payment of the applicable LICENSE FEE. If LICENSEE wishes to add additional mailing machines or other hardware, then LICENSEE shall so notify LICENSOR, which shall then authorize such use upon payment of any applicable additional fees.

3.0 LICENSEE RIGHTS AND OBLIGATIONS.

3.1 Installation and Acceptance. Installation of the LICENSED SOFTWARE shall be done in accordance with the applicable invoice for such LICENSED SOFTWARE. Each copy of the LICENSED SOFTWARE shall be deemed accepted upon installation of such copy, but in no event later than forty-five (45) days after the date of the SALES/LEASE AGREEMENT.

3.2 Confidentiality. LICENSEE acknowledges that the LICENSED SOFTWARE and Documentation contain proprietary and confidential information of LICENSOR. LICENSEE will not disclose or show the LICENSED SOFTWARE or Documentation, or any part thereof, to anyone for any purpose other than in order to enable LICENSEE to use the LICENSED SOFTWARE in accordance with the terms of this Agreement. Upon termination of this Agreement, LICENSEE shall return all copies of the LICENSED SOFTWARE and Documentation. This Agreement is confidential information of LICENSOR and shall not be disclosed by LICENSEE.

3.3 Software Maintenance. Upon payment of the appropriate maintenance support fees, maintenance support for the LICENSED SOFTWARE ("Maintenance Support") shall be provided in accordance with the terms set forth at <http://www.pitneybowes.com/us/license-terms-of-use/shipping-and-mailing-maintenance-services-terms.html> (the "Shipping & Mailing Maintenance Service Terms"). By execution of this Agreement, LICENSEE hereby agrees to and accepts the terms and conditions of LICENSOR's Shipping & Mailing Maintenance Service Terms. Software maintenance for modifications to the LICENSED SOFTWARE that were requested by LICENSEE shall not be included within Maintenance Support and, if such support is provided, it shall be subject to additional charges at LICENSOR's then prevailing rates.

3.4 Third Party Software. LICENSEE shall be solely responsible for: (a) entering into its own arrangements with third parties for software functionality not provided by LICENSOR as part of the LICENSED SOFTWARE; and (b) payment of all fees for third-party software not expressly included in the LICENSE FEE paid under the SALES/LEASE AGREEMENT, including, without limitation, fees associated with LICENSEE's operating environment and databases, including, without limitation, Microsoft SQL. LICENSOR does not make any representation or warranty, express or implied, regarding any third party software.

4.0 PROPRIETARY RIGHTS.

4.1 The LICENSED SOFTWARE and all copies thereof are proprietary to LICENSOR or third parties under whose license LICENSOR provides the LICENSED SOFTWARE ("Third Party Licensors") and title thereto remains in LICENSOR or such Third Party Licensors. All applicable rights to any intellectual property in the LICENSED SOFTWARE or any modifications or derivative works are and shall remain in LICENSOR or such Third Party Licensors. Any third party software provided by LICENSOR remains proprietary to such Third Party Licensors. LICENSEE shall not sell, transfer, publish, disclose, display or otherwise make available the LICENSED SOFTWARE or any part thereof to anyone for any purpose other than in order to enable LICENSEE to use the LICENSED SOFTWARE as authorized by this Agreement. LICENSEE agrees

to secure and protect each module, software product, documentation and copies thereof in a manner consistent with the maintenance of LICENSOR's and Third Party Licensors' rights therein and to take appropriate action by instruction or agreement with its employees or consultants who are permitted access to each program, software or documentation product to satisfy its obligations hereunder. All copies made by the LICENSEE of the LICENSED SOFTWARE, including translations, compilations, partial copies with modifications and updated works, are the property of LICENSOR. Violation of any provision of this paragraph shall be the basis for immediate termination of this Agreement. LICENSEE, in recognition of the fact that the LICENSED SOFTWARE contains highly confidential and proprietary LICENSOR information and that LICENSOR will be irreparably damaged if the security of the LICENSED SOFTWARE is breached, agrees that LICENSOR is entitled to injunctive relief, without the posting of any bond, and damages as may be determined by a court of competent jurisdiction.

4.2 Termination. LICENSOR shall have the right to terminate this Agreement if LICENSEE materially breaches its obligations under this Agreement and fails to cure such breach within thirty (30) days after it has been notified in writing of such breach.

4.3 No Decompiling: LICENSEE shall not reverse-engineer, decompile, modify or create derivative works from the LICENSED SOFTWARE or the Documentation. LICENSEE shall not generate any source code or object code listing from the LICENSED SOFTWARE. LICENSEE further agrees not to allow or assist others to do any of the foregoing. Any rights in derivative works created by LICENSEE will be deemed to be the property of and owned by LICENSOR.

4.4 Survival Beyond Termination. The terms and provisions contained in this **Section 4.0** shall survive the termination of this Agreement or any license hereunder. Upon any termination of a license hereunder, LICENSEE shall return the LICENSED SOFTWARE and Documentation and delete all copies thereof from its libraries. At LICENSOR's request, LICENSEE shall certify in writing, in a form acceptable to LICENSOR, that it has complied with its obligations under this **Section 4.0**.

4.5 Security. LICENSEE agrees to: (a) secure and protect the LICENSED SOFTWARE and Documentation and copies thereof in a manner consistent with the maintenance of LICENSOR's rights therein; and (b) take appropriate action by instruction or agreement with its employees and consultants who are permitted access to the LICENSED SOFTWARE and Documentation to: (i) prevent the LICENSED SOFTWARE and Documentation or copies thereof from being acquired by unauthorized persons or put to unauthorized use, (ii) prevent unauthorized copies of the LICENSED SOFTWARE and Documentation, and (iii) otherwise satisfy its obligations hereunder. LICENSEE shall be responsible for any such unauthorized acquisition, use or copying or other breach of its obligations under this Agreement.

5.0 LIMITED WARRANTY AND LIABILITY.

5.1 Limited Warranty.

5.1.1 LICENSOR warrants that for a period of ninety (90) days from acceptance of the LICENSED SOFTWARE as provided in Section 3.1 hereof, such LICENSED SOFTWARE, when properly installed, will conform to all substantial operational functions as described in the Documentation if used in the operating environment specified therein. Notwithstanding the foregoing, as enhanced versions of the LICENSED SOFTWARE are released, LICENSOR's obligation to correct problems in the LICENSED SOFTWARE shall only apply to the most recent version of the LICENSED SOFTWARE.

5.1.2 LICENSOR further warrants its rights to enter into this Agreement and/or the right to grant this license and agrees to defend or settle, at its expense, any action at law against LICENSEE arising from a claim that the LICENSED SOFTWARE infringes any intellectual property right, or at LICENSOR's option, it may terminate this Agreement and refund the license fee paid, pro rata, based upon a thirty-six (36) month useful life of the LICENSED SOFTWARE subject to LICENSEE's obligations under **Section 4.0** hereof.

5.1.3 LICENSOR MAKES NO FURTHER WARRANTY AND DISCLAIMS ANY AND ALL OTHER WARRANTIES OF ANY KIND OR NATURE WHETHER WRITTEN OR VERBAL, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF RESULTS, PERFORMANCE, MERCHANTABILITY, NONINFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE.

5.2 Limited Liability. LICENSOR's entire liability and LICENSEE's exclusive remedy shall be as follows:

5.2.1 In situations involving performance or nonperformance of the LICENSED SOFTWARE furnished hereunder, LICENSEE's sole remedy is replacement or correction of the LICENSED SOFTWARE by LICENSOR so that it will substantially perform the functions as described in the Documentation. In the event LICENSOR is unable to correct the deficiency within a reasonable period of time, LICENSOR's liability shall be limited to a refund of the license fee paid by LICENSEE to LICENSOR for the LICENSED SOFTWARE, provided the claim of nonperformance is made by LICENSEE in writing and received by LICENSOR within the thirty (90) day warranty period as set forth in **Section 5.1.1** hereof. For a lease of a Pitney Bowes Business Manager Software license to LICENSEE, LICENSOR's liability shall be limited to a refund of payments already made for the LICENSE FEE and a release from future payments with respect to the LICENSE FEE under the SALES/LEASE AGREEMENT.

5.2.2 IN NO EVENT SHALL LICENSOR BE LIABLE FOR ANY LOST PROFITS, OR OTHER SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM AGAINST LICENSEE BY ANY OTHER PARTY.

5.2.3 In no event will LICENSOR be liable for the corruption of any data of the LICENSEE when the use of the LICENSED SOFTWARE is not within the contemplation of this Agreement.

5.2.4 In no event shall LICENSOR's liability under this Agreement or with respect to the LICENSED SOFTWARE, whether to LICENSEE or to third-parties exceed the amount of the license fee actually paid to LICENSOR for the LICENSED SOFTWARE.

5.3 Modification to Software. In the event LICENSEE changes or modifies the LICENSED SOFTWARE in any manner, all warranties given hereunder are canceled and same shall release LICENSOR of any further obligation or liability.

6.0 DEFAULT.

In the event LICENSEE fails to make any payment within fifteen (15) days of the due date or breaches any other covenant contained in this Agreement, the license granted hereunder shall immediately terminate and LICENSEE shall return the LICENSED SOFTWARE and Documentation and delete all copies thereof from its libraries. In addition, LICENSEE agrees to pay all costs, including reasonable attorneys fees, incurred by LICENSOR as a result of any such default, including costs of collection.

7.0 INDEMNIFICATION.

LICENSEE shall indemnify and save LICENSOR and its affiliates harmless (and, if requested, defend LICENSOR) from all losses, liabilities, expenses, costs and damages (including reasonable attorneys fees) associated with any claim or suit by a third party arising out of or related to use of the LICENSED SOFTWARE by LICENSEE or any other person in a manner not authorized by this Agreement or in any manner for which the LICENSED SOFTWARE was not designed or where the LICENSED SOFTWARE has been modified by LICENSEE or for the LICENSEE by a third party.

8.0 MISCELLANEOUS.

8.1 Assignment. This Agreement shall be binding upon and inure to the benefit of LICENSOR's successors and assigns. Neither this Agreement nor any rights or obligations hereunder shall be assigned or otherwise transferred by LICENSEE without the prior written consent of LICENSOR.

8.2 Statement of Agreement. LICENSEE agrees that this Agreement is the complete and exclusive statement of the agreement between the parties which supersedes all proposals, concurrent or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement. All amendments to this Agreement shall be in writing and signed by both parties. Except as may be otherwise provided in this Agreement, no terms contained in any related Statement of Work, purchase order, or invoice shall be made a part of this Agreement.

8.3 Captions and Headings. All captions, headings and titles contained in this Agreement are for convenience and reference purposes only and shall not be deemed a part of this Agreement.

8.4 Partial Invalidity. If any part of this Agreement, or the application thereof, is for any reason held or otherwise found to be unenforceable, it shall be deemed severable and the validity of the remainder of this Agreement or the application of such provisions to other circumstances shall not be affected thereby.

8.5 Governing Law and Jurisdiction. This Agreement shall be interpreted in accordance with the laws of the State of Connecticut and the United States but without recourse to Connecticut's conflict of laws provisions. The application of the United Nations Convention of Contracts for the International Sale of Goods is expressly excluded. Any action brought hereunder shall be brought exclusively in the courts residing in the State of Connecticut.

8.6 Export Laws. LICENSEE hereby gives assurances to LICENSOR that, unless it has obtained prior written authorization from the United States Department of Commerce or is otherwise permitted by the United States Department of Commerce Export Administration Regulations, it will not export or otherwise disclose, directly or indirectly, any technology or software received from LICENSOR nor allow the direct product thereof to be shipped, or to be disclosed either directly or indirectly, to any destination that is prohibited by the United States Government or to any foreign national that is prohibited by the United States Government.

8.7 Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficiently given if delivered by hand to the intended recipient or mailed by certified mail, return receipt requested, to: in the case of LICENSEE, to its address first set forth in this Agreement or the address to which LICENSOR sends invoices to LICENSEE; and in the case of LICENSOR, to Pitney Bowes Inc., 27 Waterview Drive (MSC 28-00), Shelton, CT 06848-8000, Attention: Business Manager Product Manager, with a copy to Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926-0700, Attn: EVP & Chief Legal and Compliance Officer. Any such notice shall be deemed delivered on the day hand delivered at the specified address or on the date shown on the return receipt.

8.8 Non-waiver. A waiver of any breach or default under this Agreement shall not constitute a waiver of any other or subsequent breach or default. Failure or delay by either party to enforce compliance with any term or condition of this Agreement shall not constitute a waiver of such term or condition.

8.9 Taxes. LICENSEE shall, in addition to the other amounts payable under this Agreement, pay all sales and other taxes, federal, state, or otherwise, however designated, which are levied or imposed by reason of the transactions contemplated by this Agreement. Without limiting the foregoing, LICENSEE shall promptly pay to LICENSOR an amount equal to any such items actually paid, or required to be collected or paid by LICENSOR.

SOFTWARE LICENSE AND MAINTENANCE AGREEMENT

For

Distribution Solutions Software

(September 2015)

THIS SOFTWARE LICENSE AND MAINTENANCE AGREEMENT (this "Agreement") is between Pitney Bowes Inc., a Delaware corporation, with offices at 3001 Summer St., Stamford, CT 06926-0700, ("Pitney Bowes") and the customer ("Licensee") named in the sales agreement ("Sales Agreement") or lease agreement (which agreement may include financing provisions) ("Lease Agreement") with Pitney Bowes or one of its affiliates relating to one or more of the software products named in such Agreement (whichever of the Sales Agreement or the Lease Agreement is applicable is referred to herein as the "Sales/Lease Agreement"). If Licensee is not a resident of the United States, Pitney Bowes will be the affiliate or subsidiary of Pitney Bowes operating in Licensee's geography. The terms of this Agreement are in addition to, and do not supersede, the terms of the Sales/Lease Agreement, except that, with respect to the Pitney Bowes Software (as defined in Section 1.1 below), this Agreement does supersede those portions of the Sales/Lease Agreement that refer expressly to software (other than those portions that relate to financing with respect to the Licensed Software). In the event of a conflict between the terms of this Agreement and the Sales/Lease Agreement with respect to the Pitney Bowes Software, the terms of this Agreement shall control. LICENSEE'S SIGNATURE ON THE SALES/LEASE AGREEMENT OR USE OF THE PITNEY BOWES SOFTWARE CONSTITUTES LICENSEE'S AGREEMENT TO THIS SOFTWARE LICENSE AGREEMENT.

1 LICENSE

1.1 License Grant and Term. Pitney Bowes grants to Licensee, pursuant to, and subject to Licensee's compliance with, the terms and conditions set forth in this Agreement and subject to payment of all applicable license fees relating to the Pitney Bowes Software, and Licensee accepts a non-exclusive, non-transferable license to access and use the Pitney Bowes Software for the Term (the "License"). The "Term" is: (a) a perpetual term in the case of Pitney Bowes Software subject to a Sales Agreement; and (b) the term of the applicable Lease Agreement in the case of Pitney Bowes Software subject to a Lease Agreement. This license does not include the right to grant sublicenses. "**Pitney Bowes Software**" means: (a) whichever of the software named above that is listed, with prices, in the Sales/Lease Agreement, (b) any Pitney Bowes proprietary software or third party proprietary software that connects with or interfaces the software named above to any Pitney Bowes, Licensee or third party equipment, software or service, (c) any other Pitney Bowes proprietary software and third party proprietary software that are listed, with prices, in the Sales/Lease Agreement and are directly related to Licensee's use of the software referred to in clause (a), and (d) any Pitney Bowes or third party proprietary development tools provided under this Agreement that are reasonably required to use the Pitney Bowes Software. Notwithstanding the foregoing, "Pitney Bowes Software" excludes any Pitney Bowes proprietary software and any third-party software that is subject to a separate software license agreement ("Excluded Software"). All obligations with respect to Excluded Software shall be exclusively governed by such separate software license agreement and, in the case of Excluded Software that is third-party software, shall be exclusively owed to Licensee by the third-party licensor thereof.

1.2 Software Use. Licensee is authorized to use the Pitney Bowes Software and the User Manual (as defined in Section 1.4) solely for its own internal operations at the location(s) indicated in the Sales/Lease Agreement, this Agreement or any applicable Statement of Work or Statement of Work Addendum (collectively, a "**SOW**"). Notwithstanding the foregoing, the Pitney Bowes Software may only be installed and used outside of the United States when the base application of the Pitney Bowes Software is installed within the United States. Licensee shall not use the Pitney Bowes Software in the operation of a time-sharing or service bureau arrangement or as an application service provider. Licensee shall not allow access to the Pitney Bowes Software through any other means than those indicated in the Sales/Lease Agreement or in any applicable SOW. If this License is for a designated computer system, no authorization is required from Pitney Bowes to transfer the Pitney Bowes Software from one computer system to another at such location(s). However, transfer of the Pitney Bowes Software to another Licensee location shall require prior written consent of Pitney Bowes, which shall not be unreasonably withheld. Upon completion of the transfer, Licensee shall certify to Pitney Bowes in writing that all copies of the Pitney Bowes Software at the prior location were either transferred to the new location or destroyed.

1.3 Computer System. Licensee is authorized to install and use the Pitney Bowes Software on a server or, if deployed in a client/server configuration, on load balanced application servers, in either case with user access as defined in the User Manual or applicable SOW. If Licensee wishes to add additional computer servers or systems or users to the computer system environment, then Licensee shall so notify Pitney Bowes, which shall deliver the Pitney Bowes Software or provide access to the Pitney Bowes Software upon payment of any applicable additional fees.

1.4 User Manual. Licensee is entitled to one (1) copy of the applicable User Manual in electronic, paper or other form as usually accompanies the Pitney Bowes Software for each License granted. "**User Manual**" means any manual and other written documentation (including on-line documentation) supplied by Pitney Bowes to Licensee at the time of delivery of, and for use with, the Pitney Bowes Software or in connection with Software Maintenance (other than updates or enhancements, if any, relating to carrier compliance), in each case where such manual or other documentation describes the core functionality of the Pitney Bowes Software. Pitney Bowes may make changes in the User Manual to correct or remove errors in documentation and to bring the User Manual into substantial compliance with the Pitney Bowes Software.

1.5 Backup Copies. Licensee shall have the right to make no more than two (2) copies of the Pitney Bowes Software solely for backup and archival purposes and exclusively for Licensee's internal use, provided that such copies include all original copyright and other proprietary notices.

1.6 Fees. Fees for the License and Software Maintenance, if applicable, are included in payments under the Sales/Lease Agreement. If the number of locations or the number of users or computer systems exceeds what is permitted by and/or paid for under the Sales/Lease Agreement, Pitney Bowes and its affiliates may charge Licensee for, and Licensee shall pay, the appropriate license and Software Maintenance fees based on such excess in accordance with the applicable rates then in effect. Value-based services separately stated in the Sales/Lease Agreement may bear a separate charge as stated therein.

1.7 Reservation of Rights. Any right not specifically granted in this Agreement by Pitney Bowes is expressly reserved. Nothing herein grants Licensee any ownership rights to the Pitney Bowes Software, or any ownership rights or license to the trademarks, copyrights, trade secrets and patents of Pitney Bowes or Pitney Bowes's licensors, other than as is necessary to execute the Pitney Bowes Software as permitted herein.

1.8 Hazardous Materials. If the Pitney Bowes Software permits the shipment of hazardous materials, the following terms apply:

(a) Licensee hereby represents and warrants that it has obtained and maintained any and all certifications, licenses or other authorizations necessary or proper in furtherance of its use of the Pitney Bowes Software, including without limitation, federal certification pursuant to United States Department of Transportation regulations regarding the identification, processing and transportation of hazardous materials. Licensee further represents and warrants that during the Term of this Agreement it will, (i) properly and consistently train its federally certified hazardous materials employee(s) concerning the entering of commodity code information into the Pitney Bowes Software in compliance with all applicable laws and regulations, (ii) ensure that any Licensee site utilizing the Pitney Bowes Software is properly certified to ship hazardous materials, (iii) ensure that a federally certified hazardous materials employee is available on any applicable site during installation of the Pitney Bowes Software, (iv) identify hazardous material commodities that are shipped, (v) prepare hazardous commodity information, (vi) enter and maintain commodity code information in the Pitney Bowes Software, and (vii) enter and maintain hazardous material templates where applicable.

(b) Licensee acknowledges and agrees that Pitney Bowes will not (i) identify what is a hazardous material, (ii) make any suggestions on what types of hazardous materials can be shipped individually or together, nor (iii) make any suggestion on what types of containers are to be used when shipping hazardous materials.

2 WARRANTY

2.1 Warranty. (a) Pitney Bowes warrants during the Warranty Period that the Pitney Bowes Software will conform

to all substantial operational functions of the Pitney Bowes Software described in the User Manual if installed and used in the operating environment specified therein or in the applicable SOW. The "**Warranty Period**" for the Pitney Bowes Software is ninety (90) days from the date Licensee receives access to the Pitney Bowes Software via a license key, or any similar activation technology; provided that, due to its installation procedures, the Warranty Period for the SendSuite®Live shipping software for multiple sites ("**Multi-Site Software**") is ninety (90) days from the date of Acceptance of the Multi-Site Software at the initial site. "Acceptance" shall be deemed to have occurred on the earlier of: (i) when Licensee has indicated its acceptance of the Pitney Bowes Software; (ii) after thirty days from delivery of the Pitney Bowes Software (the "Acceptance Period") unless Licensee has provided a notice of rejection during such period; or (iii) when the Pitney Bowes Software has been installed and conforms to all substantial operational functions as described in the User Manual therefor. Licensee shall not unreasonably withhold or delay its acceptance. If the Pitney Bowes Software does not so conform during the Warranty or Acceptance Period, Pitney Bowes shall, at its option, (i) repair the Pitney Bowes Software, (ii) replace the Pitney Bowes Software or (iii) as may be applicable, refund the License fee paid under a Sales Agreement for the non-conforming Pitney Bowes Software or, if the Pitney Bowes Software is subject to a Lease Agreement, refund payments made for the License fee and secure a release from future payments with respect to such License fee under such Lease Agreement. In the case of clause (iii), this Agreement shall be deemed to be terminated as it applies to the relevant Pitney Bowes Software.

(b) If Pitney Bowes supplies carrier rate information ("**Rate Information**") to Licensee in connection with this Agreement, the media upon which the Rate Information is supplied are warranted to be free from defects for a period of ninety (90) days after installation (or after Acceptance in the case of the Multi-Site Software). Licensee's sole remedy for breach of this warranty shall be replacement of the Rate Information media. The Rate Information itself, although obtained from carriers or other sources believed to be reasonably reliable, is not warranted to be accurate, complete or correct. Pitney Bowes shall have no liability for any damages Licensee may incur as a result of Licensee's use of the Rate Information.

(c) The warranties in this Agreement shall not apply if the Pitney Bowes Software fails to perform as a result of: (i) the Pitney Bowes Software not having been used in a manner authorized by this Agreement or for the ordinary purpose for which it is designed or in accordance with the applicable SOW; (ii) the Pitney Bowes Software having been altered, modified, converted or repaired by anyone other than Pitney Bowes; (iii) the Pitney Bowes Software having been used with any Licensee or third-party hardware or software not specified in the applicable SOW; (iv) negligence, accident, misuse, abuse, operator error or any other cause within Licensee's control; (v) virus, contamination, loss of data, external forces, loss of electrical power or power fluctuation; (vi) casualty or sabotage; (vii) breach of this Agreement by Licensee; or (viii) any use of the Pitney Bowes Software beyond the number of locations or the number of computer systems permitted by and/or paid for under the Sales/Lease Agreement, except, in the case of clause (iv), (v) or (vi), to the extent the same results from Pitney Bowes's negligence or willful misconduct.

2.2 Warranty Limitation. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PITNEY BOWES SOFTWARE, EXCLUDED SOFTWARE, USER MANUAL, SOFTWARE MAINTENANCE AND OTHER SERVICES RELATING TO ANY OF THE FOREGOING ARE PROVIDED "AS IS"; AND PITNEY BOWES DOES NOT MAKE, AND LICENSEE SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PITNEY BOWES SOFTWARE, EXCLUDED SOFTWARE, USER MANUAL, SOFTWARE MAINTENANCE, OTHER SERVICES RELATED TO ANY OF THE FOREGOING OR ANY INFORMATION GENERATED BY LICENSEE'S USE OF THE PITNEY BOWES SOFTWARE, EXCLUDED SOFTWARE OR USER MANUAL. THE EXPRESS WARRANTIES GIVEN IN THIS AGREEMENT ARE GIVEN IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY OF OR RELATING TO RESULTS, ACCURACY, PERFORMANCE, RESOURCE UTILIZATION OR INFRINGEMENT. WITHOUT LIMITING THE FOREGOING, PITNEY BOWES DOES NOT REPRESENT OR WARRANT THAT THE PITNEY BOWES SOFTWARE OR EXCLUDED SOFTWARE WILL MEET LICENSEE'S OR ANY THIRD-PARTY'S REQUIREMENTS, WILL OPERATE ERROR-FREE OR UNINTERRUPTED OR FREE FROM OTHER DEFECT OR FAILURE, OR WILL BE COMPATIBLE WITH OR OPERATE IN COMBINATION WITH ANY OTHER SOFTWARE OR HARDWARE SELECTED OR USED BY LICENSEE OR ANY THIRD-PARTY, OR THAT ANY DEFECT THEREIN OR IN THE SOFTWARE MAINTENANCE IS CORRECTABLE. Some states

do not allow the disclaimer of implied warranties. Therefore, the above disclaimer may not apply to Licensee.

3 PROPRIETARY RIGHTS

3.1 Ownership of Pitney Bowes Software. The Pitney Bowes Software, and all materials relating thereto, including, but not limited to, the User Manual, computer software (in object and/or source code form), script, programming code, data, information or HTML script, modifications, enhancements, adaptations or customizing thereof, and derivative works, and all trade secrets, know-how, methodologies and processes related to any of the foregoing and all copyrights, trademarks, patents, trade secrets and other proprietary rights inherent in or appurtenant to any of the foregoing (collectively, the "**Pitney Bowes Materials**") are proprietary to Pitney Bowes and/or its licensors and suppliers and shall remain the sole and exclusive property of Pitney Bowes and/or its licensors and suppliers. The Pitney Bowes Materials are protected by United States copyright and international treaty provisions. Licensee shall not sell, transfer, publish, disclose, distribute, display, copy, use or otherwise make available the Pitney Bowes Materials or copies thereof to others except as expressly permitted in this Agreement. Licensee shall not remove, disfigure or alter any of the proprietary notices or trademarks incorporated into the Pitney Bowes Materials. The Pitney Bowes Materials, and all copies thereof, including translations, compilations, partial copies, modifications and updated works, are the property of Pitney Bowes and/or its licensors and suppliers.

3.2 Security. Licensee agrees to: (a) secure and protect the Pitney Bowes Materials and copies thereof in a manner consistent with the maintenance of Pitney Bowes's rights therein; and (b) take appropriate action by instruction or agreement with its employees and consultants who are permitted access to the Pitney Bowes Materials to: (i) prevent the Pitney Bowes Materials or copies thereof from being acquired by unauthorized persons or put to unauthorized use, (ii) prevent unauthorized copies of the Pitney Bowes Materials, and (iii) otherwise satisfy its obligations hereunder. Licensee shall be responsible for any such unauthorized acquisition, use or copying or other breach of its obligations under this Agreement.

3.3 No Decompiling. Licensee agrees not to: (a) disassemble, decompile or otherwise reverse engineer the Pitney Bowes Software or otherwise attempt to learn the source code, structure, algorithms or ideas underlying the Pitney Bowes Software; (b) alter or modify the Pitney Bowes Software create derivative works therefrom; (c) circumvent, obfuscate or remove any functions in the Pitney Bowes Software; (d) alter or remove any copyright and/or patent notices in the Pitney Bowes Software; (e) reuse any license key issued by Pitney Bowes or its licensors, or defeat or subvert, or attempt to defeat or subvert, the mechanisms of the Pitney Bowes Software designed to manage authorization, verification or tracking; or (f) allow or assist others (including, but not limited to, Licensee's employees and consultants who are permitted access to the Pitney Bowes Materials) to do any of the foregoing. All rights in derivative works created by Licensee will be deemed to be the property of and owned by Pitney Bowes.

3.4 Permitted Pitney Bowes Actions. During the term of the License, if Licensee is enjoined from (or Pitney Bowes believes Licensee may be enjoined from) using the Pitney Bowes Software as a result of any action or proceeding based upon any Claim (as defined in Section 6.3), or if Pitney Bowes believes that a Claim may arise, or a Claim has been asserted, Pitney Bowes may, at its own expense and without diminishing its indemnification obligations under this Agreement: (a) procure for Licensee the right to use the Pitney Bowes Software; (b) provide Licensee with substitute software with the substantial operational functions of the original Pitney Bowes Software; (c) modify the Pitney Bowes Software, provided that it has the substantial operational functions of the original Pitney Bowes Software; or (d) terminate this Agreement as it applies to the relevant Pitney Bowes Software. If this Agreement is terminated pursuant to this Section, Pitney Bowes shall:

- (1) if Licensee is a party to a Sales Agreement with respect to the Pitney Bowes Software, refund to Licensee an amount equal to: (A) the license fee paid for the Pitney Bowes Software, multiplied by a fraction of which: (i) the numerator is thirty-six (36) minus the number of months between the commencement of the Warranty Period and the effective date of termination; and (ii) the denominator is thirty-six (36); plus (B) any prepaid fees for Software Maintenance for the period after the effective date of termination; or
- (2) if Licensee is a party to a Lease Agreement with respect to the Pitney Bowes Software, secure for Licensee a release from its payment obligations with respect to the License fee for the Pitney Bowes Software and its other payment obligations with respect to any such Software Maintenance fees included in its payments under the Lease due after the effective date of termination of this Agreement.

4 SOFTWARE MAINTENANCE; TRAINING

4.1 Software Maintenance. Software Maintenance for the Pitney Bowes Software shall be provided during the Warranty Period at no additional cost to Licensee as an ancillary feature of the License in accordance with the terms set forth at <http://www.pitneybowes.com/us/license-terms-of-use/shipping-and-mailing-maintenance-services-terms.html>. Software Maintenance may be available after the Warranty Period at an additional charge for as long as Pitney Bowes makes such Software Maintenance generally available to its licensees of the Pitney Bowes Software.

4.2 Training. Pitney Bowes will provide product training and other services as specified in the Sales/Lease Agreement and/or applicable SOW.

5 LIABILITY

5.1 Limitation of Liability. PITNEY BOWES'S AND ITS AFFILIATES' TOTAL LIABILITY UNDER OR RELATING TO THIS AGREEMENT AND THE PITNEY BOWES SOFTWARE (WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED ON CONTRACT, WARRANTY, TORT OR OTHERWISE) SHALL NOT EXCEED, IN THE AGGREGATE, THE AMOUNT PAID TO PITNEY BOWES AND ITS AFFILIATES BY LICENSEE UNDER OR RELATING TO THIS AGREEMENT AND THE RELEVANT PITNEY BOWES SOFTWARE DURING THE SIX-MONTH PERIOD PRECEDING THE DATE THE APPLICABLE CLAIM(S) AROSE, REGARDLESS OF WHEN NOTICE OF SUCH CLAIM(S) WAS GIVEN. NOTWITHSTANDING THE FOREGOING, PITNEY BOWES'S AND ITS AFFILIATES' ENTIRE LIABILITY AND LICENSEE'S SOLE REMEDY WITH RESPECT TO THE PROVISION OF MAINTENANCE SUPPORT IS, AT PITNEY BOWES'S OPTION, REFUND OF AMOUNTS PAID FOR SOFTWARE MAINTENANCE FOR THE RELEVANT PITNEY BOWES SOFTWARE DURING SUCH SIX-MONTH PERIOD, REPLACEMENT OF ANY DEFECTIVE MEDIA, OR PROVISION AGAIN BY PITNEY BOWES OF SUCH SOFTWARE MAINTENANCE. THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO LIABILITY FOR DEATH OR BODILY INJURY TO THE EXTENT THAT APPLICABLE LAW PROHIBITS SUCH LIMITATION OR TO AMOUNTS THAT MAY BE OWED TO THIRD PARTIES WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS UNDER SECTION 6.1. WITHOUT LIMITING THE FOREGOING, PITNEY BOWES SHALL HAVE NO LIABILITY WITH RESPECT TO EXCLUDED SOFTWARE.

5.2 Excluded Damages. NEITHER PITNEY BOWES NOR LICENSEE NOR ANY OF THEIR RESPECTIVE AFFILIATES SHALL BE LIABLE TO THE OTHER OR ANY THIRD PARTY UNDER OR RELATING TO THIS AGREEMENT OR THE PITNEY BOWES SOFTWARE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUE OR PROFITS, LOST BUSINESS, LOST GOODWILL, LOST OR DAMAGED DATA, WORK STOPPAGE OR COMPUTER FAILURE OR MALFUNCTION, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHAT LEGAL OR EQUITABLE THEORY MAY BE ASSERTED. THE FOREGOING DOES NOT APPLY TO AMOUNTS THAT MAY BE OWED TO THIRD PARTIES WITH RESPECT TO INDEMNIFICATION OBLIGATIONS UNDER SECTION 6 OR TO OBLIGATIONS UNDER **SEPARATE CARRIER AGREEMENTS RELATED TO THE THIRD PARTY CONTENT AVAILABLE TO YOU AS CLICK THROUGH AGREEMENTS ("CARRIER AGREEMENTS")**.

6 INDEMNIFICATION

6.1 By Pitney Bowes. Pitney Bowes shall indemnify, defend and hold Licensee harmless from all claims and suits (including reasonable attorneys fees) against Licensee by a third party alleging infringement of a copyright, trademark, trade dress, trade secret or patent arising out of Licensee's authorized use of the Pitney Bowes Software during the term of the License. Pitney Bowes shall have no obligation to indemnify, defend and hold Licensee harmless with respect to any claim or suit that is: (a) based on any Third-Party Content (as defined in Section 9.8) except to the extent that Pitney Bowes's licensors or suppliers of such Third-Party Content have indemnified, defended and held Pitney Bowes harmless; (b) based on an event that would cause the warranty in this Agreement to be inapplicable under Section 2.1(c)(i), (ii) or (iii) (whether during or after the Warranty Period); or (c) not based on the most current release of the Pitney Bowes Software made available to Licensee to the extent that such claim or

suit could have been avoided or mitigated by Licensee's use of such most current release. The provisions of this Section shall constitute the entire liability of Pitney Bowes with respect to a copyright, trademark, trade dress, trade secret or patent infringement claim or suit.

6.2 By Licensee. Licensee shall indemnify, defend and hold Pitney Bowes harmless from all claims and suits (including reasonable attorneys fees) against Pitney Bowes by a third party based on: (a) any event that would cause the warranty in this Agreement to be inapplicable under Section 2.1(c)(i), (ii) or (iii) (whether during or after the Warranty Period); (b) use of a release of the Pitney Bowes Software that is not the most current release made available to Licensee to the extent that such claim or suit could have been avoided or mitigated by Licensee's use of such most current release; or (c) the breach by Licensee of any of its representations or warranties set forth in Section 1.8 of this Agreement.

6.3 Procedures. Licensee or Pitney Bowes (the "**Indemnified Party**") shall give the other (the "**Indemnifying Party**") prompt written notice of any matter with respect to which the Indemnified Party intends to seek indemnification under this Agreement (a "**Claim**"), provided, that the failure or delay in providing such notice shall not relieve the Indemnifying Party from any obligation to indemnify the Indemnified Party except to the extent that such failure or delay prejudices the defense of any such Claim. The Indemnifying Party may, at its election, conduct and control the defense of the Claim with counsel selected by it, subject to the Indemnified Party's consent, not to be unreasonably withheld or delayed. The Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in investigating and/or contesting any Claim. No compromise or settlement of the Claim may be effected by the Indemnifying Party without the Indemnified Party's prior written consent (which will not be unreasonably withheld or delayed), unless (a) there is no finding or admission of any violation of law by the Indemnified Party, and (b) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party.

7 TERMINATION

7.1 Termination. (a) This Agreement may be terminated: (i) by Pitney Bowes or Licensee, immediately upon written notice to the other party if the other party becomes insolvent, seeks protection under any bankruptcy, receivership, trust, deed, creditors arrangement, composition or comparable proceeding, proceedings in bankruptcy or insolvency are instituted against the other party, or a receiver is appointed with respect to the other party, or if any substantial part of the other party's assets is the object of attachment, sequestration or other type of comparable proceeding, and such proceeding is not vacated or terminated within thirty (30) days after its commencement or institution; or (ii) by Pitney Bowes, upon written notice to Licensee, as provided in Section 3.4; or (iii) by Pitney Bowes or Licensee, upon written notice to the other, in the event of a material breach of this Agreement or the Sales/Lease Agreement by such other party that is not cured within thirty (30) days after receipt by such other party of written notice thereof.

(b) The License shall immediately terminate upon: (i) Licensee's unauthorized use, transfer or copying of the Pitney Bowes Materials, or any portion thereof; or (ii) Licensee's breach of Sections 3.1-3.3 or 9.14 or the Carrier Agreements.

7.2 Injunctive Relief. Licensee acknowledges that any breach of its obligations under this Agreement with respect to Pitney Bowes's or a third party's proprietary rights or confidential information will cause Pitney Bowes and/or such third party irreparable injury for which there exists no adequate remedies at law, and therefore Pitney Bowes shall be entitled to injunctive relief, without the posting of any bond, in addition to all other remedies provided by this Agreement or available at law.

7.3 Remedies. Except as otherwise expressly provided in this Agreement, the obligations of Pitney Bowes to Licensee in respect of any breach of any term, condition or warranty (whether implied, by statute or otherwise) shall be limited, at Pitney Bowes's option, to: (a) using commercially reasonable efforts to correct or replace the defective feature of the Pitney Bowes Software in breach of such term, condition or warranty; or (b) the resupply or cost of resupply of any services. Such obligations shall only apply if Pitney Bowes is given written notice of such breach within thirty (30) days after the occurrence of such breach.

7.4 Effect of Termination. Upon termination of the License or this Agreement, Licensee shall cease use of the Pitney Bowes Materials and shall irretrievably delete and/or remove such items from its servers, terminal and other computer

systems and, to the extent not so deleted and/or removed, return such items, together with all copies thereof, to Pitney Bowes; and Licensee shall certify compliance with the foregoing in writing.

7.5 Survival. The following shall survive termination of this Agreement: Sections 2.2, 3.1-3.3, 5, 6, 7.2, 7.4, 7.5 and 9 and the portions of the Carrier Agreements indicated therein as surviving.

8 FORCE MAJEURE

A party hereto shall be excused from any obligation under this Agreement (other than payment and confidentiality obligations) to the extent and for so long as non-fulfillment of such obligation is due to fire, flood, storm, earthquake, epidemic, strike, civil war, riot, terrorism, explosion, compliance with any law, order or decree of any court or government agency or other cause beyond such party's reasonable control; provided, however, that such party's non-fulfillment of its obligation does not exceed ninety (90) days in duration.

9 MISCELLANEOUS

9.1 Governing Law. If Licensee is a resident of the United States, this Agreement and the rights and duties set forth herein, shall be governed by and construed in accordance with the laws of the State of Connecticut, but without recourse to that state's conflict of laws provisions. In the event of any dispute arising out of or relating to this Agreement, a suit shall be brought only in a federal or state court of competent jurisdiction located in Fairfield County in the State of Connecticut. If Licensee is a resident of Canada, this Agreement and the rights and duties set forth herein, shall be governed by and construed in accordance with the laws of the Province of Ontario, but without recourse to that province's conflict of laws provisions. In the event of any dispute arising out of or relating to this Agreement, a suit shall be brought only in a federal or provincial court of competent jurisdiction located in the Province of Ontario, Canada. The application of the United Nations Convention of Contracts for the International Sale of Goods is expressly excluded.

9.2 Severability. If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be severed from this Agreement and the other provisions shall remain in full force and effect.

9.3 Modifications. This Agreement may not be modified or amended in any way except in writing signed by duly authorized representatives of Pitney Bowes and Licensee or as otherwise expressly provided herein. In no event shall terms contained in any Licensee purchase order be made a part of or supersede this Agreement.

9.4 Notices. Any notice under this Agreement may be given by delivery: in the case of notices to Licensee, to Licensee at its address in the Sales/Lease Agreement or the address to which Pitney Bowes or any of its affiliates sends invoices to Licensee; and in the case of notices to Pitney Bowes, to Pitney Bowes Inc., 1 Elmcroft Rd, Stamford, CT 06926-0700, Attn: President, Mailstream, The Americas, with a copy at such address to: Attn: Deputy General Counsel (MSC 64-03).

9.5 Non-waiver. A waiver of any breach or default under this Agreement shall not constitute a waiver of any other or subsequent breach or default. Failure or delay by either party to enforce compliance with any term or condition of this Agreement shall not constitute a waiver of such term or condition.

9.6 Binding Effect; Assignment. This Agreement shall be binding on and inure to the benefit of parties hereto and their respective successors and permitted assigns. Licensee may not assign this Agreement or assign, sublicense or transfer any of its rights hereunder without the prior written consent of Pitney Bowes; provided, however, that Licensee may assign this Agreement to an affiliate of Pitney Bowes for the purpose of such entity providing Licensee financing with respect to the Pitney Bowes Software.

9.7 Confidentiality. Licensee acknowledges that the Pitney Bowes Materials contain proprietary and confidential information. Licensee will not disclose or show the Pitney Bowes Materials, or any part thereof, to anyone for any purpose other than in order to enable Licensee to use the Pitney Bowes Materials in accordance with the terms of this Agreement. Upon termination of this Agreement, except as otherwise provided in Section 7.4, Licensee shall return all copies of the Pitney Bowes Materials. This Agreement (including any amendments), including the terms

hereof, is confidential information of Pitney Bowes and shall not be disclosed by Licensee.

9.8 Third Party Content; Regulated Functionality. Various third party software and other documentation ("**Third Party Content**") may have been incorporated into the Pitney Bowes Materials by Pitney Bowes under permission from Pitney Bowes's licensors and suppliers. The United States Postal Service ("**USPS**") or other governmental bodies may regulate certain functionality of the Pitney Bowes Software. Special terms and conditions applicable to the Third Party Content or such functionality are included in **the Carrier Agreements**; and Licensee agrees to be bound by and to comply with such terms and conditions. Any terms and conditions in such Carrier Agreements that are inconsistent with, or in addition to, the terms and conditions of the rest of this Agreement shall control with respect to the Third Party Content or such functionality. Pitney Bowes may amend such Carrier Agreements from time to time, by providing the revised portions of such Agreements to Licensee, to reflect (a) changes in Pitney Bowes's arrangements with its licensors or suppliers for Third-Party Content, or (b) regulatory requirements. Notwithstanding the foregoing, any separate software license agreement provided with any Excluded Software shall apply to such Excluded Software.

9.9 Termination of Third Party Content. If Pitney Bowes's license to any Third Party Content terminates, Licensee agrees: (a) that the Sales/Lease Agreement and all other agreements between Pitney Bowes or any of its affiliates and Licensee related thereto (e.g., equipment or software maintenance agreements) shall remain in full force and effect in accordance with their terms; (b) upon Pitney Bowes' written request, to discontinue use of, and/or return the terminated Third Party Content; and that in the event of such request for discontinuance, Pitney Bowes shall have no further obligation with respect to such Third Party Content.

9.10 Other Functionality. Licensee shall be solely responsible for: (a) entering into its own arrangements with third parties, including carriers, for software functionality not provided by Pitney Bowes as part of the Pitney Bowes Software; and (b) payment of all fees for third-party software not expressly included in the License fee paid under the Sales/Lease Agreement, including, without limitation, fees associated with Licensee's operating environment.

9.11 Licensee Cooperation. For increased visibility of both Pitney Bowes and Licensee, Licensee agrees that: (a) Pitney Bowes may refer to Licensee as a Pitney Bowes customer and to Licensee's use of the Pitney Bowes Software in a press release, public statement or sales and marketing material; (b) at Pitney Bowes's request, Licensee will speak at one (1) industry seminar or trade show per year, subject to Licensee's reasonable availability therefor and with Licensee's reasonable out-of-pocket travel expenses paid for by Pitney Bowes; (c) Pitney Bowes may publish a case study(s) about Licensee's use of the Pitney Bowes Software, and use all or portions of such study(s) for marketing, promotional and other reasonable purposes. Licensee shall have the opportunity to review and comment on such study(s) prior to initial use by Pitney Bowes and agrees to provide any comments it may have reasonably promptly after receipt of a draft study (and in any event within thirty (30) days after such receipt); and (d) Licensee will serve as a reference for other potential or actual Pitney Bowes customers, host up to four (4) visits a year by such customers and participate in a reasonable number of telephone calls with such customers, subject to any reasonable objection Licensee may have to a visit by, or telephone call with, any particular customer.

For the foregoing purposes, Licensee hereby grants Pitney Bowes a limited, non-exclusive, nontransferable, worldwide, irrevocable royalty-free license for the term of the Sales/Lease Agreement or any other agreement between Pitney Bowes and Licensee to use the trade names and associated logos of Licensee or any of its affiliates ("**Licensee Marks**"). Pitney Bowes acknowledges that use of any Licensee Mark will not create in Pitney Bowes any right, title or interest in or to such Licensee Marks other than the license expressly granted herein. Licensee will reasonably cooperate with Pitney Bowes's marketing personnel regarding the above activities.

9.12 Audit. Pitney Bowes may conduct, or have conducted, during normal business hours and upon prior notice, audits of Licensee's use of the Pitney Bowes Software to verify Licensee's compliance with this Agreement. Licensee shall cooperate with such audits; and, if requested, shall provide Pitney Bowes with copies of audited materials. Such audits shall be conducted not more than once per calendar year, unless the prior audit reveals a material breach of this Agreement with respect to such use. Pitney Bowes's cost of any audit requested by it shall be borne by Pitney Bowes unless such audit discloses an underpayment based on usage or otherwise due to Pitney Bowes in excess of five percent (5%) of the amount actually due or use of the Pitney Bowes Software or Materials that constitutes a material breach of this Agreement, in which case the cost of such audit shall be borne by Licensee.

9.13 U.S. Government Restricted Rights. The Pitney Bowes Software and Materials are provided with "RESTRICTED RIGHTS". Use, duplication, or disclosure by the United States Government is subject to restrictions as set forth in FAR52.227-14 and DFAR252.227-7013 et seq. or their successors. The use of the Pitney Bowes Software by the United States Government constitutes acknowledgment of Pitney Bowes's proprietary rights in the Pitney Bowes Software. Further, the Pitney Bowes Software and Materials are deemed to be "commercial computer software" and "commercial computer software documentation" as defined in DFARS Section 227.7202 and FAR Section 12.212, as applicable. Any use, modification, reproduction, release, performance, display or disclosure of the Pitney Bowes Software and Materials by the United States Government shall be solely in accordance with the terms of this Agreement.

9.14 Export and Other Laws. Licensee agrees that, unless it has obtained prior written authorization from the United States Department of Commerce or is otherwise permitted by the United States Department of Commerce Export Administration Regulations and, in either case, has the prior written consent of Pitney Bowes, it will not export or otherwise disclose, directly or indirectly, any technology or software received from Pitney Bowes nor allow the direct product thereof to be shipped or to be disclosed, either directly or indirectly, to any destination that is prohibited by the United States Government or to a foreign national that is prohibited by the United States Government. Without limiting the foregoing, Licensee and Pitney Bowes shall comply with all applicable laws and regulations relating to the Pitney Bowes Software and its use.

9.15 Use of Information. Pitney Bowes and its affiliates may collect and use information Licensee provides or Pitney Bowes obtains or which is derived from Licensee's use of the Pitney Bowes Software (including, without limitation, shipping information) or Software Maintenance and other services for the Pitney Bowes Software; provided that such information shall be used for Pitney Bowes's internal purposes related to macro-level systems analysis and research, customer segmentation and/or the manner or method in which Pitney Bowes conducts business with its customers.

9.16 Captions and Headings. All captions, headings and titles contained in this Agreement are for convenience and reference purposes only and shall not be deemed a part of this Agreement.

9.17 Relationship of the Parties. Nothing contained in this Agreement shall be construed to constitute either party as a partner, joint venturer, co-owner, employee or agent of the other party, and neither party shall hold itself out as such.

9.18 Taxes. Licensee shall pay, and indemnify Pitney Bowes for, all charges and taxes which are based on, measured by, imposed on, resultant from or levied upon this Agreement, the sale, purchase, personal property ownership, leasing, value, possession, or use of the Pitney Bowes Software, including, without limitation, sales, excise, use or property taxes, but excluding taxes on or measured by Pitney Bowes's net income. Such charges and taxes shall be collected from Licensee and remitted by Pitney Bowes to the appropriate tax authorities to the extent that Pitney Bowes is required by law to do so.

10 ENTIRE AGREEMENT

This Agreement, the Sales/Lease Agreement, any related SOW, and any other agreement between Pitney Bowes and Licensee expressly referred to herein contain the entire agreement of the parties with respect to the subject matter hereof and shall supersede any and all prior agreements, understandings, promises, representations or warranties made by one party to the other, whether oral or in writing, concerning the subject matter contained herein or the terms or conditions applicable hereto.

Addendum to Software License and Maintenance Agreement for Hosting by Pitney Bowes of Pitney Bowes Software

This Addendum is between Pitney Bowes Inc., a Delaware corporation, with offices at 3001 Summer Street, Stamford, CT 06926 ("**Pitney Bowes**") and the customer ("**Licensee**") named in a Sales/Lease Agreement with Pitney Bowes or one of its affiliates pursuant to which Licensee has agreed to pay a hosting fee for Pitney Bowes to host certain Pitney Bowes Software licensed by Pitney Bowes to Licensee under a Software License and Maintenance Agreement (the "**License Agreement**"). This Addendum sets forth the terms pursuant to which Pitney Bowes will host for Licensee such Pitney Bowes Software. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the License Agreement. LICENSEE'S SIGNATURE BELOW, OR USE OF THE PITNEY BOWES SOFTWARE, CONSTITUTES LICENSEE'S AGREEMENT TO THIS ADDENDUM.

1. Definitions

- (a) "**Host Environment**" means all software, middleware and hardware necessary to host the Pitney Bowes Software, including, without limitation, host servers; server, telecommunications and security software; database software; operating systems; client access hardware; back-up systems; network routing; system monitoring; and Internet access.
- (b) "**Pitney Bowes Hosting Period**" means the period during which Pitney Bowes has agreed to host the Pitney Bowes Software and Licensee has paid for such hosting.
- (c) "**Licensee Hosting Period**" means all times other than the Pitney Bowes Hosting Period.

2. Pitney Bowes Hosting Period

The following terms apply during the Pitney Bowes Hosting Period:

- (a) Pitney Bowes shall: (i) host the Pitney Bowes Software for Licensee on server(s) at a Pitney Bowes or third-party facility ("**Host Servers**"); and (b) provide all appropriate and necessary application support, Software Maintenance, network security within the host firewall and load balancing for the Pitney Bowes Software for Licensee's use. As part of the foregoing, database transactions will be captured on a continuous basis, replicated to a backup system during Hosting Measurement Hours (as defined in Section 3 of this Addendum) and copied daily to a tape that is sent to a secure off-site storage facility.
- (b) The Pitney Bowes Hosting Period for Pitney Bowes Software that is financed under a Lease Agreement shall be the term of the Lease Agreement. The Pitney Bowes Hosting Period for Pitney Bowes Software subject to a Sales Agreement shall be for the term indicated in the Sales Agreement.
- (c) Pitney Bowes shall use commercially reasonable efforts to minimize downtime of the Host Servers for maintenance, updates and revisions to the Pitney Bowes Software and other software, hardware and equipment associated therewith. Except as expressly set forth in this Addendum, Pitney Bowes makes no representation, warranty, guaranty or other assurances regarding up-time of the Host Servers or the availability or accessibility of the Pitney Bowes Software.
- (d) Licensee shall provide Pitney Bowes, in writing, with the name, email address and telephone number of a Licensee representative whom Pitney Bowes may contact in the event of any Downtime (as defined in Section 3 of this Addendum). Pitney Bowes shall notify such representative by email when Downtime has exceeded fifteen (15) minutes. If an acknowledgement or notification of receipt of such notice is not received within thirty (30) minutes, up to two (2) attempts will be made by Pitney Bowes to reach such representative by telephone, leaving a message if possible. The same procedure will be followed when the Downtime has ended.
- (e) Licensee shall be solely responsible for: (i) its access to the Pitney Bowes Software through a Licensee WAN and to the Internet; (ii) providing, operating and maintaining all software (other than the Pitney Bowes Software to the extent Pitney Bowes is responsible therefor under this Addendum) and hardware in its locations or which may otherwise be required in connection with the Pitney Bowes Software and the use thereof; and (iii) without limiting the foregoing, configuration of the Pitney Bowes Software for each location, including, without limitation, user ID's, security levels and carrier accounts. Any changes by Licensee to the operating environment of its computer systems which require a revision of the Pitney Bowes Software or additional work by Pitney Bowes are subject to Pitney Bowes's prior written consent and an additional charge by Pitney Bowes.

- (f) Licensee shall provide Pitney Bowes with such cooperation as Pitney Bowes shall reasonably request with respect to Pitney Bowes's obligations under this Addendum, including, without limitation, by providing access through Licensee's firewall to the Pitney Bowes hosted network.
- (g) Pitney Bowes may provide links to external sites that cause Licensee to leave the site at which the Pitney Bowes Software is available. Any such link is provided for the use and convenience of Licensee. The appearance of a link does not constitute an endorsement, recommendation or certification by Pitney Bowes of the external link; and should not be construed as a suggestion that the external link has any relationship with Pitney Bowes except as expressly provided in the Pitney Bowes Software or the User Manual.
- (h) Pitney Bowes automatically collects and/or tracks: (i) the home server domain names, e-mail addresses, type of client computer, and type of web browser of users to the web site at which the Pitney Bowes Software is available, (ii) the e-mail addresses of users that communicate with Pitney Bowes; (iii) other information knowingly provided by the user; and (iv) aggregate or specific information on what pages users access. Pitney Bowes may use a technology called "cookies". These cookies may be used to obtain data such as the user's name, user-name and pages viewed.
- (i) The volume of transactions is expected to be reasonably evenly distributed throughout the year. Licensee acknowledges that peaks of volume may adversely affect hosting performance and that Pitney Bowes reserves the right to modify the hosting fee as a result of repeated peaks.

3. Downtime during Pitney Bowes Hosting Period

- (a) For purposes of this Addendum, the following terms have the meaning set forth next to them:
 - (i) **"Hosting Measurement Hours"** means, during the Pitney Bowes Hosting Period, 6 a.m. to 9 p.m., Central Time, Monday through Friday, excluding national holidays.
 - (ii) **"Measurement Period"** means, during the Pitney Bowes Hosting Period: (A) the first full twelve-month calendar period beginning after the later of: (1) the date on which Licensee has paid all amounts due to Pitney Bowes under the Sales Agreement or payments have begun under the Lease Agreement; or (2) Licensee's acceptance of the Pitney Bowes Software on a Delivery and Acceptance Form or other form provided by Pitney Bowes; (B) each successive full twelve-month calendar period thereafter during the Pitney Bowes Hosting Period; and (C) the final period at the end of the Pitney Bowes Hosting Period following the periods referred to in (A) or (B), provided that such final period shall be at least three (3) full calendar months.
 - (iii) **"Downtime"** means the time during Hosting Measurement Hours when the shipping functionality of the Pitney Bowes Software is not available for use by Licensee as a result of unscheduled downtime of the Pitney Bowes Software caused by: (A) Pitney Bowes personnel; or (B) Pitney Bowes equipment and related software that are within Pitney Bowes's firewall and are used for operation of the Pitney Bowes Software.

"Downtime" does not include, without limitation, downtime or unavailability of the Pitney Bowes Software: (1) caused by Licensee personnel, representatives or agents or by Licensee or third-party equipment or software; (2) caused by usage of the Pitney Bowes Software in excess of the expected or permitted usage, with such usage spread reasonably evenly throughout the Measurement Period; (3) related to content or applications associated with the Pitney Bowes Software but not within Pitney Bowes's commercially reasonable control; (4) related to Internet or telecommunication performance; (5) resulting from unscheduled maintenance to resolve or avoid a problem where such resolution requires less than fifteen (15) minutes; (6) caused by matters within the scope of Section 8 (Force Majeure) of the License Agreement; or (7) outside of Hosting Measurement Hours. In addition, "Downtime" does not include downtime or unavailability of the reporting or administrative functions of the Pitney Bowes Software.
 - (iv) **"Allowable Downtime"** means one percent (1%) of the Hosting Measurement Hours in a particular Measurement Period.
 - (v) **"Unit of Downtime"** means six (6) hours of Downtime.
- (b) Licensee shall give Pitney Bowes's technical support staff prompt notice of Downtime. Notice shall be given by telephone (with a voicemail message left if a technical support staff member is not contacted in person) and by email to an address provided by Pitney Bowes for such purpose.
- (c) For each Unit of Downtime in excess of Allowable Downtime during a Measurement Period, Pitney Bowes will provide Licensee with a credit in an amount equal to one-tenth of one percent (0.1%) of the hosting fee paid by Licensee with respect to such Measurement Period; provided, however, that in no event shall the aggregate credit with respect to any

Measurement Period exceed the hosting fee paid by Licensee with respect to such Measurement Period. Agreed-upon credits may be applied toward future amounts due to Pitney Bowes for hosting or Software Maintenance. If no such amounts are expected to be due, upon Licensee's request, Pitney Bowes shall pay Licensee an amount equal to such credits.

- (d) Each party shall supply the other with the basis of its calculation of Downtime and shall, in good faith, consider the other's information and try to mutually agree on actual Downtime, if any, for purposes of this Addendum.
- (e) Payment of the amount set forth in Section 3 of this Addendum is Licensee's sole right and remedy with respect to Downtime or performance of the Pitney Bowes Software or Pitney Bowes's hosting of the Pitney Bowes Software during the Pitney Bowes Hosting Period.

4. Licensee Hosting Period. At all times other than during the Pitney Bowes Hosting Period: (a) Licensee shall be solely responsible for: (i) hosting the Pitney Bowes Software for its use; and (ii) acquiring, installing, operating and maintaining the Host Environment; and (b) Pitney Bowes has no responsibility or liability for, and makes no representation or warranty, with respect to, the Host Environment; any recommendations made with respect to the Host Environment; or any websites accessed through the Pitney Bowes Software.

5. Licensee Hosting Period and Pitney Bowes Hosting Period. During both the Licensee Hosting Period and the Pitney Bowes Hosting Period, Licensee: (a) is solely responsible for its use of any websites accessed through the Pitney Bowes Software, whether such access is provided for Pitney Bowes Software functionality, as a matter of convenience or otherwise; and (b) uses such websites entirely at its own risk.

6. Termination. This Addendum shall terminate upon termination of the License Agreement.

7. Entire Agreement. This Addendum, together with the License Agreement and the other agreements referred to therein, contains the entire understanding of the parties with respect to the matters herein and therein. The License Agreement and this Addendum together constitute the "Agreement" as such term is used in the License Agreement. To the extent that any terms and conditions of the License Agreement conflict with the provisions of this Addendum, the provisions of this Addendum shall govern. Except as specifically provided herein, all terms and conditions of the License Agreement shall remain in full force and effect.

LICENSEE HAS READ THIS ADDENDUM AND UNDERSTANDS AND AGREES TO ABIDE BY ITS TERMS.

LICENSEE

PITNEY BOWES INC.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ConnectRight Mailer End User License Agreement (EULA)

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1. Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Affiliate" means an entity that controls, is controlled by or is under common control with a party;

"Computer" means the stand alone personal computer on which the Software is authorized to be installed and used;

"Documentation" means the current technical and user documentation for the Software;

"Licensee Data" means the data provided by Licensee for processing by the Software.

"Order" means the Sales Agreement or Lease Agreement between PBI and Licensee pursuant to which a Licensee licenses the Software and obtains related services;

"Software" means the ConnectRight Mailer software and related processing service; and

"Warranty Period" means the ninety (90) day period following initial delivery of the Software.

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4. Fees; Payment Terms.

a) Licensee will pay to Licensor, or Licensor's authorized designee or agent, the license, training and any other fees set out in an Order. All fees identified in an Order or this Agreement and any applicable taxes are due and payable within thirty (30) days from the date of Licensor's invoice. Licensee will pay a late charge of one and a half percent (1.5%) per month or the highest amount permitted by law, whichever is less, on any fees not paid by the due date. Unless otherwise identified in an Order, all fees are stated in and will be paid in United States currency.

b) The fees do not include any amount for taxes. Licensee will pay all federal, state and local sales, use, property, excise, and other taxes imposed on or with respect to this Agreement or an Order for the products and/or services provided hereunder. If any sales, use, excise or other taxes (except for taxes based on Licensor's net income) are assessed against or required to be collected in connection with this Agreement or an Order, Licensor will itemize such taxes on invoices issued in connection with an Order.

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7. Limitation of Liability.

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8. Term; Termination.

a) This Agreement will commence as of the date set forth in the Order and will continue in effect until the Order is terminated or otherwise as set forth in this Agreement.

b) Either party may terminate this Agreement by written notice if the other party commits a material breach of this Agreement or the applicable Order and fails to cure such breach within thirty (30) days after receipt of such notice, or an additional period of time as agreed to by the parties.

c) Upon: (i) expiration of a term license to any of the Software, unless such term license is renewed; (ii) termination of the license to any of the Software for any reason; or (iii) termination of an Order, Licensee will immediately cease use of the Software and delete and/or remove all copies of the

Software from its servers, terminals and other computer systems and promptly return or destroy all copies of the Software, Documentation and any other Licensor confidential and proprietary information in Licensee's possession. If requested, Licensee will certify compliance with the foregoing in writing.

d) Sections 4 (Fees, Payment Terms), 6 (Warranties, Disclaimers), 7 (Limitation of Liability), 8 (Term, Termination), 12(e) (General), 13 (Applicable Law), 14 (Verification) and other sections that by their nature are intended to survive will survive termination of this Agreement or an Order indefinitely or to the extent set out therein.

9. Force Majeure. Except for Licensee's payment obligations, neither party is responsible from any delay or failure to perform resulting from causes beyond its reasonable control.

10. Assignment. Licensee is not permitted to transfer or assign any of its rights or obligations under an Order or this Agreement without the prior written consent of Licensor, which consent will not be unreasonably withheld, delayed or denied. Any such transfer or assignment without Licensor's written consent will be void and of no force and effect.

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12. General.

a) No waiver of any breach of any provision of this Agreement or an Order by either party or the failure of either party to insist on the exact performance of any provision of this Agreement or an Order will constitute a waiver of any prior, concurrent or subsequent breach

of performance of the same or any other provisions hereof, and no waiver will be effective unless made in writing.

b) Any notice alleging a breach of this Agreement must be in writing and be sent by overnight courier or delivered in person to the party's address set forth in this Agreement. Any other notice required to be provided by Licensor under this Agreement may be sent by United States mail or e-mail to the individual designated by Licensee. Any notice delivered to Licensor hereunder must be sent to the attention of "Contract Administration."

c) If any provision of this Agreement or Order, or portion thereof, is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision will be severed and the remaining provisions of the Agreement or Order will remain in full force and effect.

d) If physical delivery of the Software is required, delivery of the Software will be FOB point of origin (within the United States) and for deliveries outside of the United States or from any country outside of the United States, delivery will be Carriage Paid To (CPT). Licensor may, to the extent available, deliver the Software or access key codes electronically via the Internet or permit Licensee to download the Software or access key codes from Licensor's website.

e) Licensee agrees not to export, re-export, or provide the Software to: (i) any country to which the United States has embargoed goods; (ii) any person on the U.S. Treasury Department's list of Specially Designated Nationals; (iii) any person or entity on the U.S. Commerce Department's Denied Persons List; or (iv) any person or entity where such export, re-export or provision violates any U.S. Export control or regulation.

f) Each party will act as an independent contractor and employees of each party will not be considered to be employees of the other party. No agency, partnership, joint venture or other joint relationship is created by this Agreement. Neither party may make any commitments binding on the other, nor may either party make any representation that they are acting for, or on behalf of, the other.

13. Applicable Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York without regard to its principals of conflict of laws. In the event of any dispute arising out of or relating to this Agreement, a suit will be brought only in a federal or state court of competent jurisdiction located in New York County in the State of New York.

14. Verification. Upon ten (10) days written notice, Licensor or its designated third party may verify Licensee's compliance with the terms of the Agreement and applicable Order at all locations and for all environments in which Licensee uses the Software. Such verification will take place no more than one (1) time per twelve (12) month period during normal business hours in a manner which minimizes disruption to Licensee's work environment. Licensor may use an independent third party under obligations of confidentiality to provide assistance. Licensor will notify Licensee in writing if any such verification indicates that Licensee has used the Software in excess of the use authorized by the Agreement or Order. Licensee agrees to promptly enter into an Order and pay all associated fees directly to Licensor for the charges that Licensor specifies including, but not limited to: (i) any excess use; (ii) maintenance and/or subscription fees for the excess use for the duration of such excess or (2) two years, whichever is less; and (iii) any additional charges determined as a result of such verification.

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INKJET AND TONER CARTRIDGE PROTECTION WARRANTY

CARTRIDGE REPLACEMENT • EQUIPMENT REPAIR • EQUIPMENT REPLACEMENT

Pitney Bowes warrants all Pitney Bowes Brand Ink & Toner products for a period of one year from date of purchase as set forth below, subject to normal storage conditions in a climate-controlled environment.

Pitney Bowes warrants that subject to conditions stated below and under normal use, our branded toner products will not cause damage or abnormal wear to any compatible laser printer, inkjet printer, fax or copy machines. If damage occurs to any compatible laser printer or copy machine due to a properly installed but defective Pitney Bowes Branded product we will service, repair or replace the laser printer or copy machine, or at Pitney Bowes option, reimburse our customer for the full amount for all related service and repair to the machine in question.

This warranty is dependent upon the customer providing Pitney Bowes with satisfactory evidence that the machine damage was due to a defect in a Pitney Bowes Branded toner product, including a statement on a reputable service company's letterhead dated and signed by the company's service representative.

Pitney Bowes liability shall be limited to the replacement or Pitney Bowes reimbursement as provided above. This warranty is exclusive and in lieu of all other warranties, expressed or implied, including warranties of merchantability and fitness for a particular purpose.

We won't be satisfied until you are satisfied.

A handwritten signature in black ink, appearing to read "Pat Brand", written in a cursive style.

Pat Brand

Vice President and President, U.S. Mailing Operations

END USER LICENSE AGREEMENT

AND LIMITED WARRANTY

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www.pitneybowes.com/us/license-terms-of-use/shipping-and-mailing-maintenance-services-terms.html



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We’ll start with the basics, including a few definitions that should help you understand this agreement. The Service is a service offered by Pitney Bowes Inc. and its affiliates (“we”, “us” and “our”) that allows you to manage addresses, print labels and track shipments so that you can send letters, packages and parcels through the United States Postal Service (the “USPS”), FedEx (“FedEx”) and United Parcel Service (“UPS”). This web site (the “Site”) is owned and operated by us.

These Terms define the terms and conditions under which you’re allowed to use the Service and how we’ll treat your account while you’re utilizing the Service. If you have any questions about our terms, feel free to [contact us](#).

ACCOUNT – USE OF SERVICE - CHANGES

1. Eligibility

In order to use the Service, you must: (a) complete the registration process; (b) agree to these Terms by clicking “I Accept”; and (c) provide true, complete and up to date contact information for so long as you access the Service. You agree that you won’t use the Service in a way that violates any laws or regulations, including any relating to data protection and privacy. We may refuse service or close your account if you fail to comply with these Terms.

2. Use of the Service

Upon the payment of fees, and for so long as you comply with these Terms, we grant you a non-exclusive, non-transferable license to access and use the Service for up to the number of users purchased by you for the Term (which is defined in Section 3 below). You may upgrade your plan for additional fees. We reserve all rights to the Service not expressly granted to you in these Terms. Your access to and use of the Site may be interrupted from time to time for various reasons, including malfunction of equipment, periodic updating, maintenance or repair of the Site, or other actions that we may elect to take. You agree that you will use the Service only for business or commercial purposes and not for personal, family or household purposes. You further agree not to use the Service to send infringing, obscene, threatening or unlawful or tortious material or disrupt other users of the Service. Disruptions include denial of service attempts, propagation of computer worms and viruses, or use of the Service to make unauthorized entry to any other device accessible via the Service. In addition, you will not reverse engineer, decompile or disassemble the Service. The occurrence of any of the foregoing will be deemed a material breach and we may immediately terminate your use of the Service.

3. Term and Termination

The Term begins when you sign up for the Service and continues until your account is closed. You or we may terminate your account at any time and for any reason by giving notice to the other and we may suspend the Service to you at any time, with or without cause. Once terminated, we may permanently delete your account and all the data associated with it.

4. Changes

We may change the Service and any features of the Service from time to time. In addition, we may change any of these Terms and the fees charged for using the Service by posting revised Terms and/or fees on the Site and/or by sending an email to the last email address you gave to us. The new Terms and the new fees will be effective on the day on which your next subscription payment is due and will apply thereafter. If you do not wish to agree to the new Terms or the new fees, you must stop using the Service immediately.

5. Account and Password

By registering for the Service, you will be prompted to establish certain passwords and/or provide other access information to enable you to use the Service. The account name, password and/or access information is confidential information and should be used solely by you to access your account and use the Service. You're responsible for keeping your account name, password and access information confidential. You'll take all reasonable steps to prevent unauthorized access to your account and you'll immediately notify us of any unauthorized use of your accounts. We aren't responsible for any losses due to stolen or hacked passwords.

6. Account Disputes

We don't arbitrate disputes over who owns an account. You won't request access to or information about an account that's not yours. We decide who owns an account based on the information that has been provided to us with respect to the account, and if multiple people or entities are identified, then we will rely on the contact information listed for that account.

PAYMENTS

7. Fees; Payment Terms

The fees for the use of the Service are posted on the Site and may be changed from time to time. These fees do not include: (i) any applicable sales, use or other taxes, which will be invoiced separately by us; and (ii) the postage, shipping or other charges imposed by the carrier for printing labels and sending parcels through the USPS or another carrier. Your subscription for the use of the Service will be billed monthly in advance with the first payment due at the time of registration and with each subsequent payment due on the due date specified in the invoice for the payment. If you terminate under Section 3 above, your access to the Service will continue through the period for which you have paid in advance. If we terminate your account, then we will continue to provide the Service to you through the period for which you have paid in advance, unless you have failed to comply with these Terms, in which case your access will be immediately revoked. You won't be entitled to a refund from us under any circumstances.

8. Credit Cards – Accounts with The Pitney Bowes Bank, Inc.

Unless (i) you have established and maintain a Purchase Power[®] account or a Reserve Account with The Pitney Bowes Bank, Inc. (the "Bank") and (ii) you have available funds in a Reserve Account or have available credit under a Purchase Power account, then as long as you're utilizing the Service or have an outstanding balance with us, you'll provide us with valid credit card information. You'll replace the information for any credit card that expires with information for a different valid credit card. All charges by the USPS for the sending of parcels through the Service (such charges are called "Shipping Charges") and all fees for the use of the Service will be charged to your Reserve Account, if any, with any

remaining unpaid balance being charged to your Purchase Power account, if any. In the event that (i) you do not maintain a Reserve Account or a Purchase Power account with the Bank or (ii) you do not have available funds in a Reserve Account and do not have available credit under a Purchase Power account, all such fees and charges will be charged to your credit card together with a convenience fee of 3 ½% of the amount of all Shipping Charges and you authorize us to do so. All charges by any other carrier other than the USPS for the sending of parcels through the Service will be billed directly by the carrier.

USPS/CARRIER REQUIREMENTS AND TERMS

9. USPS Regulations

If you use the Service to send parcels with the USPS, you must comply with all USPS regulations applicable to the use of the Service. If you: (a) use your account in a fraudulent or unlawful manner, (b) fail to exercise sufficient control over your account to prevent fraudulent or unlawful use, (c) cause or allow the account to be utilized outside the United States without the prior written authorization of the Manager of Retail Systems and Equipment, U.S. Postal Service, Washington DC 20260, or (d) otherwise fail to abide by the provisions of postal regulations and these Terms regarding care and use of your account, then your account may be cancelled. You acknowledge and agree that your account shall be closed and your ability to use the Service terminated by us for any of the reasons described above or upon demand by the USPS. You agree that any use of the Service to fraudulently deprive 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, fictitious, or fraudulent statement can result in imprisonment for up to five (5) years and a fine of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (31 U.S.C. 3802).

The USPS has granted us the license as a PC postage vendor to create a shared postage evidencing system that users will use to dispense postage. As a user of the Service, you must understand and acknowledge that authorization to use the Service is granted by the USPS. You accept responsibility for control and use of the Service and agree to abide by all rules and regulations governing its use. The USPS may deny use of or revoke authorization to use a postage evidencing system in the event of (i) failure to comply with rules and regulations (ii) submission of false or fictitious information, (iii) entering of a series of unpaid or short-paid mail pieces and/or packages in the mail stream, (iv) use of the system for any illegal scheme or enterprise, (v) use of the system outside the customs territory of the United States, and (vi) possession of a decertified system. You must make the postage evidencing system and transaction records available and surrender the system to us, the USPS, or its agent when notified to do so.

10. Carrier Requirements

If you use the Service to send parcels with a carrier other than the USPS, you must comply with the requirements of that carrier. The terms governing the use of FedEx to send parcels are located at <https://www.fedex.com/> and the terms governing the use of UPS are located at <https://www.ups.com/>.

RIGHTS

11. Trademarks

Pitney Bowes, the Pitney Bowes logo, and associated brand names and domain names are our trademarks in the United States and/or other countries. All marks not owned by us are the property of their respective owners. You may not use, and nothing contained on the Site or in these Terms grants any right to use, any trademark displayed on the Site without our written permission or the respective owner of such trademark.

12. Use of the Site

You agree that content on the Site is protected by copyrights, trademarks and other intellectual and proprietary rights; and these Terms and applicable copyright, trademark and other laws govern your use of content on the Site.

LIABILITY

13. LIMITATION OF LIABILITY

TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU ASSUME FULL RESPONSIBILITY FOR ANY LOSS THAT RESULTS FROM YOUR USE OF OR INABILITY TO USE THE SERVICE AND WE WILL NOT BE LIABLE FOR ANY SUCH LOSS. IF THE WAIVER OF LIABILITY IN THE PREVIOUS SENTENCE IS NOT PERMITTED BY LAW, OUR TOTAL LIABILITY FOR ALL CLAIMS MADE RELATING TO YOUR USE OF OR INABILITY TO USE THE SERVICE IN ANY MONTH WILL BE NO MORE THAN WHAT YOU PAID US FOR THE SERVICE THE MONTH BEFORE. WE WON'T BE LIABLE FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFIT OR REVENUE, LOST BUSINESS OPPORTUNITIES, BUSINESS INTERRUPTION OR LOST DATA YOU MAY SUFFER UNDER ANY CIRCUMSTANCES, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES.

14. INDEMNITY

YOU AGREE TO INDEMNIFY AND HOLD US HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) ARISING IN ANY WAY FROM YOUR USE OF THE SERVICE OR RELATED TO ANY BREACH OF THESE TERMS BY YOU OR ANY USER AUTHORIZED BY YOU. WE RESERVE THE RIGHT TO ASSUME THE EXCLUSIVE DEFENSE AND CONTROL OF ANY MATTER SUBJECT TO INDEMNIFICATION BY YOU AND, IN SUCH CASE, YOU AGREE TO COOPERATE WITH US IN MAKING THE DEFENSE.

15. DISCLAIMER

THE SERVICE AND THE CONTENT ON THE SITE ARE PROVIDED BY US "AS IS" WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, RELIABILITY AND NON-INFRINGEMENT, AND YOU WAIVE ALL WARRANTIES FROM US TO THE MAXIMUM EXTENT PROVIDED BY LAW.

16. Attorneys' Fees

If we file an action against you claiming you breached these Terms and we prevail, we will be entitled to recover reasonable attorneys' fees.

LINKS TO THIRD PARTY SITES

17. Third Party Sites

The Site and these Terms may contain links to third party websites, including links to the websites of carriers ("Linked Sites"). The Linked Sites are not under our control and we are not responsible for the

contents of any Linked Site, including any link contained in a Linked Site, or any changes or updates to a Linked Site. You should contact the site administrator or webmaster for those Linked Sites if you have any concerns regarding such links or the content located there.

MISCELLANEOUS

18. Assignments

You may not assign any of your rights under these Terms to anyone else. We may assign our rights to any other individual or entity at our discretion.

19. Choice of Law; Arbitration; WAIVER OF JURY TRIAL

These Terms will be governed by the laws of the State of Connecticut. Any dispute between us will be resolved exclusively by individual binding arbitration governed by the Federal Arbitration Act ("FAA"). **YOU AGREE TO GIVE UP THE RIGHT TO LITIGATE DISPUTES IN COURT BEFORE A JUDGE OR JURY AND TO GIVE UP THE RIGHT TO PARTICIPATE IN COURT AS A PARTY OR CLASS MEMBER.** Neither of us will seek to have any dispute heard as a class action, private attorney general action, or in any other proceeding in which either party acts or proposes to act in a representative capacity. Any arbitration will be conducted by the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules. In the case of: (i) any dispute involving \$75,000 or less, we will promptly reimburse your filing fees and pay the AAA's and arbitrator's fees and expenses; and (ii) any dispute involving more than \$75,000, the AAA rules will govern payment of filing fees and the AAA's and arbitrator's fees and expenses.

20. Force Majeure

We won't be liable for any delays or failure in performance of any part of the Service from any cause beyond our control. This includes acts of God, changes to law or regulations, embargoes, war, terrorist acts, riots, strikes, power blackouts, and acts of hackers or third-party internet service providers.

21. Amendments and Waiver

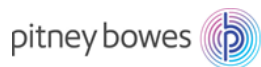
Changes to these Terms won't be effective until we post revised Terms on the Site. If we don't immediately take action on a violation of these Terms, we're not giving up any rights under these Terms, and we may still take action at a later point.

22. Notices

Except as provided in the next sentence: (i) any notice to you will be effective when we send it to the last email or physical address you gave us; and (ii) any notice to us will be effective when delivered to us at Pitney Bowes Inc. – SendPro Team, 3001 Summer Street, Stamford, CT 06926. Any notice alleging a breach of these Terms will be in writing and will be sent by overnight courier or delivered in person to: (i) in the case of a notice to you, the physical address you gave us; and (ii) in the case of a notice to us, Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926 along with a copy to our legal counsel: Attn. Chief Legal Officer and Corporate Secretary, Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926, or any addresses we may later post on the Site.

23. Entire Agreement

These Terms make up the entire agreement and supersede all prior agreements, representations, and understandings.



SendPro Terms of Use - Subscription With Equipment Lease

Thanks for using our SendPro™ service, an online service that simplifies mailing and shipping (the “Service”). Please read these Terms of Use and our [Privacy Statement](#) (collectively, these “Terms”) carefully. By using the Service or signing up for an account, you’re agreeing to these Terms.

We’ll start with the basics, including a few definitions that should help you understand this agreement. The Service is a service offered by Pitney Bowes Inc. and its affiliates (“we”, “us” and “our”) that allows you to manage addresses, print labels and track shipments so that you can send letters, packages and parcels through the United States Postal Service (the “USPS”), FedEx (“FedEx”) and United Parcel Service (“UPS”). This web site (the “Site”) is owned and operated by us.

These Terms define the terms and conditions under which you’re allowed to use the Service and how we’ll treat your account while you’re utilizing the Service. If you have any questions about our terms, feel free to [contact us](#).

ACCOUNT – USE OF SERVICE - CHANGES

1. Eligibility

In order to use the Service, you must: (a) complete the registration process; (b) agree to these Terms by clicking “I Accept”; and (c) provide true, complete and up to date contact information for so long as you access the Service. You agree that you won’t use the Service in a way that violates any laws or regulations, including any relating to data protection and privacy. We may refuse service or close your account if you fail to comply with these Terms.

2. Use of the Service

Upon the payment of fees, and for so long as you comply with these Terms, we grant you a non-exclusive, non-transferable license to access and use the Service for up to the number of users purchased by you for the Term (which is defined in Section 3 below). You may upgrade your plan for additional fees. We reserve all rights to the Service not expressly granted to you in these Terms. Your access to and use of the Site may be interrupted from time to time for various reasons, including malfunction of equipment, periodic updating, maintenance or repair of the Site, or other actions that we may elect to take. You agree that you will use the Service only for business or commercial purposes and not for personal, family or household purposes. You further agree not to use the Service to send infringing, obscene, threatening or unlawful or tortious material or disrupt other users of the Service. Disruptions include denial of service attempts, propagation of computer worms and viruses, or use of the Service to make unauthorized entry to any other device accessible via the Service. In addition, you will not reverse engineer, decompile or disassemble the Service. The occurrence of any of the foregoing will be deemed a material breach and we may immediately terminate your use of the Service.

3. Term and Termination

The Term begins when you sign up for the Service and continues for the Lease Term (which is defined in Section 8 below). At the end of the Term, we may permanently delete your account and all the data associated with it.

4. Changes

We may change the Service and any features of the Service from time to time. In addition, we may change any of these Terms by posting revised Terms on the Site and by sending an email to the last email address you gave to us, which email will state whether the changes are material. The new Terms will be effective on the day on which your next subscription payment is due and will apply thereafter. If the changes to the Terms are materially adverse to you, you may terminate your account and the lease of the Equipment by giving notice to us of your election to terminate within thirty days after we gave you notice of any material changes.

5. Account and Password

By registering for the Service, you will be prompted to establish certain passwords and/or provide other access information to enable you to use the Service. The account name, password and/or access information is confidential information and should be used solely by you to access your account and use the Service. You're responsible for keeping your account name, password and access information confidential. You'll take all reasonable steps to prevent unauthorized access to your account and you'll immediately notify us of any unauthorized use of your accounts. We aren't responsible for any losses due to stolen or hacked passwords.

6. Account Disputes

We don't arbitrate disputes over who owns an account. You won't request access to or information about an account that's not yours. We decide who owns an account based on the information that has been provided to us with respect to the account, and if multiple people or entities are identified, then we will rely on the contact information listed for that account.

LEASE OF HARDWARE

7. Hardware

As part of your subscription, we will lease to you equipment consisting of a scale and a label printer (the "Equipment"). **THE EQUIPMENT IS PROVIDED "AS IS" WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT. YOU BEAR THE ENTIRE RISK OF LOSS TO THE EQUIPMENT FROM THE DATE OF SHIPMENT BY US TO YOU. WE ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT. ALL WARRANTIES, IF ANY, WITH RESPECT TO THE EQUIPMENT ARE MADE BY THE MANUFACTURER OF THE EQUIPMENT.**

8. Term of Lease

You are leasing the Equipment for two years (the "Lease Term"). Except for any termination by you under Section 4 above: (i) you may not cancel the lease for any reason; and (ii) all payment obligations under these Terms are unconditional.

9. Servicing of Hardware

If the Equipment ceases to function properly during the Term of the Lease, we will replace the Equipment by promptly shipping to you, at no additional cost, new, reconditioned or remanufactured equipment of the same or a functionally equivalent model; however, we will not replace the Equipment

if we determine that the failure of the Equipment resulted from your negligence or misuse of the Equipment or from an accident.

PAYMENTS

10. Fees; Payment Terms

The fees for the use of the Service will be as agreed to at the time you register for the Service and will remain in effect during the Term. These fees do not include: (i) any applicable sales, use or other taxes, which will be invoiced separately by us; and (ii) the postage, shipping or other charges imposed by the carrier for printing labels and sending parcels through the USPS or another carrier. Your subscription for the use of the Service together with the payments for the lease of the Equipment will be billed quarterly in advance with the first payment due at the time of registration and with each subsequent payment due on the due date specified in the invoice for the payment.

11. Default and Remedies

In the event you fail to comply with these Terms and such failure continues for 30 days after we give you notice of such failure, we may: (i) terminate these Terms, the lease of the Equipment and your account; (ii) require immediate payment of all amounts payable under these Terms during the Term, including the fees provided for in Section 10 above and all amounts payable for the lease of the Equipment during the Lease Term; (iii) assess a late charge for each month that your payment is late; and (iv) exercise any rights and pursue any remedies provided by law.

12. Credit Cards – Accounts with The Pitney Bowes Bank, Inc.

Unless (i) you have established and maintain a Purchase Power[®] account or a Reserve Account with The Pitney Bowes Bank, Inc. (the "Bank") and (ii) you have available funds in a Reserve Account or have available credit under a Purchase Power account, then as long as you're utilizing the Service or have an outstanding balance with us, you'll provide us with valid credit card information. You'll replace the information for any credit card that expires with information for a different valid credit card. All charges by the USPS for the sending of parcels through the Service (such charges are called "Shipping Charges") and all fees for the use of the Service will be charged to your Reserve Account, if any, with any remaining unpaid balance being charged to your Purchase Power account, if any. In the event that (i) you do not maintain a Reserve Account or a Purchase Power account with the Bank or (ii) you do not have available funds in a Reserve Account and do not have available credit under a Purchase Power account, all such fees and charges will be charged to your credit card together with a convenience fee of 3 ½% of the amount of all Shipping Charges and you authorize us to do so. All charges by any other carrier other than the USPS for the sending of parcels through the Service will be billed directly by the carrier.

USPS/CARRIER REQUIREMENTS AND TERMS

13. USPS Regulations

If you use the Service to send parcels with the USPS, you must comply with all USPS regulations applicable to the use of the Service. If you: (a) use your account in a fraudulent or unlawful manner, (b) fail to exercise sufficient control over your account to prevent fraudulent or unlawful use, (c) cause or allow the account to be utilized outside the United States without the prior written authorization of the Manager of Retail Systems and Equipment, U.S. Postal Service, Washington DC 20260, or (d) otherwise fail to abide by the provisions of postal regulations and these Terms regarding care and use of your

account, then your account may be cancelled. You acknowledge and agree that your account shall be closed and your ability to use the Service terminated by us for any of the reasons described above or upon demand by the USPS. You agree that any use of the Service to fraudulently deprive 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, fictitious, or fraudulent statement can result in imprisonment for up to five (5) years and a fine of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (31 U.S.C. 3802).

The USPS has granted us the license as a PC postage vendor to create a shared postage evidencing system that users will use to dispense postage. As a user of the Service, you must understand and acknowledge that authorization to use the Service is granted by the USPS. You accept responsibility for control and use of the Service and agree to abide by all rules and regulations governing its use. The USPS may deny use of or revoke authorization to use a postage evidencing system in the event of (i) failure to comply with rules and regulations (ii) submission of false or fictitious information, (iii) entering of a series of unpaid or short-paid mail pieces and/or packages in the mail stream, (iv) use of the system for any illegal scheme or enterprise, (v) use of the system outside the customs territory of the United States, and (vi) possession of a decertified system. You must make the postage evidencing system and transaction records available and surrender the system to us, the USPS, or its agent when notified to do so.

14. Carrier Requirements

If you use the Service to send parcels with a carrier other than the USPS, you must comply with the requirements of that carrier. The terms governing the use of FedEx to send parcels are located at <https://www.fedex.com/> and the terms governing the use of UPS are located at <https://www.ups.com/>.

RIGHTS

15. Trademarks

Pitney Bowes, the Pitney Bowes logo, and associated brand names and domain names are our trademarks in the United States and/or other countries. All marks not owned by us are the property of their respective owners. You may not use, and nothing contained on the Site or in these Terms grants any right to use, any trademark displayed on the Site without our written permission or the respective owner of such trademark.

16. Use of the Site

You agree that content on the Site is protected by copyrights, trademarks and other intellectual and proprietary rights; and these Terms and applicable copyright, trademark and other laws govern your use of content on the Site.

LIABILITY

17. LIMITATION OF LIABILITY

TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU ASSUME FULL RESPONSIBILITY FOR ANY LOSS THAT RESULTS FROM YOUR USE OF OR INABILITY TO USE THE SERVICE AND WE WILL NOT BE LIABLE FOR ANY SUCH LOSS. IF THE WAIVER OF LIABILITY IN THE PREVIOUS SENTENCE IS NOT PERMITTED BY LAW, OUR TOTAL LIABILITY FOR ALL CLAIMS MADE RELATING TO YOUR USE OF OR INABILITY TO USE

THE SERVICE IN ANY QUARTER WILL BE NO MORE THAN WHAT YOU PAID US FOR THE SERVICE THE QUARTER BEFORE. WE WON'T BE LIABLE FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFIT OR REVENUE, LOST BUSINESS OPPORTUNITIES, BUSINESS INTERRUPTION OR LOST DATA YOU MAY SUFFER UNDER ANY CIRCUMSTANCES, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES.

18. INDEMNITY

YOU AGREE TO INDEMNIFY AND HOLD US HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) ARISING IN ANY WAY FROM YOUR USE OF THE SERVICE OR RELATED TO ANY BREACH OF THESE TERMS BY YOU OR ANY USER AUTHORIZED BY YOU. WE RESERVE THE RIGHT TO ASSUME THE EXCLUSIVE DEFENSE AND CONTROL OF ANY MATTER SUBJECT TO INDEMNIFICATION BY YOU AND, IN SUCH CASE, YOU AGREE TO COOPERATE WITH US IN MAKING THE DEFENSE.

19. DISCLAIMER

THE SERVICE AND THE CONTENT ON THE SITE ARE PROVIDED BY US "AS IS" WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, RELIABILITY AND NON-INFRINGEMENT, AND YOU WAIVE ALL WARRANTIES FROM US TO THE MAXIMUM EXTENT PROVIDED BY LAW.

20. Attorneys' Fees

If we file an action against you claiming you breached these Terms and we prevail, we will be entitled to recover reasonable attorneys' fees.

LINKS TO THIRD PARTY SITES

21. Third Party Sites

The Site and these Terms may contain links to third party websites, including links to the websites of carriers ("Linked Sites"). The Linked Sites are not under our control and we are not responsible for the contents of any Linked Site, including any link contained in a Linked Site, or any changes or updates to a Linked Site. You should contact the site administrator or webmaster for those Linked Sites if you have any concerns regarding such links or the content located there.

MISCELLANEOUS

22. Assignments

You may not assign any of your rights under these Terms to anyone else. We may assign our rights to any other individual or entity at our discretion.

23. Choice of Law; Arbitration; WAIVER OF JURY TRIAL

These Terms will be governed by the laws of the State of Connecticut. Any dispute between us will be resolved exclusively by individual binding arbitration governed by the Federal Arbitration Act ("FAA"). **YOU AGREE TO GIVE UP THE RIGHT TO LITIGATE DISPUTES IN COURT BEFORE A JUDGE OR JURY AND TO GIVE UP THE RIGHT TO PARTICIPATE IN COURT AS A PARTY OR CLASS MEMBER.** Neither of us will seek to have any dispute heard as a class action, private attorney general action, or in any other proceeding in which either party acts or proposes to act in a representative capacity. Any

arbitration will be conducted by the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules. In the case of: (i) any dispute involving \$75,000 or less, we will promptly reimburse your filing fees and pay the AAA's and arbitrator's fees and expenses; and (ii) any dispute involving more than \$75,000, the AAA rules will govern payment of filing fees and the AAA's and arbitrator's fees and expenses.

24. Force Majeure

We won't be liable for any delays or failure in performance of any part of the Service, from any cause beyond our control. This includes acts of God, changes to law or regulations, embargoes, war, terrorist acts, riots, strikes, power blackouts, and acts of hackers or third-party internet service providers.

25. Amendments and Waiver

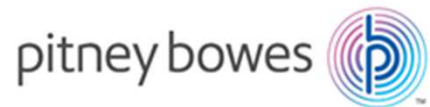
Changes to these Terms won't be effective until we post revised Terms on the Site. If we don't immediately take action on a violation of these Terms, we're not giving up any rights under these Terms, and we may still take action at a later point.

26. Notices

Except as provided in the next sentence: (i) any notice to you will be effective when we send it to the last email or physical address you gave us; and (ii) any notice to us will be effective when delivered to us at Pitney Bowes Inc. – SendPro Team, 3001 Summer Street, Stamford, CT 06926. Any notice alleging a breach of these Terms will be in writing and will be sent by overnight courier or delivered in person to: (i) in the case of a notice to you, the physical address you gave us; and (ii) in the case of a notice to us, Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926 along with a copy to our legal counsel: Attn. Chief Legal Officer and Corporate Secretary, Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926, or any addresses we may later post on the Site.

27. Entire Agreement

These Terms make up the entire agreement and supersede all prior agreements, representations, and understandings.



Pitney Bowes Supplies Return Policy

Returns of Ink & Toner supplies for Desktop Printers, Copiers & Fax Machines

We will reimburse the price paid for Original Equipment Manufacturer's (OEM) &/or associated Pitney Bowes Brand Compatible versions of these products received back in resalable condition (unused/unopened) within **30** days of the purchase date. All reimbursements will be applied to the original method of payment for the product. Shipping and handling charges associated with the product (original order and return package) are the responsibility of the customer and will not be reimbursed unless the return is due to damaged/defective product or as a result of an incorrect shipment on our part.

Returns of all other supplies including Mailing/Shipping Consumables (meter ink, postage tape, E-Z Seal Solution, shipping labels, etc.)

We will reimburse the price paid for products received back in resalable condition (unused/unopened) within **90** days of the purchase date unless the return is due to a defect in the product, in which event we will reimburse the price paid for products received back within 6 months of the purchase date. In the event of an equipment upgrade, we will reimburse the price paid for unused/unopened supplies received back in resalable condition within 6 months of the purchase date. All reimbursements will be applied to the original method of payment for the product. Shipping and handling charges associated with the product (original order and return package) are the responsibility of the customer and will not be reimbursed unless the return is due to damaged/defective product or as a result of an incorrect shipment on our part.

For assistance with any supplies return, please call 800-243-7824.

1. DEFINITIONS

As used in this Agreement, the following terms mean:

"Agreement" – the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSP016-00006328, these terms and conditions, and any attached exhibits.

"Bank" - The Pitney Bowes Bank, Inc.

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

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

"Master Agreement" – NASPO ValuePoint Master Agreement ADSP016-00006328 Mail Room Equipment, Services and Maintenance contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.

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

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

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

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

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

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

"USPS" – the United States Postal Service.

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

2. METER RENTAL

2.1 Fees

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

2.2 Postage

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

2.3 Terms of Use: Federal Regulations

- (a) You may use the Meter solely for the purpose of processing your mail, provided that you are authorized by the USPS to use the Meter, and that you comply with (i) this Agreement, (ii) any operator guide and (iii) all USPS regulations.
- (b) You agree to use only attachments or printing devices authorized by us.

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

2.4 Care and Risk of Loss

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

2.5 Rate Updates and Soft-Guard® Program

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

2.6 Repair or Replacement

- (a) If the Meter malfunctions or fails due to reasons other than your negligence or accident, usage which exceeds our recommendations, use of Meter in a manner not authorized by this Agreement or any operator guide, use of equipment in an environment with unsuitable humidity and/or line voltage, damage in transit, virus contamination or loss of data, loss or fluctuation of power, fire, flood or other natural causes, external forces beyond our control, sabotage or service by anyone other than us, failure to use applicable software updates, use of Meter with any system for which we have advised you we will no longer provide support or which we have advised you is no longer compatible, or use of third party

supplies (such as ink), hardware or software that results in (i) damage to Meter (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images

(b) REPAIR OR REPLACEMENT IS YOUR SOLE REMEDY.

2.7 LIMITATION OF LIABILITY

See – Master Agreement

2.8 Collection of Information

(a) You authorize us to access and download information from your Meter and we may disclose this information to the USPS or other governmental entity.

(b) We will not share with any third parties (except the USPS or other governmental entity) individually identifiable information that we obtain about you in this manner unless required to by law or court order.

(c) We may elect to share aggregate data about our customers' postage usage with third parties.

3. VALUE BASED SERVICES

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

3.1 Fees

(a) Any fees charged by the USPS for any Value Based Service you purchase is payable by you in the same way that you pay for postage.

(b) The USPS is solely responsible for its services.

(c) We are not responsible for any malfunctions of any part of the communication link connecting the IntelliLink® Control Center with the USPS data system.

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

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

4. EMBEDDED SOFTWARE AND SUBSCRIPTION SERVICES

4.1 Our Equipment may contain embedded software. You agree that: (i) PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) you are licensed only to use the embedded software with our Equipment in which the embedded software resides; (iii) you will not copy, modify, 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.

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 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 series mailing systems and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

6. ENDING THIS AGREEMENT.

6.1 Your right to use the Meter, or Value Based Services is limited in duration to the Initial Term and to any subsequent extensions of the Initial Term.

6.2 After the Initial Term, you or we may cancel this Agreement, in whole or in part, upon 30 days prior written notice.

6.3 We reserve the right to recover or disable the Meter and terminate this use at any time if in violation of the terms of use under the Federal Regulations.

6.4 After cancellation or termination of this Agreement, you must return the Meter to us in the same condition as you received it, reasonable wear and tear excepted.

UNITED STATES POSTAL SERVICE ACKNOWLEDGMENT OF DEPOSIT

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

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

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

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

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

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

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

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

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

The Pitney Bowes Bank, Inc.

PURCHASE POWER TERMS AND CONDITIONS

The following provisions apply to the optional Purchase Power Program (the "Program"). Additionally, you will receive from us a set of more specific provisions within thirty (30) days of the date of this Agreement.

P1.1 General. (a) In order to participate in the Program, you must provide the information described in Section P1.8. (b) The Purchase Power credit line is a product of the Bank and is not available to individuals for personal, family, or household purposes.

P1.2 Account Charges. (a) Your Purchase Power account (the "Account") will be charged for the amount of postage, products, and services requested and the related fees, if applicable. (b) Unless prohibited by law, you agree to pay the fees and charges of which the Bank has given you notice, including those relating to: (i) transaction fees, if applicable; (ii) if transaction fees are inapplicable, overage fees; (iii) your failure to pay in a timely manner; (iv) your exceeding your credit line; and (v) fees attributable to the return of any checks.

P1.3 Billing, Payments, and Collection. (a) You will receive a billing statement for each billing cycle in which you have activity on the Account. The Bank may deliver any statement electronically to the email address that is then on file for you. (b) Payments are due by the due date shown on your billing statement. (c) You may pay the entire balance due or a portion of the balance, provided that you pay at least the minimum payment shown on the statement. In the event of a partial payment, you will be responsible for the unpaid balance.

P1.4 Deferred Payment Terms. (a) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account from time to time, for each day from the date the transaction is posted to the Account until the date the unpaid balance is paid in full, at a variable rate equal to the Annual Percentage Rate applicable to the Account from time to time. (b) (i) The Annual Percentage Rate applicable to the Account will be: the greater of (a) 22% and (b) the sum of the highest "Prime Rate" published in the "Money Rates" section of *The Wall Street Journal* on the last business day of the month and the margin set forth below (the sum of the margin and the Prime Rate is herein called the "Floating Rate"). (ii) The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Floating Rate, if applicable. (iii) Any change in the Annual Percentage Rate based on the calculation described in this section will become effective on the first day of your next billing cycle. (iv) The margin which will be added to the Prime Rate to determine the Floating Rate will be 14.75% (using the Prime Rate in effect as of March 31, 2013, the daily periodic rate would be .049315% and the corresponding annual

percentage rate would be 18.00%). (v) The Account balance that is subject to a finance charge each day will include (a) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (b) unpaid interest, fees, and other charges on the Account. (vi) The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vii) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (viii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.

P1.5 Account Cancellation and Suspension. (a) The Bank may at any time close or suspend the Account, and may refuse to allow further charges to the Account. (b) Cancellation or suspension will not affect your obligation to pay any amounts you owe.

P1.6 Amendments; Electronic Delivery; Termination. (a) The Bank can amend any of the provisions and terms related to the Program at any time by written notice to you (including by electronic notice via the email address that is then on file for you). You are consenting to electronic delivery of any amendments to the Program terms. (b) Each time you use the Program, you are signifying your acceptance of the terms then in effect. (c) An amendment becomes effective on the date stated in the notice and will apply to any outstanding balance on the Account. (d) The Bank may terminate the Program at any time and will notify you in the event of any termination. (e) Any outstanding obligation will survive termination of the Program.

P1.7 Governing Law. The Program and any advances are governed by and construed in accordance with the laws of the State of Utah and applicable federal law.

P1.8 USA PATRIOT Act. (a) Federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. (b) The Bank asks that you provide identifying information, including your address and taxpayer identification number. (c) The Bank may also ask for additional identifying information, where appropriate, including asking that your representative who is opening the Account provide his/her name, address, date of birth, driver's license and/or other documents and information that will allow the Bank to identify him/her.

PBSMARTPOSTAGE™ TERMS AND CONDITIONS

If you have ordered pbSmartPostage™, your use of that product will be subject to the Terms of Use which are available at <http://www.pitneybowes.com/us/license-terms-of-use/smart-postage-terms-and-conditions.html> and which are incorporated by reference. Your use of pbSmartPostage is entirely governed by the pbSmartPostage Terms of Use and any other provisions of the Pitney Bowes Terms will not apply.

SENDPRO™ TERMS AND CONDITIONS

If you are acquiring a SendPro subscription: (i) without SendKit equipment, your Terms Of Use are available at <http://www.pitneybowes.com/us/license-terms-of-use/sendpro-subscription.html>; and (ii) with SendKit equipment, your Terms Of Use are available at <http://www.pitneybowes.com/us/license-terms-of-use/sendpro-term.html>. 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.

pbSmartPostage™ Mail and Shipping Service, Terms of Use

Account Requirements

When you register for the service, you will create a unique user ID and password. Your subscription is billed based on the nine digit zip code for the address entered during registration.

Your postage account is subject to USPS regulation. If you: 1) use your postage account in a fraudulent or unlawful manner, 2) do not use your account during a consecutive twelve (12) month period, 3) fail to exercise sufficient control over your account to prevent fraudulent or unlawful use, 4) take or allow the account to be taken outside the United States without the prior written authorization of the Manager of Retail Systems and Equipment, U.S. Postal Service, Washington DC 20260, or 5) otherwise fail to abide by the provisions of postal regulations and these Terms of Use regarding care and use of your account, then your account may be cancelled. You acknowledge and agree that your account must be surrendered to Pitney Bowes or the USPS upon demand.

You also acknowledge that any use of your account to fraudulently deprive 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, fictitious, or fraudulent statement can result in imprisonment for up to five (5) years and a fine of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (31 U.S.C. 3802). The mailing of matter bearing a fraudulent imprint is an example of a violation of these statutes.

The USPS has granted Pitney Bowes the license as a PC postage vendor to create a shared postage evidencing system ("pbSmartPostage") that users will use to dispense postage. As a user of pbSmartPostage you must understand and acknowledge that authorization to use the system is granted by the USPS. You accept responsibility for control and use of the system and agree to abide by all rules and regulations governing its use. USPS may deny use of or revoke authorization to use a postage evidencing system in the event of (i) failure to comply with rules and regulations (ii) submission of false or fictitious information, (iii) entering of a series of unpaid or short-paid mail pieces and/or packages in the mail stream, (iv) use of the system for any illegal scheme or enterprise, (v) use of the system outside the customs territory of the United States, and (vi) possession of a decertified system. You must make the postage evidencing system and transaction records available and surrender the system to Pitney Bowes, the USPS, or its agent when notified to do so.

Changes to the Terms of Use

These Terms of Use may be changed by Pitney Bowes at any time. Pitney Bowes will post the most current version of these Terms of Use on www.pbSmartPostage.com/, or otherwise notify you that they have changed. From time to time you may be required to accept updated terms and conditions.

Subscriptions; Billing Cycle

Your subscription cost is based on the subscription plan you select and does not include postage. Your subscription will be billed in advance with the first payment due at the time of registration. Your billing cycle reoccurs the same day of the month each billing period.

If your registration includes a trial period and if you do not wish to continue your subscription past the trial period, you must cancel your subscription before the last day of the trial period to avoid being billed for the first month of subscription once the trial period has completed.

Subscriptions that are offered at a discount in return for a commitment over a period of time (e.g., one year) will be subject to an early termination fee if canceled prior to the end of commitment period. The early termination fee will be based on a fixed amount that will be disclosed with the subscription registration.

Purchasing

Information you give Pitney Bowes as part of the registration process will be handled according to Pitney Bowes Privacy Policy. Pitney Bowes reserves the right to verify the credit of any person registering for the service.

Postage costs for use of the service are not provided by Pitney Bowes and you are responsible for funding a pre-paid postage account. You may select a different method of payment for postage than used for the subscription payment. Postage payment options will be displayed during account setup. You agree to the minimum purchase of \$5 each time you purchase postage. The maximum amount of postage that can be held in the pre-pay account at any given time is \$1000. There is no limit on postage account refills as long as the max postage amount is not exceeded. No sales tax is charged to postage refills or dispenses. Postage costs will be charged to the preferred postage payment source immediately upon purchase and will be applied to the prepay account balance. Unless Pitney Bowes is the preferred payment source, charges for postage will appear and be supplied by your credit card issuer or bank directly; Pitney Bowes will not provide payment statements or invoices for third parties. You may request refunds from your postage account balance at any time for any amount. Postage can be dispensed at any time as long as the subscription account is paid and in good standing. (See Account Suspension section)

Pitney Bowes will automatically charge your payment source (e.g., credit card, Purchase Power account) the cost of your subscription at the beginning of each billing cycle. Please note that Pitney Bowes may receive updated billing information regarding your credit card account or other payment source and, by accepting these Terms of Use, you consent to Pitney Bowes receiving such updates. Postage fees and product costs shall be applied to your payment source at the time of purchase. You will be allowed to print postage up to the amount of funds in your postage account that have cleared and provided that your subscription fees have been paid. Pitney Bowes will notify you if any transactions are rejected. If a subscription fee transaction is rejected, your account may be suspended until your account is brought up to date.

If you dispute a charge to the credit card which is your payment source, Pitney Bowes is authorized to debit your postage account from time to time in amounts which in the aggregate do not exceed the amount of the disputed charge.

Free trial periods will vary depending on offers. No subscription billing will occur during the free trial period based on your subscription selection. Billing will occur at the end of the trial period on the same day of the month the subscription was ordered and the invoice will reflect the billing cycle selected for the value of the price of the subscription ordered at the time of registration. You are only entitled to the free trial period for the specified period. Postage is not included in the free trial period unless specified.

Free postage offers will vary and will have specific terms depending on the offer. Free postage offers are not refundable. Pitney Bowes will not provide any cash payments or account credits for granted free postage at any time.

Promotional offers: Subscription plans that may include other products or services identified as “included”, “free”, or “discounted” are only available per single subscription plan. If you select the same items in the check out process to be purchased in addition to the promotional offer, the additional items are not subject to the same value (e.g., free or discounted) as in the original promotional offer. All promotional items that are offered as part of the subscription are considered sold material and are invoiced at subscription check out and become the property of the subscriber excluding service type offers. Material items that are sold as part of a promotional offer or part of a bundle are not returnable for credit at any time.

Pricing

Prices are subject to change at any time unless specified as conditions of a subscription type. Notification of any price changes will be delivered to the email on the registered subscription account.

Account Suspension

Accounts will be suspended for improper use, violation of USPS rules and policies, illegal activity or when Pitney Bowes is unable to charge due to an invalid payment source for the subscription. During account suspension, you will be unable to access the account until payments become up to date. All past due billing will be charged as soon as a valid payment source is updated. It may take 24 hours for your account to be reactivated. After 90 days from the suspension date or if Pitney Bowes has determined that the account must be canceled for violation of policy, all funds in the prepay postage account will be credited to the prepaid account payment source less any unpaid fees owed to Pitney Bowes. Accounts closed for policy violations will be charged a \$25 processing fee.

Subscription Account Cancellation

Your subscription will renew automatically on the anniversary of the following calendar year based on your initial invoice date. You may cancel your subscription at any time. You must contact Pitney Bowes at [1-800-228-1071](tel:1-800-228-1071) for cancellation.

Cancellation will be effective at the start of your next invoice period on the day of the month the subscription was activated. Pitney Bowes will refund the full amount of postage remaining in your account at the time of cancellation to your current payment source. Pitney Bowes will not provide any cash payments for subscription credits or postage in your postage pre-paid account. Your subscription account will remain active until the account cancellation date.

Postage Refund

Requests for postage refunds for unused, misprinted or damaged postage will be granted for active accounts in good standing for face value only in accordance with USPS and Pitney Bowes policy and procedures. See www.pbSmartPostage.com/ for details and instructions under Help and then FAQ's.

Pitney Bowes reserves the right to reject claims deemed not qualified for refunds at its sole discretion. All postage refund claims when granted will be credited to the prepay postage account balance. No cash payment or interest will be paid for any postage refund when granted.

Warranty Disclaimer; Limitation of Liability

THE SERVICE IS PROVIDED "AS IS" AND WITHOUT WARRANTIES OF ANY KIND EITHER EXPRESS, IMPLIED OR STATUTORY OR ARISING FROM CUSTOM OR TRADE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT.

PITNEY BOWES ACCEPTS NO RESPONSIBILITY FOR ERRORS OR TECHNICAL DIFFICULTIES WITH THE FUNCTIONALITY OF THE SERVICE, AND DOES NOT GUARANTEE THAT YOUR SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT DEFECTS WILL BE CORRECTED. APPLICABLE LAW MAY NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO YOU.

THE SERVICE, LIKE ALL SOFTWARE RELATED PRODUCTS, MAY BE SUBJECT TO KNOWN OR UNKNOWN ANOMALIES, WHICH MAY AFFECT ITS ABILITY TO PERFORM POSTAGE PRINTING ON ADDRESSES PUT INTO THE SERVICE. FOR EXAMPLE, DEPENDING ON THE ACCURACY OF YOUR LIST AND THE CITIES TO WHICH YOU MAIL, INCORRECT CODING MAY OCCUR. YOU UNDERSTAND AND AGREE THAT PITNEY BOWES IS NOT RESPONSIBLE OR LIABLE FOR ANY SUCH ANOMALIES.

PITNEY BOWES IS NOT LIABLE FOR ANY DAMAGES, INCLUDING LOST PROFITS, LOST SAVINGS, LOST POSTAGE, OR SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES (INCLUDING BUT NOT LIMITED TO DAMAGES FOR BREACH OF CONTRACT OR WARRANTY OR FOR NEGLIGENCE OR STRICT LIABILITY) ARISING OUT OF OR IN CONNECTION WITH THE USE OR INABILITY TO USE THE SERVICE EVEN IF PITNEY BOWES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY ANY OTHER PARTY. YOU AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS PITNEY BOWES AND ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, INFORMATION PROVIDERS AND LICENSORS (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, LOSSES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) ARISING IN ANY WAY FROM YOUR USE OF THE SERVICE OR RELATED TO ANY BREACH OF THESE TERMS AND CONDITIONS BY YOU OR ANY USER AUTHORIZED BY YOU. YOUR SOLE REMEDY IS TO TERMINATE USE OF THE SERVICE. PITNEY BOWES RESERVES THE RIGHT, AT ITS OWN EXPENSE, TO ASSUME THE EXCLUSIVE DEFENSE AND CONTROL OF ANY MATTER OTHERWISE SUBJECT TO INDEMNIFICATION BY YOU, AND IN SUCH CASE, YOU AGREE TO COOPERATE WITH PITNEY BOWES IN DEFENSE OF SUCH CLAIM.

IN NO EVENT SHALL PITNEY BOWES' LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT EXCEED \$50.00. SOME STATES DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTALS OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

General

By registering for the service, you agree to pay all fees in accordance with the terms of the subscription you select. If you are establishing this account on behalf of a business, you represent that you have all necessary authority to establish an account with Pitney Bowes on behalf of the business.

Pitney Bowes reserves the right to discontinue service upon notification to its customers.

If any court of competent jurisdiction finds any provision of this Agreement void or unenforceable, then the validity of remaining provisions of this Agreement shall not be affected.

Any legal action arising from or out of this Agreement shall be governed by the laws of the State of Connecticut without regard to its conflict of law principles. The sole jurisdiction and venue for any litigation arising from use of the Service shall be an appropriate federal or state court located in Connecticut. THE UNITED NATIONS' CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXPRESSLY DISCLAIMED.

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

Attachment B.1

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

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSP016-00006328 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 ADSP016-00006328- to Pitney Bowes Inc.

Monthly Rate Factors:

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

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

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

L1. DEFINITIONS

L1.1 The following terms mean:

- "Agreement" - the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSP016-00006328, these terms and conditions, and any attached exhibits.
- "Bank" - The Pitney Bowes Bank, Inc.
- "Consumable Supplies" - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.
- "Covered Equipment" - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order. Covered Equipment does not include any Meter, Usage-based Equipment, or any standalone software, and SendKit equipment.
- "Delivery Date" - the date the Equipment or other item is delivered to your location.
- "Effective Date" - the date the Order is received by us.
- "Equipment" - the equipment listed on the Order, excluding any Meter, and any standalone software and SendKit equipment.
- "Initial Term" - the lease period listed on the Order
- "Install Date" - the date the Equipment or other item is installed at your location.
- "Meter" - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ or SendPro™ P series mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.
- "Lease" - the Order and this NASPO ValuePoint Term Rental (Installment Purchase) Lease Terms and Conditions.
- "Maintenance Service" - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.
- "Master Agreement" - NASPO ValuePoint Master Agreement ADSP016-00006328 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 agreement between the applicable Pitney Bowes company and you for the Equipment.
- "PBGFS" - Pitney Bowes Global Financial Services LLC or a wholly-owned subsidiary of Pitney Bowes Inc.
- "PBI" - Pitney Bowes Inc.
- "Pitney Bowes" - PBI, PBGFS and their respective subsidiaries.

- "Postage Meter Rental Agreement" - an agreement governing the use and rental of a Meter you enter into with us.
- "SLA" - the Service Level Agreement.
- "SLMA" - a Software License and Maintenance Agreement you enter into with us
- "SOW" - a Statement of Work you enter into with us.
- "State Participating Addendum" the bilateral agreement executed by us and your participating state incorporating the Master Agreement.
- "Usage-based Equipment" - equipment for which charges are based on volume of use
- "USPS" - the United States Postal Service.
- "We," "Our," or "Us" - the Pitney Bowes company with whom you've entered into the Order.
- "You," "Your," "Lessee," or "Customer" - the entity identified on the Order.

L2. AGREEMENT

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

L3. PAYMENT TERMS

- L3.1 We will invoice you in arrears each month for all payments on the Order (each, a "Quarterly Payment"), except as provided in any SOW attached to this Order. You will make each Quarterly Payment by the due date shown on our invoice.
- L3.2 Your Quarterly Payment may include an origination fee, amounts carried over from a previous unexpired lease, SLMA fees and other charges.
- L3.3 Any Meter rental fees and SLA fees (collectively "PBI Payments"), will be included with your Quarterly Payment and begin with the start of the Lease Term (as defined below). After the Initial Term, your Quarterly Payment will increase if your PBI Payments increase.

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

L4. EQUIPMENT OWNERSHIP

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

L5. TERM

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

L6. SURRENDER OF EQUIPMENT

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

L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

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

L8. EQUIPMENT OBLIGATIONS

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

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

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

L9. RISK OF LOSS

L9.1 Risk of Loss.

- (a) You bear the entire risk of loss to the Equipment from the date of delivery by PBI until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").
- (b) No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.
- (c) To protect the equipment from loss, you will either (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us ("Insurance")
- (d) YOU MUST CALL US AT 1-800-732-7222 AND PROVIDE US WITH EVIDENCE OF INSURANCE.

L10. NON-APPROPRIATION

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

L11. REPRESENTATIONS

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

L12. MISCELLANEOUS

- L12.1 If more than one lessee is named in this Lease, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT, THE METER OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH WILL NOT BE UNREASONABLY WITHHELD.
- L12.3 We may sell, or assign all or any part of this Lease or the Equipment. Any sale or assignment will not affect your rights or obligations under this Agreement.
- L12.4 All applicable taxes required to be collected by us will be shown on the invoice.
- L12.5 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI

L12.6 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the

above, this section does not modify any terms that may accompany such third party software.

L12.7 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSPO16-00006328, this Agreement shall prevail.

L 12.8 The Connect+ and SendPro P 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 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 ADSP016-00006328 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:

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

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

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

L1. DEFINITIONS

L1.1 The following terms mean:

- "Agreement" - the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSP016-00006328, 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 series mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.
- "Lease" - the Order and this NASPO ValuePoint Fair Market Value Rental Terms and Conditions.
- "Maintenance Service" - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.
- "Master Agreement" - NASPO ValuePoint Master Agreement ADSP016-00006328 Mail Room Equipment, Supplies and Maintenance contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.
- "NASPO ValuePoint" - NASPO ValuePoint Cooperative Purchasing Organization LLC, a wholly owned subsidiary of National Association of State Procurement Officials (NASPO).
- "Order" - the executed agreement between the applicable Pitney Bowes company and you for the Equipment.

- "PBGFS" - Pitney Bowes Global Financial Services LLC.
- "PBI" - Pitney Bowes Inc.
- "Pitney Bowes" - PBGFS and its subsidiaries, and PBI.
- "Postage Meter Rental Agreement" - an agreement governing the use and rental of a Meter you enter into with us.
- "SLA" - the Service Level Agreement.
- "SLMA" - a Software License and Maintenance Agreement you enter into with us
- "SOW" - a Statement of Work you enter into with us.
- "State Participating Addendum" the bilateral agreement executed by us and your participating state incorporating the Master Agreement.
- "We," "Our," or "Us" - the Pitney Bowes company with whom you've entered into the Order.
- "You," "Your," "Lessee," or "Customer" - the entity identified on the Order.

L2. AGREEMENT

- L2.1 You are leasing the Equipment listed on the Order.
- L2.2 **You may not cancel this Lease for any reason except as expressly set forth in Sections L10 and L11 below, all payment obligations are unconditional.**
- L2.3 If you do not pay the fees when due or you do not comply with the Agreement and fail to cure the same within thirty (30) days of receipt of written notice thereof, we may disable the Meter, terminate the Agreement, retake the Equipment and Meter, and collect from you all fees due for the remainder of the Initial Term, or if after the Initial Term, all fees then due, plus interest at the lesser of 18% per year or the maximum allowed by law.
- L2.4 You authorize us to file a Uniform Commercial Code financing statement naming you as debtor/lessee with respect to the Equipment.

L3. PAYMENT TERMS AND OBLIGATIONS

- L3.1 We will invoice you in arrears each quarter for all payments on the Order (each, a "Quarterly Payment"), except as provided in any statement of work attached to the Order. You will make each Quarterly Payment by the due date shown on our invoice.
- L3.2 Your Quarterly Payment may include an origination fee, amounts carried over from a previous unexpired lease, SLMA fees and other charges.
- L3.3 Any Meter rental fees and SLA fees (collectively "PBI Payments"), will be included with your Quarterly Payment and begin with the start of the Lease Term (as defined below). After the Initial Term, your Quarterly Payment will increase if your PBI Payments increase.

L4. EQUIPMENT OWNERSHIP

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

L5. LEASE TERM

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

L6. END OF LEASE OPTIONS

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

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

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

L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

L7.3 PBGFS AND THE BANK ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR

PUNITIVE DAMAGES), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.

L8. EQUIPMENT OBLIGATIONS

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

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

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

L9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

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

L10. NON-APPROPRIATION

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

L11. EARLY TERMINATION

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

L12. MISCELLANEOUS

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

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

- L12.3 We may sell, assign, or transfer all or any part of this Lease or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.
- L12.4 All applicable taxes required to be collected by us will be shown on the invoice.
- L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSPO16-00006328, this Agreement shall prevail.
- L12.6 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.
- L12.7 Our Equipment may contain embedded software. You agree:
 - (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software;
 - (ii) that you do not acquire any right, title or interest in or to the embedded software;
 - (iii) only to use the embedded software with our Equipment in which the embedded software resides;
 - (iv) that you may not copy the embedded software;
 - (v) that you may neither modify nor create derivative works of the

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

- L12.8 The Connect+ or SendPro™ P 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 series mailing system and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.
- L12.9 We will provide you with a welcome letter by email.

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

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

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

Monthly Rate Factors:

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

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

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

L1. DEFINITIONS

L1. DEFINITIONS

L1.1 The following terms mean:

Agreement - the Order, your State's Participating Addendum, the NASPO ValuePoint Master Agreement ADSP016-00006328, 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 series mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.

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

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

Master Agreement - NASPO ValuePoint Master Agreement ADSP016-00006328 Mail Room Equipment, Supplies and Maintenance contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.

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

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

PBGFS - Pitney Bowes Global Financial Services LLC.

PBI - Pitney Bowes Inc.

Pitney Bowes - PBGFS and its subsidiaries, and PBI.

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

SLA - the Service Level Agreement.

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

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

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

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

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

L2. AGREEMENT

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

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

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

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

L3. PAYMENT TERMS

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

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

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

L4. EQUIPMENT OWNERSHIP

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

L5. LEASE TERM

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

L6. END OF LEASE OPTIONS

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

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

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

L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

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

damage to PBI Equipment; (ii) poor indicia, text, or image print quality; (iii) indicia readability failures; or (iv) a failure to print indicia, text, or images.

- (f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBI Equipment may be reclaimed, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.
- (g) The warranty does not cover Consumable Supplies.

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

L8. EQUIPMENT OBLIGATIONS

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

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

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

L9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

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

L10. NON-APPROPRIATION

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

L11. EARLY TERMINATION

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

L12. MISCELLANEOUS

- L12.1 If more than one lessee is named in this Lease, liability is joint and several.
- L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD. ANY ASSIGNMENT WITHOUT OUR CONSENT IS VOID.
- L12.3 We may sell, assign, or transfer all or any part of this Lease or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.
- L12.4 All applicable taxes required to be collected by us will be shown on the invoice.
- L12.5 If there is a conflict between any of the terms and conditions in this Agreement, your State's Participating Addendum and the Master Agreement ADSP016-00006328, this Agreement shall prevail.
- L12.6 Any Meter rented under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.

- L12.7 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third party software.
- L 12.8 The Connect+ and SendPro P-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-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.

SUMMARY OF LEASING/RENTAL PROGRAMS UNDER ADSP016-00006328

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

TERM RENTAL (INSTALLMENT PURCHASE) - Option A

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

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

FAIR MARKET VALUE LEASE - Option C

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

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

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

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

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

SPECIAL COTERMINOUS LEASE RATES (for SMB only)

Pitney Bowes can offer to our current leasing customers the opportunity to enter into a "coterminous lease" for the purposes of acquiring additional accessories and solutions for their current equipment. The term of the lease will be consistent with the number of months remaining on the lease contract for the existing equipment. For example, a customer with 18 months remaining on a lease will be offered an 18 month lease for additional accessories or solutions. Invoices will show two separate line items reflecting the current machine lease and the new coterminous lease. The coterminous lease will be subject to the same terms and conditions as the original lease. Below are the monthly co-terminus lease rates for NASPO ValuePoint ADSP016-00006328 Financing Option A, Option B, and Option C.

TERM	OPTION A	OPTION B	OPTION C
12	0.08825	0.09312	0.08981
15	0.07153	0.07638	0.07308
18	0.06039	0.06525	0.06194
21	0.05244	0.05732	0.05400
24	0.04648	0.05139	0.04804
27	0.04185	0.04680	0.04341
30	0.03815	0.04313	0.03972
33	0.03513	0.04015	0.03671
36	0.03260	0.03770	0.03420
39	0.03048	0.03560	0.03210
42	0.02866	0.03382	0.03028
45	0.02709	0.03230	0.02871
48	0.02570	0.03090	0.02770
51	0.02450	0.02980	0.02615
54	0.02343	0.02880	0.02510
57	0.02247	0.02786	0.02414



Agreement Number

MASTER LICENSE AGREEMENT (02/15)

This Master License Agreement (the "Agreement") is made and entered into effective this _____ day of _____, 201____, by and between:

Pitney Bowes Software Inc., a Delaware corporation ("PBSI")
One Global View
Troy, New York 12180

("Client")

1. Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Affiliate" means an entity that Controls, is Controlled by or is under common Control with a party;

"Application" means the application, if any, identified in an Order;

"Computer" means the server or computer identified in an Order on which Licensed Products are authorized to be installed and used;

"Control" means the ownership of more than fifty percent (50%) of an entity's stock or other voting interest;

"Data Output" means the maps, reports or other information generated by analyzing or processing Subscription Data, including geocode coordinates or address corrections appended to Licensee database records.

"Data Record" means each separate, individual digital data record which is used, referenced or accessed by the Licensed Products;

"Documentation" means the current technical and user documentation for the Licensed Products, Support Guidelines and other specifications. The Documentation may be modified from time-to-time to incorporate Enhancements;

"Enhancements" means any updates, upgrades, modifications, new releases and corrective programming to the Software, Subscription Data or Documentation that are provided as part of Maintenance Services;

"Installation Site" means the location identified in an Order where the Licensed Products are authorized to be installed and used;

"Licensee" means Client or the Affiliate of Client identified in an Order that is authorized to use the Licensed Products identified therein;

"Licensor" means PBSI or the Affiliate of PBSI identified in an Order that is granting the license set out therein;

"Licensed Products" means the Software and Enhancements;

"Maintenance Services" means the services described in Section 8(b), below;

"MIPS" means the processing speed of a computer expressed in millions of instructions per second;

"MSU" means the measurement of the amount of processing work a mainframe computer can perform in one hour expressed in million service units;

"Order" means the document pursuant to which a Licensee licenses Licensed Products and obtains related services. Each Order will be in a format substantially similar to the form set out in Exhibit 1;

"Processor Cores" or **"CPU Cores"** means the number of cores on each processor or CPU in the Computer;

"Remote Access" means access to and use of the Licensed Products, including, without limitation, the submission and/or receipt of data, documents or processing instructions, directly or indirectly via a server, Internet, independent software application or otherwise, to the Computer, from locations other than the Installation Site;

"Service Provider" means a Licensee that uses the Licensed Products to perform services, including, without limitation: to verify address information and/or provide postal-related services; develop, design, archive, process and/or print bills, statements or other business documents; merge or convert print stream data; append geographic coordinates to address records or other data and/or perform other data processing services; for entities other than Licensee, such as an Affiliate;

"Software" means the computer software identified in an Order;

"Subscription Data" means data files, including, but not limited to, postal, census, geographic, demographic, and other data, that are either identified in an Order or otherwise licensed with certain of the Licensed Products;

"Support Guidelines" means the then current technical support guidelines for the Licensed Products located at <http://www.pbinsight.com/resources/get/9898>;

"Transaction" means a record or user query that is submitted to the Licensed Products;

"User" means an individual authorized by Licensee to use the Licensed Products in accordance with an Order regardless of

whether the individual is actively using the Licensed Products at any given time; and

“Warranty Period” means the ninety (90) day period following initial delivery of the Software.

2. Scope of Agreement; Orders by Licensee. From time to time during the term of this Agreement, Client may license Licensed Products and obtain Maintenance Services by entering into one or more Orders, which will become effective when executed by both parties. Each Order will constitute a separate contract between the parties, and will be governed in all respects by the terms of this Agreement and the applicable Order. Any conflict between the terms of an Order and this Agreement will be resolved in favor of the Order. Affiliates of Client are authorized to place Orders under this Agreement (each a “Client Affiliate”). By submitting an Order under this Agreement, Client Affiliate is deemed to agree to be bound by the terms of this Agreement. The term “Licensee” as used in this Agreement and the applicable Order will be deemed to refer to either Client or such Client Affiliate entering into the Order.

3. Grant of License. Subject to the terms and conditions of this Agreement and all Orders, Licensor hereby grants to Licensee a non-exclusive, non-transferable license to use the Licensed Products in accordance with the terms of this Agreement and the applicable Order. Unless otherwise identified in an Order, the Subscription Data is licensed for twelve (12) month terms and the license to the Subscription Data may be renewed for additional twelve (12) month terms as part of Maintenance Services in accordance with Section 8. The grant of rights to the Licensed Products is not a sale of the Licensed Products. Licensor and its third party providers reserve all rights not expressly granted by this Agreement.

4. Use of Licensed Products.

a) Licensee is permitted to use the Licensed Products and Data Output only for its own internal business purposes. The Licensed Products will be installed and used only at the Installation Site on the Computer containing up to the number of Processor Cores, MSUs or MIPS set out in the applicable Order and utilizing the operating system set out therein. If the Licensed Products are installed in a virtual environment, the number of Processor Cores within the environment that may be used, in whole or in any part, to access the Licensed Products will be set forth in the applicable Order. Remote Access to the Licensed Products and use of the Licensed Products as a Service Provider are prohibited unless otherwise authorized in the applicable Order. Additional terms of authorized use are as set forth in the applicable Order, and may include limitations on: (i) the number of Users; (ii) the Application authorized to access the Licensed Products and use the Data Output; and (iii) the number of Transactions processed or Data Records accessed using the Licensed Products. Licensed Products licensed for desktop use by a specific number of Users may be installed on the number of devices equal to the specific number of User licenses purchased, or may be installed on multiple devices so long as the number of Users do not exceed the number of licenses purchased.

b) Licensee may add additional Processor Cores, MSUs or MIPS to the Computer, transfer the Licensed Products to a different

computer with more Processor Cores, MSUs or MIPS, utilize the Licensed Products with a different operating system, process additional Transactions or add Users or Applications upon PBSI written consent and the payment of applicable fees. If the Installation Site is located in the United States, such Installation Site may be changed to another location within the United States upon written notice to Licensor, but may not be changed to a location outside the United States absent Licensor’s prior written consent. If the Installation Site set forth in the Order is located outside of the United States, such Installation Site may be changed to another location within the original country upon notice to Licensor, but may not be changed to a different country absent Licensor’s prior written consent.

c) Licensee may make a reasonable number of copies of the Licensed Products and Documentation solely for back up or disaster recovery purposes. Licensee must reproduce all copyright, trademark, trade secret and other proprietary notices in such copies. The back up or disaster recovery copies can only be used to perform disaster recovery testing or if the Computer becomes inoperative. If the Computer becomes inoperative, the Licensed Products can only be used on a back-up computer utilizing the same operating system with equal to or a fewer number of Processor Cores, MSUs or MIPS as the Computer. Except to perform disaster recovery testing in accordance with Licensee’s disaster recovery procedures, Licensee is not permitted to use the back up or disaster recovery copies of the Licensed Products for production or testing concurrently with the production or testing copies of the Licensed Products.

d) Licensee may install, for a period not to exceed fifteen (15) days from date of installation, Enhancements in a test environment for the sole purpose of determining if such Enhancements will be deployed by Licensee on the authorized Computer(s). Thereafter, Licensee is permitted to install only the authorized number of licensed copies of the Licensed Products on the authorized Computers.

e) Licensee may, upon prior written notice to Licensor, permit its third party contractors to access and use the Licensed Products solely on behalf of, and for the benefit of, Licensee, so long as: (i) contractor agrees to comply fully with all terms and conditions of this Agreement and the applicable Order(s) as if they were Licensee; (ii) Licensee remains responsible for each contractor’s compliance with this Agreement and the applicable Order(s) and any breach thereof; (iii) any User limitation includes User licenses allocated to Contractors; and (iv) the contractor is not a competitor of PBSI, Licensor or any Licensor Affiliate. All rights granted to any contractor hereunder terminate immediately upon conclusion of the services rendered to Licensee that gives rise to such right. Upon termination of such rights, contractor must immediately cease all use of the Licensed Products, un-install and destroy all copies of the Licensed Products, Documentation and any other Licensor information in its possession, and must certify in writing upon Licensor request of compliance with this section.

f) In addition to the terms of this Agreement and the Order(s), product-specific license terms applicable to certain Licensed Products can be found at <http://www.pitneybowes.com/us/license-terms-of-use.html> and are hereby incorporated into this Agreement by reference.

5. General Use Restrictions.

a) Licensee will not: (i) make derivative works of the Licensed Products; (ii) reverse engineer, decompile or disassemble the Licensed Products or any portion thereof; (iii) make copies of the Licensed Products or Documentation except as otherwise authorized in Section 4(c) or an Order; (iv) disclose the Licensed Products, Documentation or any other Licensor information marked confidential or proprietary to any third party; (v) sublicense, rent, lease, lend, or host the Licensed Products to or for other parties; (vi) attempt to unlock or bypass any initialization system, encryption methods or copy protection devices in the Licensed Products; (vii) modify, alter or change the Licensed Products; (viii) alter, remove or obscure any patent, trademark or copyright notice in the Licensed Products or Documentation; or (ix) use components of a Licensed Product independent of the Licensed Products they comprise.

b) Licensee is prohibited from using the Licensed Products within or in conjunction with in-flight navigation or any vehicle navigation system providing turn-by-turn directions.

c) Licensee will not use Data Output outside of the Application designated in the Order (if applicable), or disclose Data Output to third parties except as authorized in the applicable Order(s), including the longitude and latitude or "x,y" coordinates contained therein. Any authorized disclosure of Data Output to third parties must prohibit those third parties from selling, sublicensing or disclosing the Data Output to additional third parties and from using the Data Output for any purpose other than as authorized in the applicable Order(s). Licensee may use Data Output to derive conclusions or recommendations that form part of Licensee's services to its customers, but Licensee may not provide Data Output as part of those services. Licensee may translate Subscription Data into other data formats so long as use of the Subscription Data in all formats does not exceed the limits of this Agreement and the applicable Order(s).

6. Fees; Payment Terms.

a) Licensee will pay to Licensor, or Licensor's authorized designee or agent, the license, maintenance, training and any other fees set out in an Order. All fees identified in an Order or this Agreement and any applicable taxes are due and payable within thirty (30) days from the date of Licensor's invoice. Licensee will pay a late charge of one and a half percent (1.5%) per month or the highest amount permitted by law, whichever is less, on any fees not paid by the due date. Unless otherwise identified in an Order, all fees are stated in and will be paid in United States currency.

b) The fees do not include any amount for taxes. Licensee will pay all federal, state and local sales, use, property, excise, and other taxes imposed on or with respect to this Agreement or an Order for the products and/or services provided hereunder. If any sales, use, excise or other taxes (except for taxes based on Licensor's net income) are assessed against or required to be collected in connection with this Agreement or an Order, Licensor will itemize such taxes on invoices issued in connection with an Order.

7. Indemnification.

a) Licensor will indemnify, defend and hold Licensee, its officers, directors and employees, harmless from all losses, damages, and reasonable costs and expenses to the extent they arise out of a claim by a third party that the Licensed Products, when used in accordance with the Documentation and in compliance with the terms of this Agreement and the applicable Order(s), infringe or misappropriate any copyright, trade secret, trademark or patent registered or valid within the country the Licensed Products are authorized to be installed as set out in the applicable Order. Licensor will have control of the defense and will defend at its own expense, any claim or litigation to which this indemnity relates, including the right to settle any such claim. Licensee must notify Licensor promptly of any such claim and provide reasonable cooperation to Licensor, upon Licensor's request and at Licensor's cost, to defend such claim. Licensor will not agree to any settlement which requires acknowledgment of fault or an incurred liability on the part of an indemnified party not otherwise covered by this indemnification without indemnified party's prior consent. Licensee may elect to participate in the defense of any claim with counsel of its choosing at its own expense.

b) If the Licensed Products are subject to a claim of infringement or misappropriation, or if Licensor reasonably believes that the Licensed Products may be subject to such a claim, Licensor reserves the right to: (i) replace the Licensed Products with functionally equivalent Software or Subscription Data; (ii) modify such Licensed Products while retaining substantively equivalent functionality; (iii) procure at no cost to Licensee the right to continue to use such Licensed Products; or (iv) if the foregoing is not commercially reasonable, direct Licensee to terminate use of such Licensed Products. If Licensor directs Licensee to terminate use of such Licensed Products (or a permanent injunction is issued against such use), Licensee will immediately terminate such use and Licensee's remedies, in addition to the indemnification set out herein, will be limited to a pro rata refund of the current maintenance fees unused at the time of termination plus license fees previously paid for such Licensed Products that are subject to the infringement or misappropriation claim based on: (i) a term of sixty (60) months following execution of the applicable Order for a perpetual license; or (ii) any pre-paid but unused fees for the balance of a limited term license.

c) Licensor will have no obligation to indemnify Licensee under this Section 7 if the infringement or misappropriation results from Licensee's (i) modification of the Licensed Products; (ii) combination, operation or use of the Licensed Products with non-Licensor software products if such claim of infringement or misappropriation would have been avoided had such combination, operation or use not occurred; (iii) use of the Licensed Products in breach of this Agreement or an Order; or (iv) use of other than the most current release of the Licensed Products if such claim of infringement or misappropriation could have been avoided by Licensee's use of such current release of the Licensed Products, provided Licensor delivered such superseding version to Licensee and notified Licensee of the need to use such version.

8. Maintenance; Renewal of Term License.

a) Licensee will obtain Maintenance Services for Licensed Products for the initial term set forth in the Order and for the fees set forth therein. Following such initial term, Licensee may elect to purchase additional Maintenance Services in twelve (12) month terms at Licensor's then current rates in accordance with this Section 8.

b) Maintenance Services consist of: (i) reasonable amounts of telephone support to assist Licensee with the use of the Licensed Products in accordance with the Support Guidelines; (ii) Enhancements provided to other licensees of the Licensed Products who have paid for Maintenance Services for the current maintenance term; (iii) Subscription Data, as applicable; and (iv) the correction of errors or non-conformities with the Licensed Products in accordance with the Support Guidelines. Telephone support is provided only to the individuals located at a single designated location. If Licensor is unable to correct a reported error or non-conformity that is classified in the Support Guidelines as a critical or high severity level problem within thirty (30) days following notice from Licensee or an additional period of time reasonably agreed to by the parties, Licensee may terminate Maintenance Services for such Licensed Products and receive, as its remedy, a pro-rata refund of the fees paid for Maintenance Services for the balance of the existing maintenance term.

c) Maintenance Services for the Licensed Products may be terminated by Licensee prior to the end of a term upon notice to Licensor. Licensor may terminate Maintenance Services for the Licensed Products upon at least ninety (90) days written notice to Licensee prior to the end of any term or upon one hundred eighty (180) days written notice to Licensee for any superseded versions of the Licensed Products or if the Licensed Products are licensed for use on an operating system or Computer that is no longer supported by their developer or manufacturer.

d) If Licensee terminates or declines to renew Maintenance Services for the Licensed Products and subsequently elects to renew Maintenance Services, Licensee will pay to Licensor the fees for the subsequent twelve (12) month renewal term plus three times (3x) the applicable fees for the total period of non-maintenance.

e) Prior to the expiration of the term to any Licensed Products licensed on a limited term, Licensee may renew or extend the term license for such Licensed Products upon agreement by Licensor at rates and for the duration set forth in a quote issued by Licensor. Licensee may issue Licensor a purchase order for such renewal as set forth in the quote, provided such purchase order will: (i) incorporate the terms of the Agreement and the applicable Order, as may be amended; and (ii) not introduce any new terms. The parties agree that any pre-printed terms on such purchase order will have no force or effect, and Licensor hereby expressly disclaims any acceptance of such additional terms. If a Licensee has a term license to the Licensed Products, Licensee must renew the term license in order to purchase and obtain additional Maintenance Services for such Licensed Products.

9. Training; Services.

a) In consideration of the fees for training set out in an Order, Licensee may attend the training class identified therein. Licensee

must attend and, if the training is on-site at Licensee's location, permit Licensor to perform the training course prior to the expiration date set out in the Order. If Licensee fails to have personnel attend the training class or permit Licensor to perform the training class prior to such expiration date, Licensor will not provide Licensee with a refund of the training fees or be obligated to perform the training. Unless otherwise specified in an Order, training will be provided at one of Licensor's training locations. Licensee will be solely responsible for all travel-related expenses incurred in attending such training. If an Order provides for training at Licensee's location, Licensee will pay for all reasonable travel-related expenses incurred by Licensor in the performance of the training.

b) Licensor, upon Licensee request, may perform additional consulting and professional services for Licensee ("Services"). Any Services performed by Licensor will be set forth in a Statement of Work ("SOW") executed by the parties and governed by the terms of this Agreement and addendum to this Agreement executed by the parties.

10. Warranties; Disclaimers.

a) Licensor represents and warrants that it has the right to grant to Licensee the rights granted hereunder.

b) Licensor represents and warrants that during the Warranty Period the Licensed Products will perform all material functions set out in the Documentation for such Licensed Products and otherwise operate in substantial accordance with such Documentation. If, during the Warranty Period the Licensed Products fail to comply with this warranty, Licensee must notify Licensor in writing of any alleged errors or non-conformities with the Licensed Products. Licensor will have thirty (30) days from receipt of such notice or an additional period of time as reasonably agreed to by the parties to correct such errors or non-conformities in accordance with the Support Guidelines. If Licensor is unable to timely correct such errors or non-conformities, Licensee may elect to terminate the license to such Licensed Products. If Licensee terminates the license to such Licensed Products during the Warranty Period in accordance with this Section, Licensee will, as its remedy, receive a refund of all fees previously paid for such Licensed Products.

c) LICENSOR DOES NOT WARRANT THAT THE LICENSED PRODUCTS WILL OPERATE ERROR-FREE OR THAT LICENSOR WILL CORRECT ALL PRODUCT ERRORS INCLUDING THOSE DESIGNATED AS MEDIUM OR LOW SEVERITY LEVEL ISSUES. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, THE LICENSED PRODUCTS ARE PROVIDED "AS IS" AND LICENSOR AND ITS THIRD PARTY SUPPLIERS DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE LICENSED PRODUCTS AND SERVICES FURNISHED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, RELIABILITY COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE IN TRADE.

d) LICENSOR WILL NOT BE LIABLE FOR ANY CLAIMS OR DAMAGES CAUSED BY THE UNAUTHORIZED USE OF THE LICENSED PRODUCTS OR ACTS OF ABUSE OR MISUSE BY

LICENSEE. IN ADDITION, LICENSOR WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE IN CONNECTION WITH OR ARISING OUT OF THE INTERRUPTION OR LOSS OF USE OF THE LICENSED PRODUCTS OR THE LOSS OR CORRUPTION OF LICENSEE'S DATA OR FILES PROCESSED OR STORED BY THE LICENSED PRODUCTS.

e) THE LICENSED PRODUCTS MAY CONTAIN A DISABLING DEVICE OR DEVICE REQUIRING ENABLEMENT: (i) TO COMPLY WITH REQUIREMENTS OF REGULATORY AUTHORITIES; (ii) TO PREVENT USE OF THE LICENSED PRODUCTS BEYOND THE TERM OF A LICENSE IDENTIFIED IN AN ORDER OR ON A COMPUTER OTHER THAN THE COMPUTER AUTHORIZED IN AN ORDER; AND/OR (iii) TO PREVENT USE OF THE LICENSED PRODUCTS IN EXCESS OF ANY TRANSACTIONS (OR OTHER RESTRICTIONS) OR BY MORE THAN THE NUMBER OF USERS SET OUT IN AN ORDER.

11. Limitation of Liability.

A) DISCLAIMER. NEITHER PARTY NOR PBSI'S THIRD PARTY SUPPLIERS WILL BE LIABLE FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, BUSINESS INTERRUPTION, OR LOST DATA, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

B) MAXIMUM LIABILITY. IN ANY EVENT, EITHER PARTY'S (AND LICENSOR'S THIRD PARTY SUPPLIER'S) MAXIMUM LIABILITY FOR ANY CLAIM ARISING IN CONNECTION WITH THIS AGREEMENT OR ANY ORDER OR SOW (IN TORT, CONTRACT OR OTHERWISE) WILL NOT EXCEED THE AMOUNT OF FEES PAID BY LICENSEE TO LICENSOR UNDER THE APPLICABLE ORDER OR SOW.

C) EXCLUSIONS. THE FOREGOING DISCLAIMER SET FORTH IN SECTION 11(A) DOES NOT APPLY TO LICENSEE'S BREACH OF SECTION 5(A) (GENERAL USE RESTRICTIONS) OR LICENSOR'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 7. THE FOREGOING MAXIMUM LIABILITY SET FORTH IN SECTION 11(B) DOES NOT APPLY TO LICENSEE'S BREACH OF SECTION 4 (USE OF LICENSED PRODUCTS), SECTION 5 (GENERAL USE RESTRICTIONS), LICENSEE'S OBLIGATIONS TO PAY AMOUNTS DUE UNDER AN ORDER OR SOW, OR LICENSOR'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 7.

12. Term; Termination.

a) This Agreement will commence as of the date set forth above and will continue in effect until terminated as set forth in this Agreement or as agreed to in writing signed by both parties. Each Order or SOW will be effective as of the date set forth in such Order or SOW and will remain in effect until its expiration. Any Order entered into before the termination of this Agreement will remain in full force and effect for its entire term and this Agreement will remain in full force and effect for purposes of such Order until the termination of such Order, or in the case of perpetual licenses granted under an Order, for the duration of the license.

b) Either party may terminate this Agreement or any Order by written notice to the other party if the other party commits a material breach of this Agreement or the applicable Order and fails to cure such breach within thirty (30) days after receipt of such notice, or an additional period of time as agreed to by the parties.

c) Upon: (i) expiration of a term license to any of the Licensed Products, unless such term license is renewed; (ii) termination or expiration of the license to any of the Licensed Products for any reason; or (iii) termination of an Order, Licensee will immediately cease use of the applicable Licensed Products and delete and/or remove all copies of such products from its servers, terminals and other computer systems and promptly return or destroy all copies of the Licensed Products, Documentation and any other Licensor confidential and proprietary information in Licensee's possession. If requested, Licensee will certify compliance with the foregoing in writing.

d) Sections 6 (Fees, Payment Terms), 7 (Indemnification), 10 (Warranties, Disclaimers), 11 (Limitation of Liability), 12 (Term, Termination), 16(e) (General), 17 (Applicable Law), 18 (Verification) and other sections that by their nature are intended to survive will survive termination of this Agreement or an Order indefinitely or to the extent set out therein.

13. Force Majeure. Except for Client's payment obligations, neither party is responsible from any delay or failure to perform resulting from causes beyond its reasonable control.

14. Assignment. Licensee is not permitted to transfer or assign (by operation of law or otherwise) any of its rights or obligations under an Order or this Agreement without the prior written consent of Licensor, which consent will not be unreasonably withheld, delayed or denied. Any such transfer or assignment without Licensor's written consent will be void and of no force and effect.

15. Publicity. Subject to Licensee's consent, which will not be unreasonably withheld, delayed or denied, Licensor may prepare a press release, case study or other collateral regarding Licensee's use of the Licensed Products. Otherwise, neither party will use the name of the other party in publicity releases or similar activity without the consent of the other party except Licensor can use Licensee's name in Licensor's client list.

16. General.

a) No waiver of any breach of any provision of this Agreement or an Order by either party or the failure of either party to insist on the exact performance of any provision of this Agreement or an Order will constitute a waiver of any prior, concurrent or subsequent breach of performance of the same or any other provisions hereof, and no waiver will be effective unless made in writing.

b) Any notice alleging a breach of this Agreement must be in writing and be sent by overnight courier or delivered in person to the party's address set forth in this Agreement. Any other notice required to be provided by Licensor under this Agreement may be sent by postal mail service or e-mail to the individual designated by Licensee.

Any notice delivered to Licensor hereunder must be sent to the attention of "Contract Administration."

c) If any provision of this Agreement or an Order, or portion thereof, is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision will be severed and the remaining provisions of the Agreement or Order will remain in full force and effect.

d) If physical delivery of the Licensed Products is required, delivery of the Licensed Products will be FOB point of origin (within the United States) and for deliveries outside of the United States or from any country outside of the United States, delivery will be Carriage Paid To (CPT). Licensor may, to the extent available, deliver the Licensed Products, Enhancements or key codes electronically via the Internet or permit Licensee to download the Licensed Products, Enhancements or key codes from Licensor's website.

e) Licensee agrees not to export, re-export, or provide the Licensed Products to: (i) any country to which the United States has embargoed goods; (ii) any person on the U.S. Treasury Department's list of Specially Designated Nationals; (iii) any person or entity on the U.S. Commerce Department's Denied Persons List; or (iv) any person or entity where such export, re-export or provision violates any U.S. Export control or regulation.

f) Each party will act as an independent contractor and employees of each party will not be considered to be employees of the other party. No agency, partnership, joint venture or other joint relationship is created by this Agreement. Neither party may make any commitments binding on the other, nor may either party make any representation that they are acting for, or on behalf of, the other.

17. Applicable Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York without regard to its principals of conflict of laws. In the event of any dispute arising out of or relating to this Agreement, a suit will be brought only in a federal or state court of competent jurisdiction located in New York County in the State of New York.

18. Verification. Upon ten (10) days written notice, Licensor or its designated third party may verify Licensee's compliance with the terms of the Agreement and applicable Order at all locations and for all environments in which Licensee uses the Licensed Products. Such verification will take place no more than one (1) time per twelve (12) month period during normal business hours in a manner which minimizes disruption to Licensee's work environment. Licensor may use an independent third party under obligations of confidentiality to provide assistance. Licensor will notify Licensee in writing if any such verification indicates that Licensee has used the Licensed Products in excess of the use authorized by the Agreement or Order. Licensee agrees to promptly enter into an Order and pay all associated fees directly to Licensor for the charges that Licensor specifies including, but not limited to: (i) any excess use; (ii) maintenance and/or subscription fees for the excess use for the duration of such excess or (2) two years, whichever is less; and (iii) any additional charges determined as a result of such verification.

19. U.S. Government Restricted Rights. If Licensee is an agency of the United States Government, the Licensed Products will be deemed "commercial computer software" or "commercial computer software documentation" and the Governments rights with respect to such Licensed Products and Documentation are limited by the terms of this Agreement, pursuant to FAR § 12.212(a) and/or DFARS § 227.7202-1(a), as applicable.

20. Entire Agreement. This Agreement and each Order and all appendices, exhibits, schedules and attachments hereto constitute the sole and complete agreement between the parties with regard to its subject matter, may not be modified or amended except by a writing signed by both parties except as otherwise indicated herein, and supersedes all proposals, understandings, representations, prior agreements or communications relating to the Licensed Products and the subject matter of this Agreement. This Agreement also supersedes any pre-printed terms contained on any purchase order or similar document issued by Licensee and any such terms will have no force or effect. Neither this Agreement nor any Order will be construed against the party that has prepared such Agreement or Order, but instead will be construed as if both parties prepared the Agreement or Order.

Agreed to and accepted:

PITNEY BOWES SOFTWARE INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT 1

ORDER #

This Order #__ (the "Order") to Master License Agreement # _____, and any amendments thereto (collectively, the "Agreement") is made and entered into effective this _____ day of _____, 201____, by and between:

Pitney Bowes Software Inc., a Delaware corporation ("Licensor") ("Licensee")
One Global View
Troy, New York 12180

1. LICENSED PRODUCTS:

Licensed Products	Term of License	Number of Copies	Type of Operating System	Number of [Users] [Transactions] [Data Records]	Application

2. LICENSE AND MAINTENANCE/SUBSCRIPTION FEES:

Licensed Products	License Fees	Maintenance Fees (12 months)	Subscription Fees (12 months)

3. COMPUTER:

Manufacturer	Model Number	Serial Number	Number of Processor Cores	MIPS/MSUs

4. INSTALLATION SITE(S):

5. TRAINING:

Class (at Licensor location)	Number of Students	Fee	Expiration Date

6. ADDITIONAL PROVISIONS:

7. GENERAL:

- A. The terms of this Order, including the license or rights granted herein and applicable fees, are conditioned upon Licensee's execution and Licensor's receipt of this Order by _____. If Licensee fails to execute and return this Order to Licensor by such date, Licensor may, in its sole discretion, decline to honor the terms of this Order, including the fees and license set out herein.
- B. The Agreement is supplemented as set forth herein. Otherwise, all the terms and conditions of the Agreement not amended herein will remain in full force and effect and are incorporated herein.

Agreed to and accepted by:

Licensor

By: _____

Name: _____

Title: _____

Date: _____

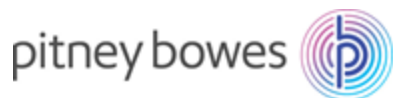
Licensee

By: _____

Name: _____

Title: _____

Date: _____



Customer Satisfaction Guarantee

Pitney Bowes Document Messaging Technologies division (“Pitney Bowes DMT”) is committed to providing our clients with the finest products backed by the highest quality care and service. Our DMT production facility is ISO9000 certified, ensuring quality products and services.

Pitney Bowes DMT promises to provide the customer satisfaction guarantee for the following:

Applicable equipment covered by a Pitney Bowes DMT Equipment Maintenance Agreement within the United States

Applicable equipment:

- Inserters: MSE, MPS, MPS Select, Rival
- Sorters: Olympus II Flexible Tier (Multi-Tier), Olympus II Single-Tier, Vantage, VariSort, EZ Flats, Reliant

Applies to new equipment only

GUARANTEED PRODUCT PERFORMANCE

For all new products, as referenced above, we guarantee performance to our specifications for the initial term of the lease or three years if purchased outright provided that the equipment has been appropriately maintained according to Pitney Bowes DMT specifications. If, during that period, the product does not perform to our specifications, and we cannot repair it, we will replace it with a comparable product. Should a malfunction occur due to the use of a non-Pitney Bowes consumable supply or unapproved software/hardware modification, this guarantee will not apply.

GUARANTEED NATIONWIDE EQUIPMENT SERVICE

Our nationwide service force will respond to service and preventative maintenance requests as part of your equipment maintenance agreement. Your service manager will provide you with a formal escalation process, which will be adhered to in the unlikely event that an extended outage occurs.

OPERATOR PRODUCTIVITY AND TRAINING EXCELLENCE

For all products that we install, our skilled professionals will effectively deliver the agreed upon installation and training services. We will also certify with our standard training program for clients, up to two lead operators for each inserter system purchased.

At Pitney Bowes, we are committed to maintaining long-term relationships with our clients.

A handwritten signature in cursive script that reads "Jason C. Dies".

Jason C. Dies
President, Document Messaging Technologies

This Agreement only applies to Pitney Bowes' DMT Production Equipment Categories (Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment and Software Licenses identified as DMT Licenses) awarded under ADSPO16-00006328 to Pitney Bowes Inc. It is not applicable to other Categories on Attachment C, Pricing.

Municipal Asset Management, Inc. will serve as an Independent Contractor under _____ and will be the Owner under the terms and conditions in the attached Rental Agreement. Municipal Asset Management is willing to negotiate in good faith these terms and conditions with each Participating State to be included in their respective Participating Addendum. With respect to the Rental of the Equipment, the Rental Agreement will prevail in the event of any conflict between it and the Master Agreement _____.

RENTAL AGREEMENT

Renter:

«RenterName»
«RenterAddress»
«RenterCityStateZip»

Owner:

«OwnerName»
«OwnerAddress»
«OwnerCityStateZip»

Federal ID # _____

Federal ID # _____

Dated as of «RentalAgreementDate»

This Rental Agreement dated as of the date listed above is between Owner and Renter listed directly above. Owner desires to rent the Equipment described in Exhibit "A" to Renter and Renter desires to rent the Equipment from Owner subject to the terms and conditions of this Agreement which are set forth below.

I. Definitions:

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Rental Agreement and all Exhibits attached hereto.

"Budget Year" means the Renter's fiscal year.

"Commencement Date" is the date when Renter's obligation to pay rent begins.

"Equipment" means all of the items of Equipment listed on Exhibit "A" and all replacements, restorations, modifications and improvements.

"Owner" means the entity originally listed above as Owner or any of its assignees.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Renter.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Renter's Budget Year.

"Rental Payments" means the payments Renter is required to make under this Agreement as set forth on Exhibit "B".

"Rental Term" means the Original Term and all Renewal Terms.

"Renter" means the entity listed above as Renter and which is renting the Equipment from Owner under the provisions of this Agreement.

"State" means the state in which Renter is located.

II. Renter Warranties

Section 2.01. Renter represents, warrants and covenants as follows for the benefit of Owner or its assignees:

- (a) Renter is authorized to enter into this Agreement, and has used such authority to properly execute and deliver this Agreement. Renter has followed all proper procedures of its governing body in executing this Agreement. The Officer of Renter executing this Agreement has the authority to execute and deliver this Agreement. This Agreement constitutes a legal, valid, binding and enforceable obligation of the Renter in accordance with its terms.
- (b) Renter has complied with all statutory laws and regulations that may be applicable to the execution of this Agreement.
- (c) Renter has never non-appropriated funds under an Agreement similar to this Agreement.
- (d) Upon request by Owner, Renter will provide Owner with current financial statements, reports, budgets or other relevant fiscal information.
- (e) Renter presently intends to continue this Agreement for the Original Term and all Renewal Terms as set forth on Exhibit "B" hereto. The official of Renter responsible for budget preparation will include in the budget request for each Budget Year the Rental Payments to become due in such Budget year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Rental Payments coming due therein. Renter reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (f) If Renter cancels or terminates this Agreement prior to the expiration of the Rental Term (other than for non-appropriations), Renter shall pay a termination charge equal to the net present value of the monthly Rental Payments remaining through the completion of the Rental Term, discounted to present value at a rate of 5% per year.

III. Use of Equipment and Rental Payments

Section 3.01. Installation and Acceptance. Renter shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. Renter has selected or will select all of the Equipment and the manufacturer or supplier thereof (the "Supplier(s)") and therefore acknowledges that Owner has not selected, manufactured, supplied or provided any Equipment. In reliance upon Renter's execution of and compliance with this Agreement and assignment of Renter's purchase rights for the Equipment to Owner, Owner shall issue its purchase order to the Supplier(s) for the Equipment. As soon as practicable after the date on which the Equipment have been delivered and determined by Supplier(s) to be ready for use at Renter's location (the "Acceptance Date"), Renter will execute a Certificate of Acceptance in the form attached and dated as of the Acceptance Date. If (i) no Event of Default has occurred, (ii) Owner receives such executed Certificate of Acceptance, all other documents and information required under this Agreement, and (iii) Owner receives appropriate invoices and related documents from Supplier(s), Owner shall pay the Supplier(s) for the Equipment. Renter shall arrange with the Supplier(s) for delivery and installation of Equipment. All Equipment shall be shipped directly from Supplier(s) to Renter. Owner shall have no liability for any delay or failure by the Supplier(s) to deliver and install Equipment, or to perform any services, or with respect to the selection, installation, testing, performance, quality, maintenance or support of the Equipment. Renter, at its expense, will pay all transportation, packing, taxes, duties, insurance, installation, testing, maintenance and other charges in connection with the delivery, installation and use of the Equipment.

Section 3.02. Rental Payments. Renter shall pay Rental Payments exclusively to Owner or its assignees in lawful, legally available money of the United States of America. The Rental Payments shall be sent to the location specified by the Owner or its assignees. The Rental Payments shall constitute a current expense of the Renter and shall not constitute an indebtedness of the Renter. Owner shall have the option to charge interest at the highest lawful rate on any Rental Payment received later than the due date, plus any additional accrual on the outstanding balance for the number of days that the Rental Payment(s) were late. Owner shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Rental Payment that is past due. The Rental Payments will be payable without notice or demand. The Rental Payments will be payable without notice or demand. Renter shall pay or, if requested by Owner, reimburse Owner for any and all sales, use, personal property, or other taxes, fees or assessments levied against or imposed upon the Equipment, its value, use or operation.

Section 3.03. Rental Payments Unconditional. Except as provided under Section 4.01, THE OBLIGATIONS OF RENTER TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE.

Section 3.04. Rental Term. The Rental Term of the Agreement shall be the Original Term and all Renewal Terms until all the Rental Payments are paid as set forth on Exhibit B.

Section 3.05. Disclaimers.

- (a) OWNER, NOT BEING THE SUPPLIER OR THE AGENT OF ANY SUPPLIER, MAKES NO WARRANTY, REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO THE MERCHANTABILITY OF THE EQUIPMENT OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE DESIGN, QUALITY, CAPACITY OR CONDITION OF THE EQUIPMENT COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENT OF ANY LAW, RULE, SPECIFICATION OR CONTRACT, PATENT OR COPYRIGHT INFRINGEMENT, OR LATENT DEFECTS. OWNER SHALL HAVE NO LIABILITY WHATSOEVER FOR THE BREACH OF ANY REPRESENTATION OR WARRANTY MADE BY THE SUPPLIER(S). OWNER MAKES NO REPRESENTATION AS TO THE TREATMENT BY RENTER OF THIS AGREEMENT FOR FINANCIAL STATEMENT OR TAX PURPOSES. RENTER AGREES THE EQUIPMENT IS "AS IS." Renter

agrees, regardless of cause, not to assert any claim whatsoever against Owner for any indirect, consequential, incidental or special damages or loss, of any kind, including, without limitation, any loss of business, lost profits or interruption of service. Any action by Renter against Owner for any default by Owner under this Agreement shall be commenced within one (1) year after any such cause of action accrues.

(b) Renter shall look solely to the Supplier(s) for any and all claims related to the Equipment. RENTER UNDERSTANDS AND AGREES THAT NEITHER SUPPLIER(S) NOR ANY SALESPERSON OR OTHER AGENT OF SUPPLIER(S) IS AN AGENT OF OWNER, NOR ARE ANY OF THEM AUTHORIZED TO WAIVE OR ALTER THIS AGREEMENT. No representation by Supplier(s) shall in any way affect Renter's duty to pay the Rental Payments and perform its obligations under this Agreement.

Section 3.06 End of Rental Term Options. Renter may, if no Event of Default then exists, (i) purchase all (but not less than all) of the Equipment by paying Owner the fair market value of the Equipment, (ii) renew this Agreement for a period of not less than three (3) months at a monthly Rental Payment of \$_____, or (iv) return Equipment to the Owner pursuant to Section 3.07. Renter must provide Owner written notice of the option selected not less than 90 days prior to the end of the Rental Term. If such notice is not received, Agreement will automatically renew for one year at the current Rental Payment. If Renter elects to purchase Equipment, Renter shall, on the last day of the Rental Term, pay to Owner the purchase price for Equipment in cash; and upon receipt of such payment Owner shall transfer to Renter title to the Equipment, free and clear of any claim, lien or encumbrance (other than those held by parties claiming by, through or under Renter), but without recourse, representation or any other warranty, express or implied, "AS IS", in its then condition and location. Renter shall be responsible for all applicable sales, use, personal property and other taxes.

Section 3.07. Surrender. Once Renter has made all of the Rental Payments set forth under Exhibit B, Renter, at its sole expense, shall pay original supplier to teardown, remove, and for the return of Equipment to Owner's storage facility. Owner and Renter shall inspect the Equipment upon their removal, and the results of such inspections shall be conclusive as to any damage to the Equipment above ordinary wear and tear. Renter shall be responsible for the prompt payment of any and all damages to or reduction in value of the Equipment. At the conclusion of the Agreement, the Renter hereby grants to Owner a ninety (90) day rent free period of time after termination for the Owner to remove the Equipment.

IV. Non-Appropriation

Section 4.01. Non-Appropriation. If insufficient funds are available in Renter's budget for the next budget year to make the Rental Payments for the next Renewal Term and the funds to make such Rental Payments are otherwise unavailable by any lawful means whatsoever, then Renter shall have the option to non-appropriate the funds to pay the Rental Payments for the next Renewal Term. Lack of a sufficient appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Renter specifically prohibiting Renter from performing its obligations under this Agreement and from using any moneys to pay the Rental Payments due under this Agreement for a designated Budget Year and all subsequent Budget Years. If Renter chooses this option, then all obligations of the Renter under this Agreement regarding Rental Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Renter of any kind provided that if Renter has not delivered possession of the Equipment to Owner as provided herein and conveyed to Owner or released its interest in the Equipment by the end of the last Budget Year for which Rental Payments were paid, the termination shall nevertheless be effective but Renter shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due under Exhibit "B" which are attributable to the number of days after such Budget Year during which Renter fails to take such actions and for any other loss suffered by Owner as a result of Renter's failure to take such actions as required. Renter shall immediately notify the Owner as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Renter shall deliver the Equipment to Owner as provided below in Section 9.04. Renter shall be liable for all damage to the equipment other than normal wear and tear. If Renter fails to deliver the Equipment to Owner, then Owner may enter the premises where the Equipment is located and take possession of the Equipment and charge Renter for costs incurred.

V. Insurance, Damage, Insufficiency of Proceeds, Indemnification

Section 5.01. Insurance. Renter shall maintain both casualty and liability insurance at its own expense with respect to the Equipment. Renter shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Renter is required to make Rental Payments. Renter shall provide Owner with a Certificate of Insurance which lists the Owner and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment. Renter shall insure the Equipment against any loss or damage in an amount at least equal to the then applicable Stipulated Loss Value of the Equipment. Renter may self-insure against the casualty and liability risks described above. If Renter chooses this option, Renter must furnish Owner with a certificate and/or other documents which evidences such self insurance. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Owner or its assignees. Renter shall furnish to Owner certificates evidencing such coverage throughout the Rental Term.

Section 5.02. Damage to or Destruction of Equipment. Renter assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Renter will immediately report all such losses to all possible insurers and take the proper procedures to attain all insurance proceeds. At the option of Owner, Renter shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Stipulated Loss Value. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03. Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Renter shall, at the option of Owner, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Stipulated Loss Value and pay the deficiency, if any, to the Owner.

Section 5.04. Indemnity. As allowed by state law, Renter assumes liability for, and agrees to and does hereby indemnify, protect and keep harmless, Owner, its successors and assigns, and their respective agents, employees, officers and directors from and against any and all claims, liability, loss, cost, damage or expense (including reasonable attorneys' fees), of whatsoever kind and nature including but not limited to those arising out of or caused by the negligence of Renter, and their respective agents or employees, arising out of the use, condition, operation, possession, control, selection, delivery or return of any item of Equipment, regardless of where, how, and by whom operated, and any failure by Renter to comply with this Agreement. The foregoing indemnities (i) include, without limitation, claims, loss, cost, damage or expense suffered or incurred as a result of any defect in the Equipment, Software or Services (whether discoverable or not) or based upon any theory of liability (including strict liability doctrines or statutes) and (ii) shall only apply with respect to events prior to the return of the Equipment.

VI. Title and Security Interest

Section 6.01. Title. Title to the Equipment shall vest in Owner upon execution of this Agreement. Title to the Equipment will remain with the Owner throughout the Rental Term. Renter shall be responsible for the filing fees, charges, and any other costs associated with the registration of the title. Renter agrees that Owner or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Renter which Owner deems necessary or appropriate to protect Owner's interest in the Equipment and in this Agreement.

Section 6.02. Owner. Renter acknowledges and agrees that Owner is sole and exclusive owner of the Equipment, and that by the execution of this Agreement, Renter shall not possess or obtain any ownership interest, legal or equitable, in the Equipment, except solely as Renter hereunder and subject to the terms hereof. The Equipment is and shall at all times be and remain, personal property, notwithstanding that the Equipment or any part thereof may now be, or hereafter become in any manner affixed or attached to real property.

VII. Assignment

Section 7.01. Assignment by Owner. All of Owner's rights, title and/or interest in the Rental Payments may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Owner at any time without the consent of Renter. No such assignment shall be effective as against Renter until the assignor shall have filed with Renter written notice of assignment identifying the assignee. Renter shall pay all Rental Payments due hereunder

relating to such Equipment to or at the direction of Owner or the assignee named in the notice of assignment. Renter shall keep a complete and accurate record of all such assignments.

Section 7.02. Assignment by Renter. None of Renter's right, title and interest under this Agreement and in the Equipment may be assigned by Renter unless Owner approves of such assignment in writing before such assignment occurs.

VIII. Maintenance of Equipment

Section 8.01. Renter shall pay any and all fees, property taxes or other taxes, charges and expenses and comply with all laws related to the use, possession, and operation of the Equipment while it is in Renter's possession, including obtaining all approvals and permits related to the use and/or possession of the Equipment. Renter shall maintain and keep the Equipment in good repair and safe operating condition during the term of this Agreement in accordance to Supplier's recommendations including but not limited to regular maintenance of all HVAC equipment. Renter will be liable for all damage to the Equipment, other than normal wear and tear, caused by Renter, its employees or its agents. Renter shall not during the term of this Agreement create, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment except those created by this Agreement. Renter shall allow Owner to examine and inspect the Equipment at all reasonable times.

IX. Default

Section 9.01. Events of Default defined. The following events shall constitute an "Event of Default" under this Agreement:

- (a) Failure by Renter to pay any Rental Payment listed on Exhibit "B" for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit "B".
- (b) Failure to pay any other payment required to be paid under this Agreement at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Owner that such payment must be made. If Renter continues to fail to pay any payment after such period, then Owner may, but will not be obligated to, make such payments and charge Renter for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Renter to observe and perform any warranty, covenant, condition, promise or duty under this Agreement for a period of thirty (30) days after written notice specifying such failure is given to Renter by Owner, unless Owner agrees in writing to an extension of time. Owner will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Renter. Subsection (c) does not apply to Rental Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Renter in or pursuant to this Agreement which proves to be false, incorrect or misleading on the date when made regardless of Renter's intent and which materially adversely affects the rights or security of Owner under this Agreement.
- (e) Any provision of this Agreement which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Owner.
- (f) Renter admits in writing its inability to pay its obligations. Renter defaults on one or more of its other obligations. Renter applies or consents to the appointment of a receiver or a custodian to manage its affairs. Renter makes a general assignment for the benefit of Owners.

Section 9.02. Remedies on Default. Whenever any Event of Default exists, Owner shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Agreement, Owner may declare all Rental Payments and other amounts payable by Renter hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Agreement, Owner may require Renter at Renter's expense to redeliver any or all of the Equipment to Owner as provided below in Section 9.04. Such delivery shall take place within 15 days after the event of default occurs. If Renter fails to deliver the Equipment, Owner may enter the premises where the Equipment is located and take possession of the Equipment and charge Renter for cost incurred. Notwithstanding that Owner has taken possession of the Equipment, Renter shall still be obligated to pay the remaining Rental Payments due up until the end of the then current Original Term or Renewal Term. Renter will be liable for any damage to the Equipment caused by Renter or its employees or agents.
- (c) Owner may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Renter shall be responsible to Owner for all costs incurred by Owner in the enforcement of its rights under this Agreement including, but not limited to, reasonable attorney fees.

Section 9.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Owner is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04. Return of Equipment and Storage.

- (a) **Surrender:** The Renter shall, at its own expense, surrender the Equipment to the Owner in the event of a default by delivering the Equipment to the Owner to a location accessible by common carrier and designated by Owner.
- (b) **Delivery:** The Equipment shall be delivered to the location designated by the Owner by a common carrier unless the Owner agrees in writing that a common carrier is not needed. When the Equipment is delivered into the custody of a common carrier, the Renter shall arrange for the shipping of the item and its insurance in transit in accordance with the Owner's instructions and at the Renter's sole expense. Renter at its expense shall completely sever and disconnect the Equipment or its component parts from the Renter's property all without liability to the Owner. Renter shall pack or crate the Equipment and all of the component parts of the Equipment carefully and in accordance with any recommendations of the manufacturer. The Renter shall deliver to the Owner the plans, specifications operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and such other documents in the Renter's possession relating to the maintenance and methods of operation of such Equipment.
- (c) **Condition:** When the Equipment is surrendered to the Owner it shall be in the condition and repair required to be maintained under this Agreement. It will also meet all legal regulatory conditions necessary for the Owner to sell or lease it to a third party and be free of all liens. If Owner reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Owner may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Renter shall promptly reimburse Owner for all amounts reasonably expended in connection with the foregoing.
- (d) **Storage:** Upon written request by the Owner, the Renter shall provide free storage for the Equipment or any item of the Equipment for a period not to exceed 60 days after the expiration of its lease term before returning it to the Owner. The Renter shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Owner shall reimburse the Renter on demand for the incremental premium cost of providing such insurance.

X. Miscellaneous

Section 10.01. Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 10.02. Binding Effect. Renter acknowledges this Agreement is not binding upon the Owner or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Owner's satisfaction, and Owner has executed the Agreement. Thereafter, this Agreement shall inure to the benefit of and shall be binding upon Owner and Renter and their respective successors and assigns.

Section 10.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.04. Amendments, Addenda, Changes or Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by Owner and Renter.

Section 10.05. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.06. Captions. The captions or headings in this Agreement do not define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 10.07. ARTICLE 2A WAIVERS. In the event that Article 2A of the Uniform Commercial Code is adopted under applicable state law and applies to this Agreement, then Renter, to the extent permitted by law, waives any and all rights and remedies conferred upon a Renter by Sections 2A-508 through 2A-522 of such Article 2A, including, but not limited to, Renter's rights to: (i) cancel or repudiate this Agreement; (ii) reject or revoke acceptance of the Equipment, Software or Services; (iii) claim, grant or permit a security interest in the Equipment in Renter's possession or control for any reason; (iv) deduct from Rental payments or other amounts due hereunder, all or any part of any claimed damages resulting from Owner's default, if any, under this Agreement; (v) accept partial delivery of the Equipment; (vi) "cover" by making any purchase or Agreement of or contract to purchase or Agreement equipment in substitution for Equipment designated in this Agreement; and (vii) obtain specific performance, replevin, detinue, sequestration, claim and delivery or the like for any Equipment identified to this Agreement. To the extent permitted by applicable law, Renter also hereby waives any rights now or hereafter conferred by statute or otherwise which may require Owner to sell, Agreement or otherwise use any Equipment in mitigation of Owner's damages or which may otherwise limit or modify any of Owner's rights or remedies.

Section 10.08. Master Rental. This Agreement can be utilized as a Master Rental Agreement. This means that the Owner and the Renter may agree to the rental of the additional Equipment under this Agreement at some point in the future by executing one or more Additional Schedules to Exhibit A, Exhibit B, Exhibit C and Exhibit D as well as other exhibits or documents that may be required by Owner. For purposes of this section, the term "Additional Schedule" refers to the proper execution of additional Schedules to Exhibit A, Exhibit B, Exhibit C and Exhibit D as well as other exhibits or documents that may be required by the Owner all of which relate to the renting of additional Equipment. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Agreement shall govern to each Additional Schedule.

Section 10.09. Entire Writing. This Agreement constitutes the entire writing between Owner and Renter. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Agreement or the Equipment rented hereunder. Any terms and conditions of any purchase order or other documents submitted by Renter in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Owner and will not apply to this Agreement. If there is a conflict between any terms and conditions in this Agreement and the Master Agreement # _____, this Agreement shall prevail.

Section 10.10. Choice of Law. This Agreement shall be governed according to the laws of the State of the Renter.

Owner and Renter have caused this Agreement to be executed in their names by their duly authorized representatives listed below.

«RENTERNAME»

«OWNERNAME»

Signature

Signature

Typed Name and Title

Typed Name and Title

EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Rental Agreement dated as of «RentalAgreementDate», between «OwnerName» (Owner) and «RenterName» (Renter)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

«EquipmentDescription»

Location of Equipment: _____

EXHIBIT B

PAYMENT SCHEDULE

RE: Rental Agreement dated as of «RentalAgreementDate», between «OwnerName» (Owner) and «RenterName» (Renter)

Date of First Payment: «FirstPaymentDueDate»
Original Balance: \$«LoanAmount»
Total Number of Payments: «TotalNumberOfPayments»
Number of Payments Per Year: «NumberofPaymentsPerYear»

Pmt. No.	Due Date	Rental Payment	*Stipulated Loss Value
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«RenterName»

Signature

Typed Name and Title

**Assumes all Rental Payments due to date are paid*

EXHIBIT C

CERTIFICATE OF ACCEPTANCE

RE: Rental Agreement dated as of «RentalAgreementDate», between «OwnerName» (Owner) and «RenterName» (Renter)

I, the undersigned, hereby certify that I am a duly qualified representative of Renter and that I have been given the authority by the Governing Body of Renter to sign this Certificate of Acceptance with respect to the above referenced Agreement. I hereby certify that:

1. The Equipment described on Exhibit A has been delivered and installed in accordance with Renter's specifications.
2. Renter has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
4. The governing body of Renter has approved the authorization, execution and delivery of this Agreement on its behalf by the authorized representative of Renter who signed the Agreement.
5. Please list the Source of Funds (Fund Item in Budget) for the Rental Payments that come due under Exhibit B of this Agreement.

_____»
«SourceOfFunds»

If the above Source of Funds is solely a grant type fund, then the Renter, by signing below, hereby authorizes the General Fund of the Renter as a backup source of funds from which the Rental Payments can be made.

«RenterName»

Signature

Typed Name and Title

EXHIBIT D

CERTIFICATE OF AUTHORIZATION

**RE: Rental Agreement dated as of «RentalAgreementDate», between «OwnerName» (Owner) and «RenterName»
(Renter)**

[TO BE REPLACED BY
COPY OF PURCHASING
STATUTE OR
GUIDELINES.]

INSURANCE REQUIREMENTS

Pursuant to Article V in the Rental Agreement, you have agreed to provide us evidence of insurance covering the property in the Agreement. A Certificate of Insurance naming all insured parties and coverages must be determined to us as soon as possible, but no later than the date on which delivery of equipment occurs. **If you have not taken possession of the equipment, please write a memo to «OwnerName» stating your carrier, insurance agent and telephone number to reach them upon delivery.**

In the case of self-insurance, the amount of liability and physical damage coverage are to be listed on some form of certificate supplied by you. In addition, information regarding the nature of your self-insurance program should also be forwarded to us as soon as possible.

INSURANCE REQUIREMENTS BY «OwnerName»:

1. LIABILITY

- ✓ Minimum of \$1,000,000.00 combined single-limit on bodily injury and property damage.
- ✓ Owner and/or Its Assigns MUST be listed as additional insured and loss payee.

2. PHYSICAL DAMAGE

- ✓ All risk coverage to guarantee proceeds sufficient to pay the applicable Stipulated Loss Value as set forth in Exhibit B of the Agreement. «OwnerName» MUST be listed as additional insured and loss payee.
- ✓ The deductible amounts listed on the insurance policy should not exceed \$«InsuranceDeductibleAmount».

3. ENDORSEMENT

- ✓ Owner will receive at least thirty (30) days written notice from Insurer prior to alteration, cancellation or reduction of insurance coverage.

PLEASE FAX THE CERTIFICATE TO US AS SOON AS POSSIBLE AT [OWNER'S FAX #] AND MAIL THE ORIGINAL TO:

«OwnerName»
«OwnerAddress»
«OwnerCityStateZip»

YOUR ASSISTANCE IS GREATLY APPRECIATED TO COMPLETE THIS TRANSACTION, IF YOU HAVE ANY QUESTIONS, PLEASE GIVE US A CALL AT [OWNER'S PHONE #].

«RenterName»

Insurance Company: _____

Agent's Name: _____

Telephone #: _____

Fax #: _____

Address, City, State & Zip: _____

This Agreement only applies to Pitney Bowes' DMT Production Equipment Categories (Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment and Software Licenses identified as DMT licenses) awarded under ADSPO16-00006328 - to Pitney Bowes Inc. It is not applicable to other Categories on Attachment C, Pricing.

Municipal Asset Management, Inc. will serve as an Independent Contractor under _____ and will be the Lessor under the terms and conditions in the attached Tax-Exempt Lease/Purchase Agreement. Municipal Asset Management is willing to negotiate in good faith these terms and conditions with each Participating State to be included in their respective Participating Addendum. With respect to the Lease of the Equipment, the Tax-Exempt Lease/Purchase Agreement will prevail in the event of any conflict between it and the Master Agreement _____.

Tax-Exempt Lease/Purchase Agreement, Dated <<StartDate>>

Accepted by Lessor:
_____ _____ _____ (the "Lessor")
By:
Name:
Title:
Telephone:

Agreed to by Lessee:
<<Lessee>> ("Lessee") <<LesseeAddress1>> <<LesseeAddress2>> <<LesseeCity>>, <<LesseeState>> <<LesseeZip>>
By:
Name:
Title:
Telephone:

AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all the Property described in Property Schedule incorporated herein by reference, upon the terms and conditions set forth herein and as supplemented by the terms and conditions set forth in the Property Schedule. This Tax-Exempt Lease / Purchase Agreement together with the Property Schedule shall be defined as the Agreement.

LEASE TERM: The Lease Term of the Property listed in the Property Schedule shall commence upon the commencement date of the Property by Lessee and continue for the time period set forth in the Property Schedule. This Agreement cannot be canceled or terminated by Lessee except as expressly provided herein. This Agreement is a triple net lease.

LEASE PAYMENTS: Lessee shall pay rent to Lessor for the Property in the amounts, and on the dates specified, in the Property Schedule. Lessor and Lessee intend that the obligation of Lessee to pay Lease Payments hereunder shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

NO OFFSET: SUBJECT TO THE RIGHT TO NON-APPROPRIATE, SET FORTH BELOW, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULE AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR. Lessee shall pay when due all taxes, fees and governmental charges assessed or levied against or with respect to the Property.

LATE CHARGES: Should Lessee fail to duly pay any part of any Lease Payment or other sum to be paid to Lessor under this Agreement on the date on which such amount is due hereunder, then Lessee shall pay late charges on such delinquent payment from the due date thereof until paid at the rate of 12% per annum or the highest rate permitted by law, whichever is less.

MAINTENANCE OF PROPERTY: At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, maintain, preserve, and keep the Property in good working order, and condition, and from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals to the Property, which shall become part of the Property. The Property is and will remain personal property.

INSURANCE OF PROPERTY: All risk of loss to the Property shall be borne by the Lessee. At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, cause casualty, public liability, and property damage insurance to be carried and maintained (or shall provide Lessor with a certificate stating that adequate self-insurance has been provided) with respect to the Property, sufficient to protect the full replacement value of the Property and to protect from liability in all events for which insurance is customarily available. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Any insurance policy to be carried and maintained pursuant to this Agreement shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. All such liability insurance shall name Lessor as an additional insured. Each insurance policy carried and maintained pursuant to this Agreement shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially or adversely to the interest of the Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such change of status.

QUIET ENJOYMENT AND TERMINATION OF LESSOR'S INTEREST: To secure Lessee's obligations hereunder, Lessor is granted a security interest in the Property, including substitutions, repairs, replacements and renewals, and the proceeds thereof, which is a first lien thereon. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest. Provided there does not exist an Event of Default as defined herein, the Lessee shall have the right of quiet enjoyment of the Property throughout the Lease Term. If Lessee shall have performed all of its obligations and no default shall have occurred and be continuing under this Agreement, and this Agreement shall not have been earlier terminated with respect to the Property, then, at the end of the Lease Term with respect to any item of Property, Lessor's interest in such Property shall terminate. Unless otherwise required by law, title to the Property shall be in the name of Lessee, subject to Lessor's interest hereunder.

TAX EXEMPTION: The parties contemplate that interest payable under this Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The tax-exempt status of this Agreement provides the inducement for the Lessor to offer financing at the interest rate set forth herein. Therefore, should this Agreement be deemed by any taxing authority not to be exempt from taxation, Lessee agrees that the interest rate shall be adjusted, as of the date of loss of tax exemption, to an interest rate calculated to provide Lessor or its assignee an after tax yield equivalent to the tax exempt rate and Lessor shall notify Lessee of the taxable rate. Provided, however, that the provision of the preceding sentence shall apply only upon a final determination that the interest payments are not excludable from gross income under Section 103(a) of the Code, and shall not apply if the determination is based upon the individual tax circumstances of the Lessor, or a finding that the party seeking to exclude such payments from gross income is not the owner and holder of the obligation under the Code.

REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee hereby represents and warrants to Lessor that: (a) Lessee is a State, possession of the United States, the District of Columbia, or political subdivision thereof as defined in Section 103 of the Code and Treasury Regulations and Rulings related thereto. If Lessee is incorporated, it is duly organized and existing under the Constitution and laws of its jurisdiction of incorporation and will do or cause to be done all things necessary to preserve and keep such organization and existence in full force and effect. (b) Lessee has been duly authorized by the Constitution and laws of the applicable jurisdiction and by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto), to execute and deliver this Agreement and to carry out its obligations hereunder. (c) All legal requirements have been met, and

procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement. (d) The Property will be used by Lessee only for essential governmental or proprietary functions of Lessee consistent with the scope of Lessee's authority and will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use. Lessee's need for the Property is not expected to diminish during the term of the Agreement. (e) Lessee has funds available to pay Lease Payments until the end of its current appropriation period, and it intends to request funds to make Lease Payments in each appropriation period, from now until the end of the term of this Agreement. (f) The Lessee shall comply at all times with all applicable requirements of the Code, including but not limited to the registration and reporting requirements of Section 149, to maintain the federal tax-exempt status of the Agreement. The Lessee shall maintain a system with respect to this Agreement, which tracks the name, and ownership interest of each assignee who has both the responsibility for administration of, and ownership interest in this Agreement. (g) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior written notice to Lessor.

RISK OF LOSS COVENANTS: Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement. However, as between Lessor and Lessee, and to the extent permitted by law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Property, including, but not limited to, the possession, ownership, lease, use or operation thereof, and the loss of federal tax exemption of the interest on any of the Lease Payments, except that Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after Lessee has surrendered possession of the Property in accordance with the terms of the Agreement to Lessor or that arise directly from the gross negligence or willful misconduct of the Lessor.

NON-APPROPRIATION: If sufficient funds are not appropriated to make Lease Payments under this Agreement, this Agreement shall terminate and Lessee shall not be obligated to make Lease Payments under this Agreement beyond the then current fiscal year for which funds have been appropriated. Upon such an event, Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property to Lessor. If Lessee fails to deliver possession of the Property to Lessor, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

ASSIGNMENT BY LESSEE: Without Lessor's prior written consent, Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of the Property, this Agreement or any interest therein.

ASSIGNMENT BY LESSOR: Lessor may assign, sell or encumber all or any part of this Agreement, the Lease Payments and any other rights or interests of Lessor hereunder. Such assignees may include trust agents for the benefit of holders of certificates of participation.

EVENTS OF DEFAULT: Lessee shall be in default under this Agreement upon the occurrence of any of the following events or conditions ("Events of Default"), unless such Event of Default shall have been specifically waived by Lessor in writing: (a) Default by Lessee in payment of any Lease Payment or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Agreement or in the performance of any obligation, covenant or liability contained in this Agreement and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee, or (b) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished, or (c) actual or attempted sale, lease or encumbrance of any of the Property, or the making of any levy, seizure or attachment thereof or thereon, or (d) dissolution, termination of existence, discontinuance of the Lessee, insolvency, business failure, failure to pay debts as they mature, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by the Lessee, or the commencement of any proceedings under any bankruptcy, reorganization or arrangement laws by or against the Lessee.

REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) terminate the Agreement and all of Lessee's rights hereunder as to any or all items of Property; (b) proceed by appropriate court action to personally, or by its agents, take possession from Lessee of any or all items of Property wherever found and for this purpose enter upon Lessee's premises where any item of Property is located and remove such item of Property free from all claims of any nature whatsoever by Lessee and Lessor may thereafter dispose of the Property; provided, however, that any proceeds from the disposition of the Property in excess of the sum required to (i) pay to Lessor an amount equal to the total unpaid principal component of Lease Payments under the Property Schedule, including principal component not otherwise due until future fiscal years, (ii) pay any other amounts then due under the Property Schedule and this Agreement, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property and the Event of Default (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee; (c) proceed by appropriate court action or actions to enforce performance by Lessee of its obligations hereunder or to recover damages for the breach hereof or pursue any other remedy available to Lessor at law or in equity or otherwise; (d) declare all unpaid Lease Payments and other sums payable hereunder during the current fiscal year of the Lease Term to be immediately due and payable without any presentment, demand or protest and / or take any and all actions to which Lessor shall be entitled under applicable law. No right or remedy herein conferred upon or reserved to Lessor is exclusive of any right or remedy herein or at law or in equity or otherwise provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement.

NOTICES: All notices, and other communications provided for herein shall be deemed given when delivered or mailed by certified mail, postage prepaid, addressed to Lessor or Lessee at their respective addresses set forth herein or such other addresses as either of the parties hereto may designate in writing to the other from time to time for such purpose.

AMENDMENTS AND WAIVERS: This Agreement and the Property Schedule executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Property and this Agreement may not be amended except in writing signed by both parties. If there is a conflict between any terms and conditions of this Agreement and the Master Agreement # _____, this Agreement shall prevail.

CONSTRUCTION: This Agreement shall be governed by and construed in accordance with the laws of the Lessee's State. Titles of sections of this Agreement are for convenience only and shall not define or limit the terms or provisions hereof. Time is of the essence under this Agreement. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. This Agreement may be simultaneously executed in counterparts, each shall be an original with all being the same instrument.

Property Schedule to Tax-Exempt Lease/Purchase Agreement

This **Property Schedule** is entered into pursuant to Tax-Exempt Lease/Purchase Agreement dated as of <<StartDate>> between Lessor and Lessee.

1. Interpretation. The terms and conditions of the Tax-Exempt Lease/Purchase Agreement (the "Agreement") are incorporated herein.
2. Commencement Date. The Commencement date of this Property Schedule is <<StartDate>>.
3. Property Description. The Property subject to this Property Schedule is described in Exhibit A, attached hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.
4. Term and Payments. Lease Term and Lease Payments are per Amortization & Payment Schedule. [If the Payment Due Dates are not defined, they shall be defined as the _____ day of each _____ period in the Amortization & Payment Schedule commencing with the Acceptance Date as stated in the Certificate of Acceptance, attached as Exhibit B, hereto.] If the parties enter into an escrow agreement for the acquisition of the Property, then the escrow agreement shall be attached hereto. In lieu of the Acceptance Date for commencement of Lease Payments, the date of deposit of the Property Cost into the escrow by Lessor shall be used. Lessee shall have the option to prepay the Lease Payments due under this Property Schedule by paying the Termination Amount shown in the Amortization & Payment Schedule, plus any other amounts due and owing at the time of prepayment, subject to per diem adjustment.
5. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Lessor at its place of business by <<ExpirationDate>>.
6. Property Cost. The total principal amount under this Property Schedule for the acquisition cost of the Property is <<Amount>>.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit B.
8. Opinion of Counsel. Lessee has provided the opinion of its legal counsel substantially in the form as attached as Exhibit C, hereto.
9. Lessee's Certificate. Lessee has provided the Lessee's Certificate in the form attached as Exhibit D, hereto.
10. Proceeds. Intentionally omitted.
11. Private Activity Issue. Lessee understands that among other things, in order to maintain the exclusion of the interest component of Lease Payments from gross income for federal income tax purposes, it must limit and restrict the rights private businesses (including, for this purpose, the federal government and its agencies and organizations described in the Code § 501(c)(3)) have to use the Property. Each of these requirements will be applied beginning on the later of the Commencement Date or date each portion of the Property is placed in service and will continue to apply until earlier of the end of the economic useful life of the property or the date the Agreement or any tax-exempt obligation issued to refund the Property Schedule is retired (the "Measurement Period").

Lessee will comply with the requirements of Section 141 of the Code and the regulations thereunder which provide restrictions on special legal rights that users other than Lessee or a state or local government or an agency or instrumentality of a state or a local government (an "Eligible User") may have to use the Property. For this purpose, special legal rights may arise from a management or service agreement, lease, research agreement or other arrangement providing any entity except an Eligible User the right to use the Property. Any use of the Property by a user other than an Eligible User is referred to herein as "Non-Qualified Use".

Throughout the Measurement Period, all of the Property is expected to be owned by Lessee. Throughout the Measurement Period, Lessee will not permit the Non-Qualified Use of the Property to exceed 10%.

12. Payment Schedule.

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)

13. Interest Rate. <<InterestRate>>

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives.

Lessor: «Lessor»
By:
Name:
Title:

Lessee: «Lessee»
By:
Name:
Title:

Attest: By
Name:
Title:

EXHIBIT A
Property Description

Vendor Name: <<Vendor>>

Street Address: <<VendorAddress1>>

City, State, Zip Code: <<VendorCity>>, <<VendorState>> <<VendorZip>>

Property:

Equipment as described in <<Vendor>>'s Quote No. <<QuoteNo.>>, dated <<QuoteDate>>, [incorporated herein by this reference][inserted below].

Lessee: <<Lessee>>
By:
Name:
Title:

EXHIBIT B
Certificate of Acceptance to Tax-Exempt Lease/Purchase Agreement

This **Certificate of Acceptance** is pursuant to Tax-Exempt Lease/Purchase Agreement dated as of <<StartDate>> and the related Property Schedule, between Lessor and Lessee (the "Agreement").

1. Property Acceptance. Lessee hereby certifies and represents to Lessor that the Property referenced in the Agreement has been acquired, made, delivered, installed and accepted as of the date indicated below. Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes. Lessee will immediately begin making Lease Payments in accordance with the times and amounts specified herein. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed by their duly authorized representative.

Acceptance Date:
Lessee: <<Lessee>>
By:
Name:
Title:

EXHIBIT C

Lessee's Counsel's Opinion

[To be provided on letterhead of Lessee's counsel.]

<<StartDate>>

_____ (the "Lessor")

<<Lessee>> ("Lessee")

<<LesseeAddress1>>

<<LesseeAddress2>>

<<LesseeCity>>, <<LesseeState>> <<LesseeZip>>

RE: Agreement between _____ and <<Lessee>>

Ladies and Gentlemen:

We have acted as special counsel to <<Lessee>> ("Lessee"), in connection with the Tax-Exempt Lease/Purchase Agreement, and Property Schedule dated as of <<StartDate>>, between <<Lessee>>, as Lessee, and _____ as Lessor, and any amendment or addendum thereto, if any (together, the "Agreement"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Agreement and to perform its obligations thereunder.
3. All proceedings of Lessee and its governing body relating to the authorization and approval of the Agreement, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
4. The Agreement has been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
5. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Agreement and the Property Schedule.

Very truly yours,

By: _____

EXHIBIT D

Lessee's Evidence of Authority

[TO BE REPLACED BY
COPY OF PURCHASING
STATUTE OR
GUIDELINES.]

Official copies of the Master Agreement (as amended) and related documents can be found on the lead state's website
<https://procure.az.gov/bso/external/purchaseorder/poSummary.sdo?docId=ADSPO16-169897&releaseNbr=0&parentUrl=contract>
or the NASPO ValuePoint website <https://www.naspovaluepoint.org/portfolios/portfolio-contractor/541/>

EXHIBIT E

Payment of Proceeds Instructions

[Intentionally Omitted]

INSURANCE AUTHORIZATION AND VERIFICATION

Date: <<StartDate>>

Re: Tax-Exempt Lease/Purchase Agreement, Dated <<StartDate>>

To: <<Lessee>> (the "Lessee")

From: _____ (the "Lessor")

Attn: <<DocumentationSpecialist>>

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee* and Lessee's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Lessor, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Lessor. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.

Lessee must carry GENERAL LIABILITY (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).

Lessee must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$<<Amount>>, with deductibles no more than \$10,000.00.

**Lessee: Please execute this form and return with your document package. Lessor will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements. Should you have any questions, please contact <<DocumentationSpecialist>> at <<DocumentationSpecialistPhone>>.*

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent:		
Address:		
Phone/Fax:		
Email:		

Lessee: <<LESSEE>>
By:
Name:
Title:

TO THE AGENT: In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at <<DocumentationSpecialistFax>>. This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name Of Agency: X _____

By: X _____
(Agent's Signature)

Print Name: X _____

Date: X _____

Insurable Value: \$<<Amount>>

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE DATED <<StartDate>>

Notification of Tax Treatment to Tax-Exempt Lease/Purchase Agreement

This **Notification of Tax Treatment** is pursuant to the Tax-Exempt Lease/Purchase Agreement dated as of <<StartDate>>, between Lessor and Lessee (the "Agreement").

- _____ Lessee agrees that this Property Schedule SHOULD be subject to sales/use taxes
- _____ Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and Lessee has included our tax-exemption certificate with this document package
- _____ Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and no tax-exemption certificate is issued to us by the State
- _____ Lessee agrees that this Property Schedule is a taxable transaction and subject to any/all taxes
- _____ Lessee agrees that this Property Schedule is subject to sales/use taxes and will pay those taxes directly to the State or Vendor

IN WITNESS WHEREOF, Lessee has caused this Notification of Tax Treatment to be executed by their duly authorized representative.

Lessee: <<Lessee>>
By:
Name:
Title:

Form **8038-G**
 (Rev. September 2011)
 Department of the Treasury
 Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>	
If obligations are BANs, check only box 19b		<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ► _____ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ► _____ years

33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ► _____

34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>		
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box <input type="checkbox"/>		
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box <input type="checkbox"/>		
44	If the issuer has established written procedures to monitor the requirements of section 148, check box <input type="checkbox"/>		
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative		▶ _____ Date	
	▶ _____ Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no. ▶		



This Agreement only applies to Pitney Bowes' DMT Production Equipment Categories (Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment and Software Licenses identified as DMT licenses) awarded under ADSP016-00006328 to Pitney Bowes Inc. It is not applicable to other Categories on Attachment C, Pricing.

October 5, 2016

Lease Number 393700002

Sample Application dba Test
One Royal Troon Dr
Pinehurst, NC 28374

Enclosed are the necessary documents needed to complete your lease transaction. Please review, sign and return the following:

- Lease – Purchase Agreement – Please have the Authorized Signor execute the documents and provide their title.
Opinion of Counsel – Please have your attorney sign and provide the name of the law firm, if applicable.
Certificate of Acceptance – **At the point of delivery, fill out this form and return the original to us. We will be unable to disburse funds until we receive this signed form.**
Schedule of Payments – Please sign and provide the title of the signor.
- Resolution-Certificate of Incumbency – List your Authorized Representative(s) and their title(s) in the body of the Resolution. Have the Authorized Representatives provide their names, title and signatures(s) on the lines which appear under the Authorized Representative Signature Section near the bottom of the Resolution. Finally, have the Secretary or appropriate Trustee attest to the information of the Authorized Representative(s) by signing and printing his/her name, title and date on the **last** signature line provided. **The person who validates the signature should not sign the Lease Agreement.** The Resolution must reflect the title(s) of the individual(s) who have authorization to sign the documents.
- Insurance Request Form – Fill in your insurer's information and sign. Please contact your insurer, prior to delivery, to obtain a certificate of insurance. Please enclose the certificate with the signed documentation or have the insurer fax the certificate directly to me.
- IRS Form 8038-G or 8038GC – Please sign, date and include the title of the signor
- Copy of Vendor Invoices – Vendor should send invoices directly to PNC with "Ship To" and "Bill To" in Lessee's name.
- Sales Tax Exemption Certificate – Please return a copy with the documents.
- Minutes of Governing Body (approving the purchase & finance of equipment) – Please return a copy with the documents.
- Invoice for advance payment – Please send your check in the amount of _____, made payable to PNC Equipment Finance, LLC.

Please return the documents to PNC Equipment Finance, LLC, Attn: _____ 995 Dalton Avenue, Cincinnati, OH 45203 in the postage paid envelope enclosed.

PNC Equipment Finance, LLC, in its sole discretion, reserves the right to adjust the payment factors in the enclosed documentation to reflect any changes in market conditions up to the date of funding.

Our goal is to ensure that you receive the lowest payment available. Therefore, it is important that the documents are completed and returned by _____.

If you have any questions please contact _____ at _____.

Sincerely,

Commercial Transaction Coordinator

Lease-Purchase Agreement

Dated as of **October 5, 2016**

Lease Number: 393700002

Lessor: PNC Equipment Finance, LLC
995 Dalton Avenue
Cincinnati, OH 45203

Lessee: LESSEE FULL LEGAL NAME
Sample Application dba Test
One Royal Troon Dr
Pinehurst, NC 28374

FEDERAL TAX ID
99-9999999

Equipment Description **See attached Certificate of Acceptance for Equipment Description**

Rent Payment Schedule Lease Term is for 24 months, with Rent payments due in Arrears monthly; quarterly; semi-annual; annually; each in the amounts set forth in the attached Schedule of Payments.

Lessee shall pay Rent payments exclusively from legally available funds in U.S. currency to Lessor in the amounts and on the dates set forth herein, without notice or demand.

TERMS AND CONDITIONS

- LEASE.** Subject to the terms of this Lease, Lessee agrees to lease from Lessor the equipment (the "Equipment") described in the attached Certificate of Acceptance when Lessor accepts this Lease. Lessee agrees to be bound by all the terms of this Lease.
- DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery. When Lessee receives the Equipment, Lessee agrees to inspect it and to verify by telephone or in writing such information as Lessor may require. Delivery and installation costs are Lessee's responsibility. If Lessee signed a purchase contract for the Equipment, by signing this Lease Lessee assigns its rights, but none of its obligations under the purchase contract, to Lessor.
- RENT.** Lessee agrees to pay Lessor Rent (plus applicable taxes) in the amount and frequency stated above. If Lessee's Rent payments are due in Advance, Lessee's first Rent payment is due on the date Lessee accepts the Equipment under the Lease. Lessor will advise Lessee as to (a) the due date of each Rent payment, and (b) the address to which Lessee must send payments. Rent is due whether or not Lessee receives an invoice from Lessor. Lessee will pay Lessor any required advance rent when Lessee signs this Lease. Lessee authorizes Lessor to change the Rent by not more than 15% due to changes in the Equipment configuration, which may occur prior to Lessor's acceptance of this Lease. Restrictive endorsements on checks Lessee sends to Lessor will not reduce Lessee's obligations to Lessor. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.
NON-APPROPRIATION OF FUNDS. Lessee intends to remit all Rent and other payments to Lessor for the full Lease Term if funds are legally available. In the event Lessee is not granted an appropriation of funds at any time during the Lease Term for the Equipment subject to this Lease and operating funds are not otherwise available to Lessee to pay the Rent and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to Lessor, and the non-appropriation did not result from an act or omission by Lessee, Lessee shall have the right to return the Equipment in accordance with Section 16 of the Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee, except as the portion of Rent for which funds shall have been appropriated and budgeted. At least 30 days prior to the end of Lessee's fiscal year, Lessee's chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by Lessee, and (c) Lessee has exhausted all funds legally available for the payment of Rent.
- UNCONDITIONAL OBLIGATION.** LESSEE AGREES THAT IT IS UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE IN ALL FISCAL YEARS IN WHICH FUNDS HAVE BEEN APPROPRIATED NO MATTER WHAT HAPPENS, EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF LESSEE HAS TEMPORARY OR PERMANENT LOSS OF ITS USE. LESSEE IS NOT ENTITLED TO ANY REDUCTION OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.
- DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO LESSEE IN "AS-IS" CONDITION. LESSEE AGREES THAT LESSOR HAS NOT MANUFACTURED THE EQUIPMENT AND THAT LESSEE HAS SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSEE HAS NOT RELIED ON ANY STATEMENTS LESSOR OR ITS EMPLOYEES HAVE MADE. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. Lessee is aware of the name of the Equipment manufacturer and Lessee will contact the manufacturer for a description of Lessee's warranty rights. If the manufacturer has provided Lessor with a warranty, Lessor assigns its rights to such warranty to Lessee and Lessee may enforce all warranty rights directly against the manufacturer of the Equipment. Lessee agrees to settle any dispute regarding performance of the Equipment directly with the manufacturer of the Equipment.
- TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where Lessee is located, Lessee shall have title to the Equipment immediately upon delivery and shall be deemed to be the owner of the Equipment as long as Lessee is not in default under this Lease. In the event of a default, title to the Equipment shall revert to Lessor free and clear of any rights or interest Lessee may have in the Equipment. To secure all of Lessee's obligations to Lessor under this Lease Lessee hereby grants Lessor a security interest in (a) the Equipment to the extent of Lessee's interest in the Equipment, (b) anything attached, added, replaced and/or substituted to the Equipment at any time, (c) any money or property from the sale of the

- 7. USE, MAINTENANCE AND REPAIR.** Lessee will not move the Equipment from the Equipment Location without Lessor's advance written consent. Lessee will give Lessor reasonable access to the Equipment Location so that Lessor can check the Equipment's existence, condition and proper maintenance. Lessee will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions, and keep it eligible for any manufacturer's certification and/or standard full service maintenance contract. At Lessee's own cost and expense, Lessee will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Lessee will not make any permanent alterations to the Equipment.
- 8. TAXES.** Lessee agrees to pay Lessor, when invoiced, all taxes (including any sales, use and personal property taxes), fines, interest and penalties relating to this Lease and the Equipment (excluding taxes based on Lessor's net income). Lessee agrees to file any required personal property tax returns and, if Lessor asks, Lessee will provide Lessor with proof of payment. Lessor does not have to contest any tax assessments.
- 9. INDEMNITY.** Lessor is not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by Lessee or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. To the extent permitted by law, Lessee agrees to reimburse Lessor for and defend Lessor against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues even after this Lease has expired, for acts or omissions that occurred during the Lease Term.
- 10. IDENTIFICATION.** Lessee authorizes Lessor to insert or correct missing information on this Lease, including Lessee's official name, serial numbers and any other information describing the Equipment. Lessor will send Lessee copies of such changes. Lessee will attach to the Equipment any name plates or stickers Lessor provides Lessee.
- 11. LOSS OR DAMAGE.** Lessee is responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is shipped to Lessee until it is returned to Lessor. If any item of Equipment is lost, stolen or damaged, Lessee will promptly notify Lessor of such event. Then, at Lessor's option, Lessee will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay Lessor an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If Lessee has satisfied their obligations under this Section 11, Lessor will forward to Lessee any insurance proceeds which Lessor receives for lost, damaged, or destroyed Equipment. If Lessee is in default, Lessor will apply any insurance proceeds Lessor receives to reduce Lessee's obligations under Section 14 of this Lease.
- 12. INSURANCE.** Lessee agrees to (a) keep the Equipment fully insured against loss, naming Lessor as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than Lessor may tell Lessee, naming Lessor as additional insured, until Lessee has met all their obligations under this Lease. Lessor is under no duty to tell Lessee if Lessee's insurance coverage is adequate. The policies shall state that Lessor is to be notified of any proposed cancellation at least 30 days prior to the date set for cancellation. Upon Lessor's request, Lessee agrees to provide Lessor with certificates or other evidence of insurance acceptable to Lessor. If Lessee does not provide Lessor with evidence of proper insurance within ten days of Lessor's request or Lessor receives notice of policy cancellation, Lessor may (but Lessor is not obligated to) obtain insurance on Lessor's interest in the Equipment at Lessee's expense. Lessee will pay all insurance premiums and related charges.
- 13. DEFAULT.** Lessee will be in default under this Lease if any of the following happens: (a) Lessor does not receive any Rent or other payment due under this Lease within ten days after its due date, (b) Lessee fails to perform or observe any other promise or obligation in this Lease and does not correct the default within ten days after Lessor sends Lessee written notice of default, (c) any representation, warranty or statement Lessee has made in this Lease shall prove to have been false or misleading in any material respect, (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, (e) the Equipment or any part of it is abused, illegally used, misused, lost, destroyed, or damaged beyond repair, (f) a petition is filed by or against Lessee under any bankruptcy or insolvency laws, or (g) Lessee defaults on any other agreement between it and Lessor (or Lessor's affiliates).
- 14. REMEDIES.** Upon the occurrence of a default, Lessor may, in its sole discretion, do any or all of the following: (a) provide written notice to Lessee of default, (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by Lessee to Lessor under this Lease, plus (ii) all Rent payments remaining through the end of the then current fiscal year, discounted at the higher of 3% or the lowest rate allowed by law (collectively, the "Net Book Value") and (c) require Lessee to immediately return the Equipment to Lessor. Lessor has the right to require Lessee to make the Equipment available to Lessor for repossession during reasonable business hours or Lessor may repossess the Equipment, so long as Lessor does not breach the peace in doing so, or Lessor may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. Lessee will not make any claims against Lessor or the Equipment for trespass, damage or any other reason. If Lessor takes possession of the Equipment Lessor may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although Lessee agrees that Lessor has no obligation to sell the Equipment, if Lessor does sell the Equipment, Lessor will reduce the Net Book Value by the amounts Lessor receives. Lessee will immediately pay Lessor the remaining Net Book Value. Lessee agrees (a) that Lessor only needs to give Lessee ten days' advance notice of any sale and no notice of advertising, (b) to pay all of the costs Lessor incurs to enforce Lessor's rights against Lessee, including attorney's fees, and (c) that Lessor will retain all of Lessor's rights against Lessee even if Lessor does not choose to enforce them at the time of Lessee's default.
- 15. LESSEE'S OPTION AT END OF LEASE.** Provided Lessee is not in default, upon expiration of the Lease Term, Lessee has the option to purchase all but not less than all of the Equipment for \$1.00 (plus all sales and other applicable taxes).
- 16. RETURN OF EQUIPMENT.** If (a) default occurs, or (b) a non-appropriation of funds occurs in accordance with Section 3, Lessee will immediately return the Equipment to any location(s) in the continental United States and aboard any carriers(s) Lessor may designate. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than Lessee named in this Lease, without the need for any repair or refurbishment. All Equipment must be free of markings. Lessee will pay Lessor for any missing or defective parts or accessories. Lessee will continue to pay Rent until the Equipment is received and accepted by Lessor.
- 17. LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lessor that as of the date of this Lease, and throughout the Lease Term: (a) Lessee is the entity indicated in this Lease; (b) Lessee is a State or a fully constituted political subdivision or agency of the State in which Lessee is located; (c) Lessee is duly organized and existing under the Constitution and laws of the State in which they are located; (d) Lessee is authorized to enter into and carry out Lessee's obligations under this Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules, ordinances, and regulations, the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of Lessee's governing body, and hold the offices indicated below their signature, each of which are genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of Lessee's authority and shall be used during the Lease Term only by Lessee and only to perform such function; (g) Lessee intends to use the Equipment for the entire Lease Term and shall take all necessary

compliance with the Lease and any funds required to fulfill Lessee's obligations for each fiscal year during the Lease Term; (h) Lessee has the right to use the Equipment for any purpose, public or private, and appropriations required in connection with this Lease and the acquisition of the Equipment; (i) Lessee's obligations to remit Rent under this Lease constitutes a current expense and not a debt under applicable state law and no provision of this Lease constitutes a pledge of Lessee's tax or general revenues, and any provision which is so constructed by a court of competent jurisdiction is void from the inception of this lease; (j) all payments due and to become due during Lessee's current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease/purchase of the Equipment; (k) Lessee shall not do or cause to be done any act which shall cause, or by omission of any act allow the interest portion of any Rent payment to become includible in Lessor's gross income for Federal income taxation purposes under the Internal Revenue Code of 1986, as amended, (the "Code"); (l) Lessee shall maintain a complete and accurate record of all assignments of this Lease in the form sufficient to comply with the book entry requirements of Section 149(a) of the Code and the regulations prescribed there under from time to time; (m) Lessee shall comply with the information reporting requirements of Section 149(e) of the Code; such compliance shall include, but not be limited to, the execution of IRS Form 8038-G or 8038-GC; and (n) all financial information Lessee has provided to Lessor is true and accurate and provides a good representation of Lessee's financial condition.

18. LESSEE'S PROMISES. In addition to the other provisions of this Lease, Lessee agrees that during the term of this Lease (a) Lessee will promptly notify Lessor in writing if it moves its principal office or changes its name or legal structure, (b) Lessee will provide to Lessor such financial information as may reasonably request from time to time, and (c) Lessee will take any action Lessor reasonably requests to protect Lessor's rights in the Equipment and to meet Lessee's obligations under this Lease.

19. ASSIGNMENT. LESSEE WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT. Lessee will not attach any of the Equipment to any real estate. Upon Lessor's reasonable request and at Lessee's cost, Lessee will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment.

20. ASSIGNMENT BY LESSOR. This Lease, and the rights of Lessor hereunder and in and to the Equipment, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assigns at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assigns. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assigns to protect their interests in the Equipment and in this Lease.

21. COLLECTION EXPENSES, OVERDUE PAYMENT, TERMINATION. Lessee agrees that Lessor can, but does not have to, take on Lessee's behalf any action which Lessee fails to take as required by this Lease, and Lessor's expenses will be in addition to that of the Rent which Lessee owes Lessor. If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge 5% of such overdue amount, limited, however, to the maximum amount allowed by law. Upon 30 days' prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to purchase all, but not less than all, of the Equipment covered by the Lease on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value amount set forth on the Payment Schedule to the applicable Lease for such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall release its Lien on such Equipment and Lessee shall retain its title to such Equipment "AS-IS, WHERE-IS," without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor.

22. AGREED LEASE RATE FACTOR. Lessee understands that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, Lessee acknowledges that it has chosen to lease the Equipment from Lessor for the Lease Term and that Lessee has agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. If it is determined that Lessee's payments under this Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will Lessor charge or receive or will Lessee pay any amounts in excess of the legal amount.

23. MISCELLANEOUS. This Lease contains the entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS LEASE.** If a court finds any provision of Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. **THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** Lessee authorizes Lessor (or Lessor's agent) to (a) obtain credit reports, (b) make such other credit inquires as Lessor may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, Lessor may charge Lessee a fee of \$250.00 to cover Lessor's documentation and investigation costs.

24. NOTICES. All of Lessee's written notices to Lessor must be sent by certified mail or recognized overnight delivery service, postage prepaid, to Lessor at Lessor's address stated in this Lease, or by facsimile transmission to Lessor's facsimile telephone number, with oral confirmation of receipt. All of Lessor's notices to Lessee may be sent first class mail, postage prepaid, to Lessee's address stated in this Lease. At any time after this Lease is signed, Lessee or Lessor may change an address or facsimile telephone number by giving notice to the other of the change.

25. ANTI-MONEY LAUNDERING/INTERNATIONAL TRADE COMPLIANCE. Lessee represents and warrants to Lessor, as of the date of this Lease, the date of each advance of proceeds under the Lease, the date of any renewal, extension or modification of this Lease, and at all times until the Lease has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; or (ii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Lease will not be used to fund any unlawful activity; (c) the funds used to repay the Lease are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States.

As used herein: "**Compliance Authority**" means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "**Covered Entity**" means Lessee, its affiliates and subsidiaries and direct and indirect owners; "**Sanctioned Country**" means a country subject to a sanctions program maintained by any Compliance Authority; and "**Sanctioned Person**" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

26. USA PATRIOT ACT NOTICE. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each lessee that opens an account. What this means: when the Lessee opens an

account. Lessor will ask for the business name, business address, taxpayer identifying number and other information that will allow the Lessor to identify the Lessee, such as organization, type of business, and organization.

27. WAIVERS. LESSOR AND LESSEE EACH AGREE TO WAIVE, AND TO TAKE ALL REQUIRED STEPS TO WAIVE, ALL RIGHTS TO A JURY TRIAL. To the extent Lessee is permitted by applicable law, Lessee waives all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to Lessee's rights to: (a) cancel or repudiate this Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from Lessor for any breach of warranty or for any other reason; (d) grant a security interest in any Equipment in Lessee's possession. To the extent Lessee is permitted by applicable law, Lessee waives any rights they now or later may have under any statute or otherwise which requires Lessor to sell or otherwise use any Equipment to reduce Lessor's damages, which requires Lessor to provide Lessee with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of Lessor's rights or remedies. **ANY ACTION LESSEE TAKES AGAINST LESSOR FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE YEAR AFTER THE EVENT, WHICH CAUSED IT.** Lessor will not be liable for specific performance of this Lease or for any losses, damages, delay or failure to deliver Equipment.

28. SMALL ISSUER STATEMENT. Lessee hereby certifies to Lessor and its assigns that: a) the Lessee designates the Lease as a "Qualified Tax-Exempt Obligation" for the purposes of Section 265(b)(3) of the Code; b) Lessee will own and operate the Equipment in the performance of its public purposes; and the Equipment will not be subject to the use or control of any other entity; c) Lessee will not designate more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations during the current calendar year as "Qualified Tax-Exempt Obligation", Lessee reasonably expects to issue no more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations during the current calendar year; and d) For purposes of Paragraph 3 herein above, the amount of tax-exempt obligations stated as either issued or designated as "Qualified Tax-Exempt Obligations" includes tax-exempt obligations issued by all subordinate entities of Lessee, as provided in Section 265 (b) (3) (E) of the Code.

29. IMPORTANT INFORMATION ABOUT PHONE CALLS. By providing telephone number(s) to Lessor, now or at any later time, Lessee authorizes Lessor and its affiliates and designees to contact Lessee regarding Lessee account(s) with Lessor or its affiliates, whether such accounts are Lessee individual accounts or business accounts for which Lessee is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Lessee consents that any phone call with Lessor may be monitored or recorded by Lessor.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS LEASE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. THE TERMS OF THIS LEASE MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT BETWEEN LESSEE AND LESSOR. LESSEE AGREES TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. LESSEE AGREES THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

LESSEE CERTIFIES THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND LESSEE'S APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON LESSOR OR EFFECTIVE UNLESS AND UNTIL LESSOR EXECUTES THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF THE LESSEE.

Sample Application dba Test
("Lessee")

PNC Equipment Finance, LLC
("Lessor")

X

Authorized Signature

X

Authorized Signature

Print Name

Print Name

Title:

Title:

Date

One Royal Troon Dr
Pinehurst, NC 28374

995 Dalton Ave.
Cincinnati OH 45203

OPINION OF COUNSEL

I have acted as counsel to the above-referenced Lessee (the "Lessee") with respect to this Lease-Purchase Agreement by and between the Lessee and Lessor (the "Lease"), and in this capacity have reviewed the original or duplicate originals of the Lease and such other documents as I have deemed relevant. Based upon the foregoing, I am of the opinion that: (A) Lessee is a state or a fully constituted political subdivision or agency of a state within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended; (B) the execution, delivery and performance of the Lease by Lessee has been duly authorized by all necessary action on the part of Lessee; (C) the Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights, and does not constitute a debt of Lessee which is prohibited by state law; (D) the authorization, approval and execution of the Lease and all other proceedings of Lessee related to the transactions contemplated thereby have been performed in accordance with all open-meeting laws, public bidding laws, and all other applicable state laws. The undersigned certifies that (s)he is an attorney duly authorized to practice law in the State of _____.

The foregoing opinions are limited to the laws of such State and federal laws of the United States.

Attorney of Lessee

By: _____
Print Name: _____
Law firm: _____

CERTIFICATE OF ACCEPTANCE

Lease Number: 393700002

Quantity	Description	Serial No.
1	New Equipment	1234

or see attached Equipment Schedule

Lessee, through its authorized representative, hereby certifies to Lessor that:

1. The Equipment has been delivered to the location where it will be used, which is the Equipment Location given in the Lease-Purchase Agreement ("Lease");
2. All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order;
3. Lessee accepts the Equipment for all purposes under the Lease as of _____, 20__ (the "Acceptance Date"), which is the date on which the Equipment was delivered and installed;
4. The Equipment is of a size, design, capacity and manufacture acceptable to Lessee and suitable for Lessee's purposes; and
5. Lessee is not in default under the Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee's statements and promises set forth in the Lease are true and correct.

Lessor is hereby authorized to insert serial numbers on the Lease.

THIS CERTIFICATE OF ACCEPTANCE IS SIGNED THIS ____ DAY OF _____, 20__.

Sample Application
("Lessee")

X

Authorized Signature

Print Name

Title:

Date

One Royal Troon Dr
Pinehurst, NC 28374

SCHEDULE OF PAYMENTS

Lease Number 393700002

Attached to and made a part of that certain Lease-Purchase Agreement dated as of _____ by and between PNC Equipment Finance, LLC, as Lessor, and Sample Application, as Lessee.

Rent payments are payable as follows:

Payment Number	Payment Date	Rent Payment	Interest Component	Principal Component	Termination Amount*
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					

*As provided in Section 21 of the Lease-Purchase Agreement.

Sample Application dba Test
 ("Lessee")

X _____
 Authorized Signature

 Print Name

 Title:

One Royal Troon Dr
 Pinehurst, NC 28374

PNC Equipment Finance, LLC
 ("Lessor")

By: _____
 Title _____

995 Dalton Ave.
 Cincinnati, OH 45203

RESOLUTION AND CERTIFICATE OF INCUMBENCY
Lease Number 393700002

Lessee: Sample Application

Amount \$ _____

WHEREAS, Lessee, a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State or Commonwealth ("the State") is authorized by the laws of the State to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more Lease-Purchase Agreements or lease schedules ("Leases") in the principal amount not exceeding the amount stated above for the purpose of acquiring the property ("Equipment") to be described in the Leases is appropriate and necessary to the functions and operations of the Lessee.

WHEREAS, PNC Equipment Finance, LLC ("Lessor") shall act as Lessor under said Leases.

NOW, THEREFORE, Be It Ordained by the Governing Body of the Lessee:

Section 1. Either one of the _____ OR _____ (each an "Authorized Representative") acting on behalf of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver one or more Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Leases are hereby authorized.

Section 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Leases on behalf of the Lessee.

Section 3. The aggregate original principal amount of the Leases shall not exceed the amount stated above and shall bear interest as set forth in the Leases and the Leases shall contain such options to purchase by the Lessee as set forth therein.

Section 4. The Lessee's obligations under the Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Lease and the Lessee's obligations under the Leases shall not constitute general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

Section 5. As to each Lease, the Lessee reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the fiscal year in which each such Lease is issued and hereby designates each Lease as a qualified tax-exempt obligation for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 6. This resolution shall take effect immediately upon its adoption and approval.

SIGNATURES AND TITLES OF AUTHORIZED REPRESENTATIVES : AUTHORIZED LEASE SIGNORS ONLY

_____	_____	_____
Name	Title	Signature
_____	_____	_____
Name	Title	Signature

ADOPTED AND APPROVED on this _____, 20__.

Section 7. I, the undersigned Secretary/Clerk identified below, does hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee, a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names.

The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: Sample Application

Signature of Secretary/Clerk of Lessee

[SEAL]

Print Name: _____
Official Title: _____
Date: _____



995 Dalton Avenue
Cincinnati, Ohio 45203 • Telephone (513) 421-9191

Please Retain for Future Reference
Page No. 1
INVOICE #393700002
Customer #61181

INVOICE DATE
11/13/2016

DUE DATE
Upon Receipt

Bill To:

Sample Application dba Test
One Royal Troon Dr
Pinehurst, NC 28374

Remit To:

PNC Equipment Finance, LLC
Attn: Lease Servicing/Set-Up Processing
995 Dalton Avenue
Cincinnati, OH 45203

INVOICE

Lease No. 393700002

Initial Charges:

Monthly Rent - 1st Month

Initiation Fees:

Documentation Fee

PAY THIS AMOUNT

\$



This Agreement only applies to Pitney Bowes' DMT Production Equipment Categories (Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment and Software Licenses identified as DMT licenses) awarded under ADSPO16-00006328 to Pitney Bowes Inc. It is not applicable to other Categories on Attachment C, Pricing.

October 5, 2016

Lease Number 393700002

Sample Application
One Royal Troon Dr
Pinehurst, NC 28374

Enclosed are the necessary documents needed to complete your lease transaction. Please review, sign and return the following:

- Lease Agreement – Please have the Authorized Signor execute the documents and provide their title.
Opinion of Counsel – Please have your attorney sign and provide the name of the law firm, if applicable.
Certificate of Acceptance – **At the point of delivery, fill out this form and return the original to us. We will be unable to disburse funds until we receive this signed form.**
Schedule of Payments – Please sign and provide the title of the signor, if applicable.
- Resolution-Certificate of Incumbency - List your Authorized Representative(s) and their title(s) in the body of the Resolution. Have the Authorized Representatives provide their names, title and signatures(s) on the lines which appear under the Authorized Representative Signature Section near the bottom of the Resolution. Finally, have the Secretary or appropriate Trustee attest to the information of the Authorized Representative(s) by signing and printing his/her name, title and date on the **last** signature line provided. **The person who validates the signature should not sign the Lease Agreement.** The Resolution must reflect the title(s) of the individual(s) who have authorization to sign the documents.
- Insurance Request Form – Fill in your insurer's information and sign. Please contact your insurer, prior to delivery, to obtain a certificate of insurance. Please enclose the certificate with the signed documentation or have the insurer fax the certificate directly to me.
- Sales Tax Exemption Certificate – Please return a copy with the documents.
- Minutes of Governing Body (approving the purchase & finance of equipment) – Please return a copy with the documents.
- Invoice for advance payment – Please send your check in the amount of \$ _____, made payable to PNC Equipment Finance, LLC.

Please return the documents to PNC Equipment Finance, LLC, Attn: _____ 995 Dalton Avenue, Cincinnati, OH 45203.

PNC Equipment Finance, LLC, in its sole discretion, reserves the right to adjust the payment factors in the enclosed documentation to reflect any changes in market conditions up to the date of funding.

Our goal is to ensure that you receive the lowest payment available. Therefore, it is important that the documents are completed and returned to us by _____.

If you have any questions please contact _____ at _____.

Sincerely,

Commercial Transaction Coordinator

Lease Agreement

Dated as of October 5, 2016
Lease Number 393700002

Lessor: PNC Equipment Finance, LLC
995 Dalton Avenue
Cincinnati, OH 45203

Lessee: LESSEE FULL LEGAL NAME
Sample Application dba Test
One Royal Troon Dr
Pinehurst, NC 28374

FEDERAL TAX ID
99-9999999

Equipment Description **See attached Certificate of Acceptance for Equipment Description**

Rent Payment Schedule Lease Term is for 24 months, with Rent payments due in Arrears monthly; quarterly; semi-annual; annually; each in the amount of \$ _____ beginning _____.

Lessee shall pay Rent payments exclusively from legally available funds in U.S. currency to Lessor in the amounts and on the dates set forth herein, without notice or demand.

TERMS AND CONDITIONS

- LEASE.** Subject to the terms of this Lease, Lessee agrees to lease from Lessor the equipment (the "Equipment") described in the attached Certificate of Acceptance when Lessor accepts this Lease. Lessee agrees to be bound by all the terms of this Lease.
- DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery. When Lessee receives the Equipment, Lessee agrees to inspect it and to verify by telephone or in writing such information as Lessor may require. Delivery and installation costs are the Lessee's responsibility. If Lessee signed a purchase contract for the Equipment, by signing this Lease Lessee assigns its rights, but none of its obligations under the purchase contract, to Lessor.
- RENT.** Lessee agrees to pay Lessor Rent (plus applicable taxes) in the amount and frequency stated above. Rent Payments under this Lease do not include the accrual of an interest portion. If Lessee's Rent payments are due in Advance, the first Rent payment is due on the date Lessee accepts the Equipment under the Lease. Lessor will advise Lessee as to (a) the due date of each Rent payment, and (b) the address to which Lessee must send payments. Rent is due whether or not Lessee receives an invoice from Lessor. Lessee will pay Lessor any required advance rent when Lessee signs this Lease. Lessee authorizes Lessor to change the Rent by not more than 15% due to changes in the Equipment configuration, which may occur prior to Lessor's acceptance of this Lease. Restrictive endorsements on checks Lessee sends to Lessor will not reduce obligations to Lessor. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.
NON-APPROPRIATION OF FUNDS. Lessee intends to remit all Rent and other payments to Lessor for the full Lease Term if funds are legally available. In the event Lessee is not granted an appropriation of funds at any time during the Lease Term for the Equipment subject to this Lease and operating funds are not otherwise available to Lessee to pay the Rent and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to Lessor, and the non-appropriation did not result from an act or omission by Lessee, Lessee shall have the right to return the Equipment in accordance with Section 16 of the Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee, except as the portion of Rent for which funds shall have been appropriated and budgeted. At least 30 days prior to the end of Lessee's fiscal year, Lessee's chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by Lessee, and (c) Lessee has exhausted all funds legally available for the payment of Rent.
- UNCONDITIONAL OBLIGATION.** LESSEE AGREES THAT IT IS UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE IN ALL FISCAL YEARS IN WHICH FUNDS HAVE BEEN APPROPRIATED NO MATTER WHAT HAPPENS, EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF LESSEE HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. LESSEE IS NOT ENTITLED TO ANY REDUCTION OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.
- DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO LESSEE IN "AS IS" CONDITION. LESSEE AGREES THAT LESSOR HAS NOT MANUFACTURED THE EQUIPMENT AND THAT LESSEE HAS SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSEE HAS NOT RELIED ON ANY STATEMENTS LESSOR OR ITS EMPLOYEES HAVE MADE. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. Lessee is aware of the name of the Equipment manufacturer and will contact the manufacturer for a description of warranty rights. If the manufacturer has provided Lessor with a warranty, Lessor assigns its rights to such warranty to Lessee and Lessee may enforce all warranty rights directly against the manufacturer of the Equipment. Lessee agrees to settle any dispute regarding performance of the Equipment directly with the manufacturer of the Equipment.
- TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where Lessee is located, Lessor shall have title to the Equipment, except as set forth in section 15.
- USE, MAINTENANCE AND REPAIR.** Lessee will not move the Equipment from the Equipment Location without Lessor's advance written consent. Lessee will give Lessor reasonable access to the Equipment Location so that Lessor can check the Equipment's existence, condition and proper maintenance. Lessee will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions, and keep it

- Equipment in good repair, condition and working order, ordinary wear and tear excepted. Lessee will not make any permanent alterations to the Equipment.
8. **TAXES.** Lessee agrees to pay Lessor, when invoiced, all taxes (including any sales, use and personal property taxes), fines, interest and penalties relating to this Lease and the Equipment (excluding taxes based on Lessor's net income). Lessee agrees to file any required personal property tax returns and, if Lessor asks, Lessee will provide Lessor with proof of payment. Lessor does not have to contest any tax assessments.
 9. **INDEMNITY.** Lessor is not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by Lessee or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. To the extent permitted by law, Lessee agrees to reimburse Lessor for and defend Lessor against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues even after this Lease has expired, for acts or omissions that occurred during the Lease Term.
 10. **IDENTIFICATION.** Lessee authorizes Lessor to insert or correct missing information on this Lease, including Lessee's official name, serial numbers and any other information describing the Equipment. Lessor will send Lessee copies of such changes. Lessee will attach to the Equipment any name plates or stickers Lessor provides Lessee.
 11. **LOSS OR DAMAGE.** Lessee is responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is shipped to Lessee until it is returned to Lessor. If any item of Equipment is lost, stolen or damaged, Lessee will promptly notify Lessor of such event. Then, at Lessor's option, Lessee will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay Lessor an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If Lessee has satisfied Lessee's obligations under this Section 11, Lessor will forward to Lessee any insurance proceeds which Lessor receives for lost, damaged, or destroyed Equipment. If Lessee is in default, Lessor will apply any insurance proceeds Lessor receives to reduce Lessee's obligations under Section 14 of this Lease.
 12. **INSURANCE.** Lessee agrees to (a) keep the Equipment fully insured against loss, naming Lessor as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than Lessor may tell Lessee, naming Lessor as additional insured, until Lessee has met all Lessee's obligations under this Lease. Lessor is under no duty to tell Lessee if Lessee's insurance coverage is adequate. The policies shall state that Lessor is to be notified of any proposed cancellation at least 30 days prior to the date set for cancellation. Upon Lessor's request, Lessee agree to provide Lessor with certificates or other evidence of insurance acceptable to Lessor. If Lessee does not provide Lessor with evidence of proper insurance within ten days of Lessor's request or Lessor receives notice of policy cancellation, Lessor may (but Lessor is not obligated to) obtain insurance on Lessor's interest in the Equipment at Lessee's expense. Lessee will pay all insurance premiums and related charges.
 13. **DEFAULT.** Lessee will be in default under this Lease if any of the following happens: (a) Lessor does not receive any Rent or other payment due under this Lease within ten days after its due date, (b) Lessee fails to perform or observe any other promise or obligation in this Lease and does not correct the default within ten days after Lessor sends Lessee written notice of default, (c) any representation, warranty or statement Lessee has made in this Lease shall prove to have been false or misleading in any material respect, (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, (e) the Equipment or any part of it is abused, illegally used, misused, lost, destroyed, or damaged beyond repair, (f) a petition is filed by or against Lessee under any bankruptcy or insolvency laws, or (g) Lessee defaults on any other agreement between it and Lessor (or Lessor's affiliates).
 14. **REMEDIES.** Upon the occurrence of a default, Lessor may, in its sole discretion, do any or all of the following: (a) provide written notice to Lessee of default, (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by Lessee to Lessor under this Lease, plus (ii) all Rent payments remaining through the end of the Lease Term, discounted at the higher of 3% or the lowest rate allowed by law, plus the Fair Market Value of the Equipment (collectively, the "Net Book Value"). Lessor has the right to require Lessee to make the Equipment available to Lessor for repossession during reasonable business hours or Lessor may repossess the Equipment, so long as Lessor does not breach the peace in doing so, or Lessor may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. Lessee will not make any claims against Lessor or the Equipment for trespass, damage or any other reason. If Lessor takes possession of the Equipment Lessor may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although Lessee agrees that Lessor has no obligation to sell the Equipment, if Lessor does sell the Equipment, Lessor will reduce the Net Book Value by the amounts Lessor receives. Lessee will immediately pay Lessor the remaining Net Book Value. Lessee agrees (a) that Lessor only needs to give Lessee ten days' advance notice of any sale and no notice of advertising, (b) to pay all of the costs Lessor incurs to enforce Lessor's rights against Lessee, including attorney's fees, and (c) that Lessor will retain all of Lessor's rights against Lessee even if Lessor does not choose to enforce them at the time of Lessee's default.
 15. **LESSEE'S OPTION AT END OF LEASE.** Notwithstanding anything contained in the Lease to the contrary, so long as no default shall have occurred and be continuing, Lessee may, at Lessee's option, purchase the Equipment leased pursuant to this Rental Schedule on an "as is, where is" basis, without representation or warranty, express or implied, at the end of the Initial Term at a price equal to the Fair Market Value thereof, plus applicable taxes. "Fair Market Value" shall be equal to the value which would be obtained in an arms-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell, and in such determination, costs of removal of the Equipment from its location of current use shall not be a deduction from such value. If Lessee and Lessor cannot agree on the Fair Market Value thereof, such value shall be determined by appraisal at the sole expense of Lessee. Appraisal shall be a procedure whereby two recognized independent appraisers, one chosen by Lessee and one by Lessor, shall mutually agree upon the amount in question. If the appraisers are unable to agree upon the amount in question, a third recognized independent appraisers' evaluation shall be binding and conclusive on Lessee and Lessor. This purchase option as applicable shall only be available if Lessee gives Lessor 90 days' prior written notice of Lessee's irrevocable intent to exercise such option and Lessor and Lessee shall have agreed to all terms and conditions of such purchase prior to the expiration date of the Initial Term. Until the Equipment is returned as required below, all terms of the Lease shall remain in full force and effect including the obligation to pay Rent.
 16. **RETURN OF EQUIPMENT.** If (a) default occurs, (b) a non-appropriation of funds occurs in accordance with Section 3, or (c) Lessee does not purchase the Equipment pursuant to Section 15, Lessee will immediately return the Equipment to any location(s) in the continental United States and aboard any carriers(s) Lessor may designate. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than Lessee named in this Lease, without the need for any repair or refurbishment. All Equipment must be free of markings. Lessee will pay Lessor for any missing or defective parts or accessories. Lessee will continue to pay Rent until the Equipment is received and accepted by Lessor.
 17. **LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lessor that as of the date of this Lease, and throughout the Lease Term: (a) Lessee is the entity indicated in this Lease; (b) Lessee is a State or a fully constituted political subdivision or agency of the State in which Lessee is located; (c) Lessee is duly organized and existing under the Constitution and laws of the State in which Lessee is located; (d) Lessee is authorized to enter into and carry out Lessee's obligations under this Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Lease (collectively, the "Documents"); (e) the Documents have been duly authorized,

- Documents are valid, legal, binding and enforceable under applicable laws, rules, ordinances, and regulations. Documents have the authority to do so, are acting with the full authorization of Lessee's governing body, and hold the offices indicated below their signature, each of which is genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of Lessee's authority and shall be used during the Lease Term only by Lessee and only to perform such function; (g) Lessee intends to use the Equipment for the entire Lease Term and shall take all necessary action to include in Lessee's annual budget any funds required to fulfill Lessee's obligations for each fiscal year during the Lease Term; (h) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (i) Lessee's obligations to remit Rent under this Lease constitutes a current expense and not a debt under applicable state law and no provision of this Lease constitutes a pledge of Lessee's tax or general revenues, and any provision which is so constructed by a court of competent jurisdiction is void from the inception of this lease; (j) all payments due and to become due during Lessee's current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease of the Equipment; and (k) all financial information Lessee has provided to Lessor is true and accurate and provides a good representation of Lessee's financial condition.
18. **LESSEE'S PROMISES.** In addition to the other provisions of this Lease, Lessee agrees that during the term of this Lease (a) Lessee will promptly notify Lessor in writing if it moves Lessee's principal office or it changes names or its legal structure, (b) Lessee will provide to Lessor such financial information as may reasonably request from time to time, and (c) Lessee will take any action Lessor reasonably requests to protect Lessor's rights in the Equipment and to meet Lessee's obligations under this Lease.
 19. **ASSIGNMENT. LESSEE WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** Lessee will not attach any of the Equipment to any real estate. Upon Lessor's reasonable request and at Lessee's cost, Lessee will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment.
 20. **ASSIGNMENT BY LESSOR.** This Lease, and the rights of Lessor hereunder and in and to the Equipment, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assigns at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assigns. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assigns to protect their interests in the Equipment and in this Lease.
 21. **COLLECTION EXPENSES, OVERDUE PAYMENT.** Lessee agrees that Lessor can, but does not have to, take on Lessee's behalf any action which Lessee fails to take as required by this Lease, and Lessor's expenses will be in addition to that of the Rent which Lessee owes Lessor. If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.
 22. **AGREED LEASE RATE FACTOR.** Lessee understands that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, Lessee acknowledges that it has chosen to lease the Equipment from Lessor for the Lease Term and that Lessee has agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. If it is determined that Lessee's payments under this Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will Lessor charge or receive or will Lessee pay any amounts in excess of the legal amount.
 23. **MISCELLANEOUS.** This Lease contains the entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS LEASE.** If a court finds any provision of Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. **TO THE EXTENT THAT THIS LEASE IS FOUND TO NOT BE A TRUE LEASE, THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** Lessee authorizes Lessor (or Lessor's agent) to (a) obtain credit reports, (b) make such other credit inquires as Lessor may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, Lessor may charge Lessee a fee of \$250.00 to cover Lessor's documentation and investigation costs.
 24. **NOTICES.** All of Lessee's written notices to Lessor must be sent by certified mail or recognized overnight delivery service, postage prepaid, to Lessor at Lessor's address stated in this Lease, or by facsimile transmission to Lessor's facsimile telephone number, with oral confirmation of receipt. All of Lessor's notices to Lessee may be sent first class mail, postage prepaid, to Lessee's address stated in this Lease. At any time after this Lease is signed, Lessee or Lessor may change an address or facsimile telephone number by giving notice to the other of the change.
 25. **ANTI-MONEY LAUNDERING/INTERNATIONAL TRADE COMPLIANCE.** Lessee represents and warrants to Lessor, as of the date of this Lease, the date of each advance of proceeds under the Lease, the date of any renewal, extension or modification of this Lease, and at all times until the Lease has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; or (ii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Lease will not be used to fund any unlawful activity; (c) the funds used to repay the Lease are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States.
 26. As used herein: "**Compliance Authority**" means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "**Covered Entity**" means Lessee, its affiliates and subsidiaries and direct and indirect owners; "**Sanctioned Country**" means a country subject to a sanctions program maintained by any Compliance Authority; and "**Sanctioned Person**" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.
 27. **USA PATRIOT ACT NOTICE.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each lessee that opens an account. What this means: when the Lessee opens an account, Lessor will ask for the business name, business address, taxpayer identifying number and other information that will allow the Lessor to identify Lessee, such as organizational documents. For some businesses and organizations, Lessor may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.
 28. **WAIVERS. LESSOR AND LESSEE EACH AGREE TO WAIVE, AND TO TAKE ALL REQUIRED STEPS TO WAIVE, ALL RIGHTS TO A JURY TRIAL.** To the extent Lessee is permitted by applicable law, Lessee waives all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to Lessee's rights to: (a) cancel or repudiate this Lease; (b) reject or

or the NASD Equipment Lease website: <https://www.nasdaq.com/equipment>. Lessee waives any rights they now or later may have under any statute or otherwise which requires Lessor to sell or otherwise use any Equipment to reduce Lessor's damages, which requires Lessor to provide Lessee with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of Lessor's rights or remedies. **ANY ACTION LESSEE TAKES AGAINST LESSOR FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT, WHICH CAUSED IT.** Lessor will not be liable for specific performance of this Lease or for any losses, damages, delay or failure to deliver Equipment.

29. IMPORTANT INFORMATION ABOUT PHONE CALLS. By providing telephone number(s) to Lessor, now or at any later time, Lessee authorizes Lessor and its affiliates and designees to contact Lessee regarding Lessee account(s) with Lessor or its affiliates, whether such accounts are Lessee individual accounts or business accounts for which Lessee is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Lessee consents that any phone call with Lessor may be monitored or recorded by Lessor.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS LEASE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. THE TERMS OF THIS LEASE MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT BETWEEN LESSEE AND LESSOR. LESSEE AGREES TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. LESSEE AGREES THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

LESSEE CERTIFIES THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND LESSEE'S APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON LESSOR OR EFFECTIVE UNLESS AND UNTIL LESSOR EXECUTES THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF THE LESSEE.

Sample Application
("Lessee")

PNC Equipment Finance, LLC
("Lessor")

X _____

Authorized Signature

Print Name

Title:

Date

One Royal Troon Dr
Pinehurst, NC 28374

X _____

Authorized Signature

Print Name

Title:

995 Dalton Ave.
Cincinnati, OH 45203

OPINION OF COUNSEL

I have acted as counsel to the above-referenced Lessee (the "Lessee") with respect to this Lease Agreement by and between the Lessee and Lessor (the "Lease"), and in this capacity have reviewed the original or duplicate originals of the Lease and such other documents as I have deemed relevant. Based upon the foregoing, I am of the opinion that: (A) Lessee is a state or a fully constituted political subdivision or agency of a state within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended; (B) the execution, delivery and performance of the Lease by Lessee has been duly authorized by all necessary action on the part of Lessee; (C) the Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights, and does not constitute a debt of Lessee which is prohibited by state law; (D) the authorization, approval and execution of the Lease and all other proceedings of Lessee related to the transactions contemplated thereby have been performed in accordance with all open-meeting laws, public bidding laws, and all other applicable state laws. The undersigned certifies that (s)he is an attorney duly authorized to practice law in the State of _____.

The foregoing opinions are limited to the laws of such State and federal laws of the United States.

Attorney of Lessee

By: _____

Print Name: _____

Law firm: _____

CERTIFICATE OF ACCEPTANCE

Lease Number 393700002

Quantity	Description	Serial No.
1	New Equipment	1234

or see attached Equipment Schedule

Lessee, through its authorized representative, hereby certifies to Lessor that:

1. The Equipment has been delivered to the location where it will be used, which is the Equipment Location given in the Lease Agreement (“Lease”);
2. All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order;
3. Lessee accepts the Equipment for all purposes under the Lease as of _____, 20__ (the “Acceptance Date”), which is the date on which the Equipment was delivered and installed;
4. The Equipment is of a size, design, capacity and manufacture acceptable to Lessee and suitable for Lessee’s purposes; and
5. Lessee is not in default under the Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee’s statements and promises set forth in the Lease are true and correct.

Lessor is hereby authorized to insert serial numbers on the Lease.

THIS CERTIFICATE OF ACCEPTANCE IS SIGNED THIS ____ DAY OF _____, 20__.

Sample Application
 (“Lessee”)

X _____
Authorized Signature

Print Name

Title:

Date

One Royal Troon Dr
Pinehurst, NC 28374

RESOLUTION AND CERTIFICATE OF INCUMBENCY
Lease Number 39370002

Lessee: Sample Application

Amount _____

WHEREAS, Lessee, a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State or Commonwealth ("the State") is authorized by the laws of the State to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more Lease Agreements or lease schedules ("Leases") in the amount not exceeding the amount stated above for the purpose of acquiring the property ("Equipment") to be described in the Leases is appropriate and necessary to the functions and operations of the Lessee.

WHEREAS, PNC Equipment Finance, LLC ("Lessor") shall act as Lessor under said Leases.

NOW, THEREFORE, Be It Ordained by the Governing Body of the Lessee:

Section 1. Either one of the _____ OR _____ (each an "Authorized Representative") acting on behalf of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver one or more Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Leases are hereby authorized.

Section 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Leases on behalf of the Lessee.

Section 3. The Lessee's obligations under the Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Lease and the Lessee's obligations under the Leases shall not constitute general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

Section 4. This resolution shall take effect immediately upon its adoption and approval.

SIGNATURES AND TITLES OF AUTHORIZED REPRESENTATIVES : AUTHORIZED LEASE SIGNORS ONLY

Name	Title	Signature
Name	Title	Signature

ADOPTED AND APPROVED on this _____, 20__.

Section 5. I, the undersigned Secretary/Clerk identified below, does hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee, a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names. The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: Sample Application dba Test

Signature of Secretary/Clerk of Lessee

[SEAL]

Print Name: _____
Official Title: _____
Date: _____



995 Dalton Avenue
Cincinnati, Ohio 45203 • Telephone (513) 421-9191

Please Retain for Future Reference
Page No. 1
INVOICE #393700002
Customer #61181

INVOICE DATE
11/13/2016

DUE DATE
Upon Receipt

Bill To:
Sample Application
One Royal Troon Dr
Pinehurst, NC 28374

Remit To:
PNC Equipment Finance, LLC
Attn: Lease Servicing/Set-Up Processing
995 Dalton Avenue
Cincinnati, OH 45203

INVOICE

Lease No. 393700002

Initial Charges:

Monthly Rent - 1st Month

Initiation Fees:

Documentation Fee

PAY THIS AMOUNT

\$

Lease/Purchase Master Agreement For State and Local Government

Lease Purchase Master Agreement No: _____

This Lease/Purchase Master Agreement For State and Local Government ("Agreement") covers the terms and conditions under which IBM Credit LLC will finance various charges. In addition, attached is the form of Lease/Purchase Supplement and Exhibits thereto.

This Agreement and its applicable Supplements and Addenda are the complete agreement regarding the Financing Transactions and replace any prior oral or written communications between both parties. If there is a conflict of terms among the documents, the order of precedence will be as follows: (a) attachments or addenda to the Supplement, (b) Supplement, (c) attachments or addenda to the Agreement, (d) this Agreement.

By signing below, both parties agree to the terms of this Agreement. Once signed, any reproduction of this Agreement or a Supplement made by reliable means (for example, photocopy or facsimile) is considered an original.

Part 1 - Definitions

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Lease/Purchase Master Agreement.

"Commencement Date" is the date when the term of a Financing Transaction and Lessee's obligation to pay Lease Payments for such Financing Transaction commence, which date shall be set forth in each Lease/Purchase Supplement.

"Equipment" means, collectively, the equipment lease/purchased pursuant to this Agreement, and with respect to each Lease/Purchase Supplement, the equipment described in each Lease/Purchase Supplement, and all repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.1 or Part 9.

"Event of Default" is defined in Section 13.1.

"Financed Items" means any software program licenses, maintenance, services, and other one-time charges to be lease/purchased pursuant to this Agreement, and with respect to each Lease/Purchase Supplement, such items described therein.

"Financing Transaction" means the lease/purchase transaction for Property set forth in any Lease/Purchase Supplement entered into pursuant this Agreement.

"Lease/Purchase Supplement" or **"Supplement"** means a Lease/Purchase Supplement in the form attached hereto.

"Lease Payments" means the Lease Payments payable by Lessee under Part 6 of this Agreement and with respect to each Lease/Purchase Supplement, the Payment Amounts set forth in each Lease/Purchase Supplement in Exhibit 1 thereto.

"Lease Payment Dates" means the dates for the Lease Payments as set forth in the Payment Schedules for each Lease/Purchase Supplement.

"Lease Term" means, with respect to a Financing Transaction, the Original Term and all Renewal Terms. The Lease Term for each Financing Transaction entered into hereunder shall be set forth in a Lease/Purchase Supplement, as provided in Section 4.2.

"Lessee" or "Customer" means the entity identified as such on the signature line below, and its permitted successors and assigns.

"Lessor" means the entity identified as such on the signature line below, and its successors and assigns.

"Nonappropriation Event" is defined in Section 6.6.

"Original Term" means, with respect to a Financing Transaction, the period from the Commencement Date until the end of the budget year of Lessee in effect at the Commencement Date.

"Payment Schedule" means, with respect to a Financing Transaction, one or more schedules of lease payments for the Original Term and all Renewal Terms that indicates the Payment Due Date, the Lease Payment, the Interest Component and the Prepayment Price as set forth in each Payment Schedule.

"Property" means, collectively, the Equipment and Financed Items lease/purchased pursuant to this Agreement, and with respect to each Lease/Purchase Supplement, the Equipment and Financed Items described in such Lease/Purchase Supplement.

"Purchase Price" means the amount that Lessee may, in its discretion, pay to Lessor to purchase the Property under a Lease/Purchase Supplement, as provided in Section 11.1 and as set forth in the Lease/Purchase Supplement.

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"Renewal Terms" means the renewal terms of a Financing Transaction, each having a duration of one year and a term coextensive with Lessee's budget year.

"State" means the state or commonwealth where Lessee is located.

"Supplier" means International Business Machines Corporation "IBM", or any other manufacturer, vendor or provider of the Property leased/purchased by Lessee.

Part 2 - Separate Financings

Each Supplement executed and delivered under this Agreement shall be a separate financing, distinct from other Supplements. Without limiting the foregoing, upon the occurrence of an Event of Default or a Nonappropriation Event with respect to a Supplement, Lessor shall have the rights and remedies specified herein with respect to the Property financed and the Lease Payments payable under such Supplement, and except as expressly provided in Section 12.2 below, Lessor shall have no rights or remedies with respect to Property financed or Lease Payments payable under any other Supplements unless an Event of Default or Nonappropriation Event has also occurred under such other Supplements.

Part 3 - Lessee's Covenants

As of the Commencement Date for each Supplement executed and delivered hereunder, Lessee shall be deemed to represent, covenant and warrant for the benefit of Lessor as follows:

- a. Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Supplement and the transactions contemplated thereby and to perform all of its obligations thereunder. Lessee has a substantial amount of one or more of the following sovereign powers: (i) the power to tax, (ii) the power of eminent domain, and (iii) the police power.
- b. Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent Lessee should merge with another entity under the laws of the State, Lessee agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder.
- c. Lessee has been duly authorized to execute and deliver this Agreement and the Supplement by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Supplement, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the Supplement and the acquisition by Lessee of the Property thereunder. On or before the Commencement Date, Lessee shall cause to be executed an Opinion of Lessee's Counsel in substantially the form attached to the form of the Supplement as Exhibit 2 and a Lessee's Certificate in substantially the form attached to the form of the Supplement as Exhibit 3.
- d. During the Lease Term for the Supplement, the Property thereunder will perform and will be used by Lessee only for the purpose of performing essential governmental uses and public functions within the permissible scope of Lessee's authority.
- e. Lessee will provide Lessor with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Lessee to continue this Agreement and the Supplement in such form and containing such information as may be requested by Lessor.
- f. Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Lease Payments under the Supplement and will not use or permit the use of the Property in such a manner as to cause a Supplement to be a "private activity bond" under Section 141(a) of the Code. Lessee covenants and agrees that no part of the proceeds of the Supplement shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Supplement to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Supplement.
- g. The execution, delivery and performance of this Agreement and the Supplement and compliance with the provisions hereof and thereof by Lessee does not conflict with, or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease of, or other instrument to which Lessee is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over Lessee or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of Lessee or to which it is subject.
- h. Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days' prior notice to Lessor.

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Part 4 - The Transactions

4.1 Lease of Property. On the Commencement Date of each Financing Transaction executed in the Supplement hereunder, Lessor will be deemed to demise, lease and let to Lessee, and Lessee will be deemed to rent, lease and hire from Lessor, the Property described in such Supplement, in accordance with this Agreement and such Supplement, for the Lease Term set forth in such Supplement.

4.2 Lease Term. The term of each Financing Transaction shall commence on the Commencement Date set forth in the Certificate of Acceptance and shall terminate upon payment of the final Lease Payment set forth in such Payment Schedule and the exercise of the Deemed Purchase described in Section 11.1, unless terminated sooner pursuant to this Agreement or the Supplement.

4.3 Delivery, Installation and Acceptance of Property. Lessee shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Supplement, and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. To the extent funds are deposited under an escrow agreement for the acquisition of the Property, such funds shall be disbursed as provided therein. When the Property described in such Supplement is delivered, installed and accepted as to Lessee's specifications, Lessee shall immediately accept the Property and evidence said acceptance by executing and delivering to Lessor the Certificate of Acceptance substantially in the form attached to the Supplement.

4.4 Assignment to Lessor. With respect to Property, Lessee assigns for security purposes to Lessor, effective upon Lessor signing the Supplement, its right to purchase the Property from its Supplier. Although Lessor shall have the obligation to pay the Supplier for the Property, not to exceed the principal amount set forth in the Supplement, title to the Property shall pass directly from Supplier to Lessee subject to Lessor's right under Section 7.3 hereunder, or unless otherwise provided. All other rights and obligations as defined in the agreement between Lessee and Lessee's Supplier governing the purchase of the Property ("Purchase Agreement") shall remain with Lessee. Lessee represents that it has reviewed and approved the Purchase Agreement. Lessor will not modify or rescind the Purchase Agreement.

4.5 Credit Review. For each Financing Transaction, Lessee consents to a reasonable credit review by Lessor.

Part 5 - Lessor's Rights of Access

5.1 Enjoyment of Property. Lessee shall during the Lease Term peaceably and quietly have, hold and enjoy the Property, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement. Neither Lessor nor its successors or assigns shall interfere with such quiet use and enjoyment during the Lease Term so long as Lessee is not in default under the subject Supplement.

5.2 Location; Inspection. The Property will be initially located or based at the location specified in the applicable Supplement. Upon reasonable advance request, Lessee agrees to allow Lessor to inspect the Equipment and its maintenance records during Lessee's normal business hours, subject to Lessee's reasonable security procedures. Lessee will affix to the Equipment any identifying labels supplied by Lessor indicating ownership.

Part 6 - Payments

6.1 Lease Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Lease Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional, statutory or charter limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the faith and credit or taxing power of Lessee. Upon the appropriation of Lease Payments for a fiscal year, the Lease Payments for said fiscal year, and only the Lease Payments for said current fiscal year, shall be a binding obligation of Lessee; provided that such obligation shall not include a pledge of the taxing power of Lessee.

6.2 Payment of Lease Payments. Lessee shall promptly pay Lease Payments under each Supplement, exclusively from legally available funds, in lawful money of the United States of America, to Lessor in such amounts and on such dates as described in the applicable Payment Schedule, at Lessor's address set forth as the "remit to" address in the invoice, unless Lessor instructs Lessee otherwise. Lessee shall pay Lessor a charge on any delinquent Lease Payments in an amount sufficient to cover all additional costs and expenses incurred by Lessor from such delinquent Lease Payment. In addition, Lessee shall pay a late charge of five cents per dollar or the highest amount permitted by applicable law, whichever is lower, on all delinquent Lease Payments and interest on said delinquent amounts from the date such amounts were due until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

6.3 Interest Component. A portion of each Lease Payment due under each Supplement is paid as, and represents payment of, interest, and each Supplement hereunder shall set forth the interest component (or method of computation thereof) of each Lease Payment thereunder during the Lease Term.

6.4 Lease Payments to be Unconditional. SUBJECT TO SECTION 6.6, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE SUPPLEMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY SUPPLIER AS PROVIDED IN SECTION 10.2.

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6.5 Continuation of Lease by Lessee. Lessee intends to continue all Supplements entered into pursuant to this Agreement and to pay the Lease Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Lease Payments during the term of all Supplements can be obtained. Lessee agrees that during the budgeting process for each budget year its staff will provide to the governing body of Lessee notification of any Lease Payments due under the Supplements during the following budget year.

6.6 Nonappropriation. If, during the then current Original Term or Renewal Term, sufficient funds are not appropriated to make Lease Payments required under a Supplement for the following fiscal year, Lessee shall be deemed to not have renewed such Supplement for the following fiscal year and the Supplement shall terminate at the end of the then current Original Term or Renewal Term and Lessee shall not be obligated to make Lease Payments under said Supplement beyond the then current fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (a "Nonappropriation Event") Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property under said Supplement to Lessor. If Lessee fails to deliver possession of the Property to Lessor upon termination of said Supplement by reason of a Nonappropriation Event, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. In the event of a Nonappropriation Event under a Supplement, Lessee shall cease use of all software financed or acquired under the applicable Supplement and shall confirm and state in writing to Lessor that it has: (1) deleted or disabled all files and copies of the software from the equipment on which it was installed; (2) returned all software documentation, training manuals, and physical media on which the software was delivered; and (3) has no ability to use the returned software. Lessor may, by written instructions to any escrow agent who is holding proceeds of the Supplement, instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to Lessee's obligations under the Supplement and this Agreement. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee. In the event of such nonappropriation, upon request from Lessor, Lessee agrees to provide in a timely manner, written evidence of such nonappropriation, a copy of the fiscal year budget in which such nonappropriation occurred and any other related documentation reasonably requested by Lessor.

Part 7 - Title; Security Interest

7.1 Title to the Property. Upon acceptance of the Equipment by Lessee and unless otherwise required by the laws of the State, title to the Equipment shall vest directly in Lessee from the Supplier, subject to Lessor's interests under the applicable Supplement and this Agreement. Software that the Lessee acquires from the Supplier and finances with Lessor remains the property of the licensor. Ownership of the software is governed by the license agreement between the licensor and the Lessee and is not affected by this Agreement.

7.2 Personal Property. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

7.3 Security Interest. To the extent permitted by law and to secure the performance of all of Lessee's obligations under this Agreement with respect to a Supplement, including without limitation all Supplements now existing or hereafter executed, Lessee grants to Lessor, for the benefit of Lessor and its successors and assigns, a security interest constituting a first lien on Lessee's interest in all of the Equipment under the Supplement, whether now owned or hereafter acquired, all additions, attachments, alterations and accessions to the Equipment, all substitutions and replacements for the Equipment, and on any proceeds of any of the foregoing, including insurance proceeds. Lessee shall execute any additional documents, including financing statements, affidavits, notices and similar instruments, in form and substance satisfactory to Lessor, that Lessor deems necessary or appropriate to establish, maintain and perfect a security interest in the Equipment in favor of Lessor and its successors and assigns. Lessee hereby authorizes Lessor to file all financing statements that Lessor deems necessary or appropriate to establish, maintain and perfect such security interest.

Part 8 – Maintenance and Ancillary Charges

8.1 Maintenance of Equipment by Lessee. Lessee shall keep and maintain the Equipment in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Equipment in conformity with all laws and regulations concerning the Equipment's ownership, possession, use and maintenance, and shall keep the Equipment free and clear of all liens and claims, other than those created by this Agreement. Lessee shall have sole responsibility to maintain and repair the Equipment. Should Lessee fail to maintain, preserve and keep the Equipment in good repair and working order and in accordance with manufacturer's specifications, and if requested by Lessor, Lessee will enter into maintenance contracts for the Equipment in form approved by Lessor and with approved providers.

8.2 Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Property free of all levies, liens and encumbrances, except for the interest of Lessor under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Property will be exempt from all property taxes. The Lease Payments payable by Lessee under this Agreement and the Supplements hereunder have been established to reflect the savings resulting from this exemption from taxation. Lessee will take such actions necessary under applicable law to

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obtain said exemption. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation or later becomes subject to such taxes, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Lessee shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property. Lessee shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the then current fiscal year of the Lease Term for such Property.

8.3 Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring the Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount equal to at least the outstanding principal component of Lease Payments, and (b) liability insurance that protects Lessor from liability in all events in an amount reasonably acceptable to Lessor, and (c) worker's compensation insurance covering all employees working on, in, near or about the Property; provided that Lessee may self-insure against all such risks. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are authorized to issue such insurance in the State. All such liability insurance shall name Lessor as an additional insured. All such casualty insurance shall contain a provision making any losses payable to Lessor and Lessee as their respective interests may appear. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification. Such changes shall not become effective without Lessor's prior written consent. Upon Lessor's request, Lessee shall, within thirty (30) days of such request, furnish to Lessor, for each Supplement, certificates evidencing such coverage, or, if Lessee self-insures, a written description of its self-insurance program together with a certification from Lessee's risk manager or insurance agent or consultant to the effect that Lessee's self-insurance program provides adequate coverage against the risks listed above.

8.4 Advances. In the event Lessee shall fail to either maintain the insurance required by this Agreement or keep the Property in good repair and working order, Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof or maintain and repair the Property and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the Lease Term for the Supplement for which the Property is under and shall be due and payable on the next Lease Payment Date and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date such amounts are advanced until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

Part 9 – Casualty Loss

9.1 Damage or Destruction. If (a) the Property under a Supplement or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Supplement or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessor and Lessee will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt repair, restoration, modification or improvement of the Property, unless Lessee shall have exercised its option to purchase Lessor's interest in the Property if the Supplement so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee and applied to the next Lease Payments coming due on the Supplement. For purposes of Section 8.3 and this Part 9, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

9.2 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.1, Lessee shall (a) complete such repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 6.2; or (b) exercise its option to purchase Lessor's interest in the Property pursuant to the optional purchase provisions of the Supplement, if any. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such purchase may be retained by Lessee.

Part 10 – Warranties; Use of Equipment and/or Financed Items

10.1 Disclaimer of Warranties. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE. Lessee acknowledges that it has made (or will make) the selection of the Property from the Supplier based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. Lessee understands and agrees that (a) neither the Supplier nor any sales representative or other agent of Supplier, is (i) an agent of Lessor, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Supplements, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Supplements.

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10.2 Supplier's Warranties. Lessor hereby irrevocably assigns to Lessee all rights that Lessor may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Supplier. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Supplier of the Property, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Supplier of the Property.

10.3 Use of the Property. Lessee will not install, use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Supplement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Property. In addition, Lessee agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property (including compliance with any applicable privacy laws, rules or regulations and in conjunction therewith Lessee, upon cessation of the use, operation and control of, and prior to any disposition of the Equipment, shall destroy any data contained thereon that would be subject to such privacy laws, rules or regulations); provided that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Property or its interest or rights under this Agreement. Lessee shall promptly notify Lessor in writing of any pending or threatened investigation, inquiry, claim or action by any governmental authority which could adversely affect this Agreement, any Supplement or the Property thereunder.

10.4 Modifications. Subject to the provisions of this Section, Lessee shall have the right, at its own expense, to make alterations, additions, modifications or improvements to the Equipment. All such alterations, additions, modifications and improvements shall thereafter comprise part of the Equipment and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications and improvements shall not in any way damage the Equipment, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Equipment, on completion of any alterations, additions, modifications or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Equipment immediately prior to the making of such alterations, additions, modifications and improvements. Lessee shall, at its own expense, make such alterations, additions, modifications and improvements to the Equipment as may be required from time to time by applicable law or by any governmental authority.

Part 11 – Prepayments

11.1 Deemed Purchase. Lessee shall be deemed to have purchased Lessor's entire interest in all of the Equipment subject to a Supplement and to have terminated any restrictions herein on the Property under such Supplement on the last day of the Lease Term for a Supplement, if the Supplement is still in effect on such day, upon payment in full of the Lease Payments due thereunder. Upon the deemed purchase as set forth in this Section 11.1 or payment of the purchase price pursuant to Section 11.2 hereof, under the applicable Supplement, and performance by Lessee of all other terms, conditions and provisions hereof, Lessor shall deliver to Lessee all such documents and instruments as Lessee may reasonably require to evidence the transfer, without warranty by or recourse to Lessor, of all of Lessor's right, title and interest in and to the Equipment subject to such Supplement to Lessee.

11.2 Option to Prepay. Lessee shall have the option to prepay (a) in whole, but not in part, the Lease Payments due under a Supplement on any Lease Payment Date, at the Prepayment Price set forth in the Payment Schedule as the "Prepayment Price", or (b) in part, by requesting, in writing, the Prepayment Price for the portion of the remaining Lease Payments allocable to the Property being prepaid plus any past due amounts, accrued interest to the date of such prepayment and any other monetary amounts due under the Supplement to Lessor. The Prepayment Price shall be an amount equal to the present value of the portion of the remaining Lease Payments allocable to the Property being prepaid multiplied by the Prepayment Fee Rate set forth in such Payment Schedule as the "Prepayment Fee Rate". Upon payment of the Prepayment Price and such other amounts due Lessor, Lessee shall be deemed to have purchased Lessor's entire interest in all Property being prepaid, and to have terminated any restrictions herein on the Property prepaid.

Part 12 – Assignment; Risk of Loss

12.1 Assignment by Lessor. Lessor's right, title and interest in, to and under each Supplement and the Property under such Supplement may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor without the consent of Lessee; provided that any assignment shall not be effective against the Lessee until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in this Agreement and the Supplements.

12.2 Supplements Separate Financings. Assignees of the Lessor's rights in one Supplement shall have no rights in any other Supplement unless such rights have been separately assigned.

12.3 Assignment and Subleasing by Lessee. NONE OF LESSEE'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER THIS AGREEMENT OR ANY SUPPLEMENT AND IN THE PROPERTY MAY BE ASSIGNED, SUBLEASED OR ENCUMBERED BY LESSEE FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. Any request by Lessee to assign a

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Supplement or any Property thereunder must be accompanied by an opinion of tax counsel satisfactory to Lessor that the assignment will cause no material change to the federal income tax treatment of the amounts payable as interest under the Supplement.

12.4 Risk of Loss Covenants. Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement. However, as between Lessor and Lessee, and to the extent permitted by law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend Lessor against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Property, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that (provided that Lessee has complied with its obligations under Section 10.3) Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after Lessee has surrendered possession of the Property in accordance with the terms of the Agreement to Lessor or that arise directly from the gross negligence or willful misconduct of the Lessor.

Part 13 – Defaults and Remedies

13.1 Events of Default Defined. Any of the following shall constitute an "Event of Default" under a Supplement:

- a. Failure by Lessee to pay any Lease Payment under the Supplement or other payment required to be paid with respect thereto at the time specified therein;
- b. Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Supplement, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- c. Any statement, representation or warranty made by Lessee in or pursuant to the Supplement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- d. Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- e. An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

The foregoing provisions of Section 13.1 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to perform its agreements under this Agreement and the Supplement (other than the obligations on the part of Lessee contained in Part 6 hereof) Lessee shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

A Nonappropriation Event is not an Event of Default.

13.2 Remedies on Default. Whenever any Event of Default exists with respect to a Supplement, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- a. Without terminating the Supplement, and by written notice to Lessee, Lessor may declare all Lease Payments and other amounts payable by Lessee thereunder to the end of the then current budget year of Lessee to be due, including without limitation delinquent Lease Payments under the Supplement from prior budget years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less;
- b. Lessor may terminate the Supplement, may enter the premises where the Property subject to the Supplement is located and retake possession of the Equipment and require Lessee to discontinue use of any Financed Items, or require Lessee, at Lessee's expense, to promptly return any or all of the Equipment to the possession of Lessor at such place within the United States as Lessor shall specify and require Lessee to discontinue use of any Financed Items, and Lessor may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State; provided, however, that any proceeds from the disposition of the property in excess of the sum required to (i) pay off any outstanding principal component of Lease Payments, (ii) pay any other amounts then due under the Supplement, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and

**Lease/Purchase Master Agreement
For State and Local Government**

further provided that no deficiency shall be allowed against Lessee. Lessee shall confirm and state in writing to Lessor that it has: (1) deleted or disabled all files and copies of the software from the equipment on which it was installed; (2) returned all software documentation, training manuals, and physical media on which the software was delivered; and (3) has no ability to use the returned software;

c. By written notice to any escrow agent who is holding proceeds of the Supplement, Lessor may instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to payment of Lessee's obligations under the Supplement;

d. Lessor may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Supplement and this Agreement.

13.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Part it shall not be necessary to give any notice, other than such notice as may be required in this Part.

13.4 Costs and Attorney Fees. Upon the occurrence of an Event of Default by Lessee in the performance of any term of this Agreement, Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Lessee, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

Part 14 – General

14.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Lessee.

14.2 Arbitrage Certifications. Lessee shall be deemed to make the following representations and covenants as of the Commencement Date for each Supplement:

a. The estimated total costs, including taxes, freight, installation, cost of issuance, of the Financed Items under the Supplement will not be less than the total principal amount of the Lease Payments.

b. Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Lease Payments under the Supplement, or (ii) that may be used solely to prevent a default in the payment of the Lease Payments under the Supplement.

c. The Property under the Supplement has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Lease Payments under the Supplement.

d. There are no other obligations of Lessee which (i) are being sold within 15 days of the Commencement Date of the Supplement; (ii) are being sold pursuant to the same plan of financing as the Supplement; and (iii) are expected to be paid from substantially the same source of funds.

e. The officer or official who has executed the Supplement on Lessee's behalf is familiar with Lessee's expectations regarding this Section 14.2. To the best of Lessee's knowledge, information and belief, the facts and estimates set forth in herein are accurate and the expectations of Lessee set forth herein are reasonable.

14.3 Further Assurances. Lessee agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Lessor, to perfect, confirm, establish, reestablish, continue, or complete the interests of Lessor in this Agreement and the Supplements, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Supplements.

14.4 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. Any county, township, municipality, political subdivision or affiliate (collectively, "Affiliate") of Lessee may enter into a Financing Transaction under this Agreement by signing a Supplement referencing this Agreement and so will be bound to the terms and conditions of this Agreement as Lessee. Nothing in this Agreement obligates the Lessor to provide financing to an Affiliate

IBM CREDIT LLC

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14.5 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14.6 Amendments, Changes and Modifications. This Agreement may be amended in writing by Lessor and Lessee to the extent the amendment or modification does not apply to outstanding Supplements at the time of such amendment or modification

14.7 Execution in Counterparts. This Agreement and the Supplements hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

14.9 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Agreed to:

Agreed to:
IBM Credit LLC

By _____
Authorized signature

By _____
Authorized signature

Name (type or print):

Name (type or print):

Title (type or print):

Title (type or print):

Date:

Date:

Email Address:

Pitney Bowes Inc., through its Document Messaging Technologies division

PITNEY BOWES INC., DOCUMENT MESSAGING TECHNOLOGIES DIRECT CONNECT SOFTWARE LICENSE EXHIBIT

IMPORTANT: The use of any software programs and databases supplied by Pitney Bowes Inc., through its Document Messaging Technologies division ("Pitney Bowes") is conditioned on Client's agreement to be bound by the terms and conditions of this Exhibit. This License Exhibit covers all software programs, databases and user documentation supplied pursuant to the Lease Supplement Agreement into which this Exhibit is incorporated. The software programs and data bases covered by this Exhibit include Pitney Bowes' proprietary programs and databases as well as programs and databases owned by third parties and distributed by Pitney Bowes under a separate license agreement.

GRANT OF LICENSE: Pitney Bowes agrees to grant and Client agrees to accept, a non-exclusive and non-transferable licenses to use each of the software programs and data bases along with documentation identified in the LEASE SUPPLEMENT (the "LICENSED PROGRAMS") in accordance with the terms and conditions of this Software License Exhibit.

This Exhibit authorizes the Client to use the LICENSED PROGRAMS only in machine readable form and only in conjunction with the operation of the specific system equipment identified in the Lease Supplement. Any other use with any other equipment is expressly prohibited.

OWNERSHIP AND USE: Client may not copy the LICENSED PROGRAMS. Pitney Bowes will provide one (1) copy of the LICENSED PROGRAMS for back-up purposes. The LICENSED PROGRAMS cannot be transferred via any media, including telecommunications lines, other than that on which it is supplied to Client.

Client shall not create by decompilation or otherwise, the source programs or any part thereof from the object program or from other information made available under this Software License Exhibit.

Client shall not sell, transfer, publish, disclose, display, or otherwise make available any Licensed Program or copies thereof to others.

Client acknowledges that the LICENSED PROGRAMS are trade secrets of Pitney Bowes or of the third parties under whose license Pitney Bowes provides the LICENSED PROGRAMS. Client agrees to secure and protect the LICENSED PROGRAMS and copies thereof in a manner consistent with maintenance of Pitney Bowes' rights therein and to take appropriate action by instruction or agreement with its employees to satisfy its obligations hereunder.

The terms of this Software License Exhibit are applicable to the LICENSED PROGRAMS only and take precedence over the terms of any purchase order or other document where such term is inconsistent with the terms of this Exhibit.

OTHER RESTRICTIONS: Client shall not use, transmit, or permit export of the LICENSED PROGRAMS in any country where such use is not permitted under United States export regulations or any other applicable law. Use, duplication or disclosure by the Government is subject to any additional restrictions as set forth in subdivision (b) (3) (ii) of the Rights to Technical Data and Computer Software clause at 252.227-7013. Client shall not install, download or execute software other than that provided under this Exhibit on the CPU or storage devices associated with this product.

TERMINATION: This Software License Exhibit is effective upon delivery of the LICENSED PROGRAMS and shall remain in force until terminated. Client may terminate this Software License Exhibit at any time by destroying the programs and documentation together with all copies. This Software

License Exhibit will terminate automatically if any term of this Software License Exhibit is violated by Client. Termination of the Software License Exhibit shall be in addition to, and not in lieu of any other legal or equitable remedies available to Pitney Bowes.

LIMITED WARRANTY: Pitney Bowes warrants for a period of ninety (90) days from the date of delivery that the LICENSED PROGRAMS will perform substantially in accordance with the user documentation.

This warranty is void if the LICENSED PROGRAMS fail to perform as a result of accident, misuse, or due to use with software programs or non-qualifying databases of any party other than Pitney Bowes or if used on any other equipment or system other than the one(s) specifically identified in the Lease Supplement. To the extent that any of the LICENSED PROGRAMS require current data to operate according to the user documentation, if Client does not obtain and install any necessary current data, this warranty is void.

EXCEPT AS HEREIN SPECIFICALLY PROVIDED, THE LICENSED PROGRAMS ARE PROVIDED WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Pitney Bowes does not warrant that the functions contained in the LICENSED PROGRAMS will meet Client's requirements, or that the operation of the LICENSED PROGRAMS or any data base supplied will be uninterrupted or error free.

Pitney Bowes may, from time-to-time, revise or update the LICENSED PROGRAMS including user documentation, and in so doing, incurs no obligation to furnish such revisions or updates to the Client after ninety (90) day warranty except as provided for Software Maintenance Agreement subscribers. Any revisions or updates issued during the warranty period will be warranted for the remainder of the warranty period.

LIMITATION OF REMEDIES: Pitney Bowes' entire liability and Client's exclusive remedy shall be the replacement of any LICENSED PROGRAMS and/or media which are returned to Pitney Bowes.

IN NO EVENT WILL PITNEY BOWES BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES, INCLUDING ANY LOST PROFITS, ARISING OUT OF THE USE OR PERFORMANCE OF SUCH LICENSED PROGRAMS BY CLIENT OR ANY THIRD PARTY EVEN IF PITNEY BOWES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

GENERAL: This Exhibit and performance hereunder shall be governed by and construed in accordance with the laws of the State of Connecticut.

The waiver or failure of Pitney Bowes to exercise in any respect any right provided for herein shall not be deemed a waiver of any future right hereunder.

If any portions of this Software License Exhibit are invalid under any applicable statute or rule of law to that extent they shall be deemed omitted from this Software License Exhibit.

LICENSEE HAS READ THIS EXHIBIT AND UNDERSTANDS AND AGREES
TO ABIDE BY ITS TERMS

SOFTWARE LICENSE AND MAINTENANCE AGREEMENT

for

Software Imbedded in a Sorter purchased from Pitney Bowes (“Operating Software”) and/or any Software Licensee May Elect to License in connection with such Sorter (“Application Software”). Application Software includes, but is not limited to, Fast Forward, Clear Scan, OCR, AddressScript, and UMove and DPV/LACS, if applicable

THIS SOFTWARE LICENSE AND MAINTENANCE AGREEMENT is between Pitney Bowes Inc., through its Document Messaging Technologies Division, a Delaware corporation, with offices at 37 Executive Drive, Danbury, Connecticut 06810, (“Pitney Bowes”) and _____, the customer (“Licensee”) named in the Purchase Agreement (“Purchase Agreement”) or sorter lease agreement (which agreement may include financing provisions) (“Lease Agreement”) with Pitney Bowes or one of its affiliates relating to one or more of the imbedded sorter software products named above (whichever of the Purchase Agreement or the Lease Agreement is applicable is referred to herein as the “Purchase/Lease Agreement”). The terms of this Agreement are in addition to, and do not supersede, the terms of the Purchase/Lease Agreement, except that, with respect to the Pitney Bowes Software (as defined in Section 1.1 below), this Agreement does supersede those portions of the Purchase/Lease Agreement that refer expressly to software (other than those portions that relate to financing with respect to the Licensed Software). In the event of a conflict between the terms of this Agreement and the Purchase/Lease Agreement with respect to the Pitney Bowes Software, the terms of this Agreement shall control. LICENSEE'S SIGNATURE BELOW, OR USE OR CONTINUED USE OF THE PITNEY BOWES SOFTWARE, CONSTITUTES LICENSEE'S AGREEMENT TO THIS SOFTWARE LICENSE AGREEMENT.

1 LICENSE

1.1 License Grant and Term: Pitney Bowes grants to Licensee, pursuant to, and subject to Licensee’s compliance with, the terms and conditions set forth in this Agreement and subject to payment of all applicable license fees relating to the Operating and Application Software (collectively “Pitney Bowes Software”), and Licensee accepts a non-exclusive, non-transferable license to use the Pitney Bowes Software for the Term (the “License”). **Term:** Unless terminated as provided herein, the term of the License for the Software shall commence on the equipment delivery date and shall continue for a period of one (1) year. Thereafter, this agreement shall be renewed automatically for additional one (1) year periods unless either party gives written notice of its intention not to renew no less than ninety (90) days prior to the anniversary date. In the event Licensee elects to terminate this Agreement without cause prior to the expiration of the then-current one (1) year term, no pro-rata refund will be provided.

Application Software provided hereunder requires Licensee to provide testing materials to the United States Postal Service (“USPS”) for purposes of ensuring MERLIN compliance. Pitney Bowes assumes no liability for Licensee’s failure to obtain USPS approval.

1.2 Software Use: Licensee is authorized to use the Pitney Bowes Software solely for its own internal operations on the sorter indicated in the Purchase/Lease Agreement, this Agreement or any applicable Statement of Work or similar agreement between Pitney Bowes and Licensee with respect to the Pitney Bowes Software.

1.3 Backup Copies: Licensee shall have the right to make no more than one copy of the Pitney Bowes Software solely for backup and archival purposes and exclusively for Licensee's internal use provided that such copies include all original copyright and other proprietary notices.

1.4 Fees: Commencing on the equipment delivery date, Licensee shall pay to Pitney Bowes the license and maintenance charges described in the Purchase/Lease Agreement or if applicable, Exhibit C attached hereto. For any Software Maintenance provided after the first year, pricing will be reviewed on an annual basis. In the event Software Maintenance is terminated by Licensee, Licensee’s license rights hereunder shall also terminate.

Pitney Bowes will invoice Licensee for annual license and maintenance charges (or for any *pro rata* portion thereof) on the delivery date and on each subsequent anniversary thereof. Any invoice not paid within thirty (30) days of such timeframe shall carry a late charge at the rate of 1.5% per month from the date such payment is due until paid in full. If Licensee upgrades to a new release, *i.e.*, major enhancements and/or new functionality of the programs licensed by Pitney Bowes, the software maintenance services provided hereunder may be transferred to the new release at the then current subscription fee for the new release less credit for fees previously paid hereunder.

If AddressScript™ software is licensed hereunder; advance purchase of blocks of clicks (11-digit finalized answers) is required. Licensee's initial purchase of clicks shall be set forth in Purchase/Lease Agreement. Licensee agrees to purchase all such clicks from Pitney Bowes. Licensee further understands that if it purchases or otherwise acquires clicks from any other source, Licensee's license will be terminated and Pitney Bowes may seek remedies hereunder.

2 WARRANTY

2.1 Warranty: Pitney Bowes warrants during the Warranty Period that the Pitney Bowes Software will conform to all substantial operational functions of the Pitney Bowes Software described in any documentation provided if installed and used in the operating environment specified therein. The "**Warranty Period**" for the Pitney Bowes Software is ninety (90) days from the date of delivery. If the Pitney Bowes Software does not so conform during the Warranty Period, Pitney Bowes shall, at its option, (i) repair the Pitney Bowes Software or (ii) replace the Pitney Bowes Software. This warranty is void if the Pitney Bowes Software fails to perform as a result of accident, misuse, or due to use with hardware, software programs or non-qualifying databases of any party other than Pitney Bowes. To the extent that the Pitney Bowes Software requires current data to operate in accordance with the documentation, if Licensee does not obtain and install any necessary current data, this warranty is void.

2.2 Warranty Limitation: EXCEPT AS HEREIN SPECIFICALLY PROVIDED, THE PITNEY BOWES SOFTWARE IS PROVIDED WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. PITNEY BOWES DOES NOT WARRANT THAT THE FUNCTION CONTAINED IN THE PITNEY BOWES SOFTWARE WILL MEET LICENSEE'S REQUIREMENTS, OR THAT THE OPERATION OF THE PITNEY BOWES SOFTWARE OR ANY DATABASE SUPPLIED WILL BE UNINTERRUPTED OR ERROR FREE.

3 PROPRIETARY RIGHTS

3.1 Ownership of Pitney Bowes Software. The Pitney Bowes Software and Materials, and all materials relating thereto (collectively, the "**Pitney Bowes Materials**") are proprietary to Pitney Bowes and/or its licensors and suppliers and shall remain the sole and exclusive property of Pitney Bowes and/or its licensors and suppliers. The Pitney Bowes Software and Materials are protected by United States copyright and international treaty provisions. Licensee shall not sell, transfer, publish, disclose, distribute, display, copy, use or otherwise make available the Pitney Bowes Materials or copies thereof to others except as expressly permitted in this Agreement. Licensee shall not remove, disfigure or alter any of the proprietary notices or trademarks incorporated into the Pitney Bowes Materials.

3.2 Security. Licensee shall not sell, transfer, publish, disclose, display, or otherwise make available any Pitney Bowes Software or copies thereof to others. Licensee acknowledges that the Pitney Bowes Software is a trade secret of Pitney Bowes or of the third parties under whose license Pitney Bowes provides the Pitney Bowes Software. Licensee agrees to secure and protect the Pitney Bowes Software and copies thereof in a manner consistent with maintenance of Pitney Bowes' rights therein and to take appropriate action by instruction or agreement with its employees to satisfy its obligations hereunder.

3.3 No Decompiling. Licensee agrees not to: (a) disassemble, decompile or otherwise reverse engineer the Pitney Bowes Software or otherwise attempt to learn the source code, structure, algorithms or ideas underlying the Pitney Bowes Software; (b) alter or modify the Pitney Bowes Software or Materials or create derivative works therefrom; or (c) allow or assist others to do any of the foregoing. All rights in derivative works created by Licensee will be deemed to be the property of and owned by Pitney Bowes or the Third Party provider who provided such content.

4 SOFTWARE MAINTENANCE

4.1 Software Maintenance: Software Maintenance for the Operating Software shall be provided as part of your equipment warranty and/or equipment maintenance. Software Maintenance (as defined in Exhibit A) for Application Software is available at an additional charge for as long as Pitney Bowes makes such Software Maintenance generally available to its licensees of the Pitney Bowes Software.

5 LIABILITY

5.1 Limitation of Liability: PITNEY BOWES' ENTIRE LIABILITY AND LICENSEE'S EXCLUSIVE REMEDY SHALL BE THE REPLACEMENT OF ANY PITNEY BOWES SOFTWARE. IF PITNEY BOWES IS UNABLE TO DELIVER SUCH A REPLACEMENT, LICENSEE MAY TERMINATE THIS AGREEMENT BY RETURNING THE PITNEY BOWES SOFTWARE, AND THE LICENSE FEE FOR ANY UNUSED PERIOD WILL BE REFUNDED. LICENSEE AGREES THAT PITNEY BOWES' LIABILITY FOR USE OF THE PITNEY BOWES SOFTWARE BY LICENSEE OR ANY THIRD PARTY ARISING OUT OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OF WARRANTY, OR OTHERWISE, SHALL NOT EXCEED AMOUNTS PAID BY LICENSEE FOR THE PARTICULAR PITNEY BOWES SOFTWARE.

5.2 Excluded Damages: IN NO EVENT WILL PITNEY BOWES BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING ANY LOST PROFITS, ARISING OUT OF THE USE OR PERFORMANCE OF SUCH PITNEY BOWES SOFTWARE, EVEN IF PITNEY BOWES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6 TERMINATION

6.1 Termination: This Agreement will terminate automatically if any term of this Agreement is violated by Licensee. Termination of the license shall be in addition to, and not in lieu of any other legal or equitable remedy available to Pitney Bowes.

6.2 Injunctive Relief: Licensee acknowledges that any breach of its obligations under this Agreement with respect to Pitney Bowes' or a third party's proprietary rights or confidential information will cause Pitney Bowes and/or such third party irreparable injury for which there exists no adequate remedies at law, and therefore Pitney Bowes shall be entitled to injunctive relief, without the posting of any bond, in addition to all other remedies provided by this Agreement or available at law.

6.3 Survival: The following shall survive termination of this Agreement: Sections 1.4, 2.2, 3, 5, 6.2, 6.3, 7 and 8.

7 MISCELLANEOUS

7.1 Governing Law: This Agreement and the rights and duties set forth herein, shall be governed by the laws of the State of Connecticut.

7.2 Severability: If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be severed from this Agreement and the other provisions shall remain in full force and effect.

7.3 Modifications: This Agreement may not be modified or amended in any way except in writing signed by duly authorized representatives of Pitney Bowes and Licensee or as otherwise expressly provided herein. In no event shall terms contained in any Licensee purchase order be made a part of or supersede this Agreement.

7.4 Non-waiver: A waiver of any breach or default under this Agreement shall not constitute a waiver of any other or subsequent breach or default. Failure or delay by either party to enforce compliance with any term or condition of this Agreement shall not constitute a waiver of such term or condition.

7.5 Binding Effect; Assignment: This Agreement shall be binding on and inure to the benefit of parties hereto and their respective successors and permitted assigns. Licensee may not assign this Agreement or assign, sublicense or transfer any of its rights hereunder without the prior written consent of Pitney Bowes. In addition, for certain Application Software, the Third Party Content Provider may have to consent to the assignment of any licenses provided hereunder and an additional fee may apply.

7.6 Third Party Content: Various third party software and other documentation ("**Third Party Content**") may have been incorporated into the Pitney Bowes Software and/or the Materials by Pitney Bowes under permission from Pitney Bowes' licensors and suppliers. Certain Third Party Content provided hereunder requires Licensee be certified by the United States Postal Services. Licensee's failure to obtain such certification shall not impact Licensee's obligation to pay to Pitney Bowes fees due hereunder. In addition, certain Third Party Content requires Licensee to

agree to additional terms of use set forth on Exhibit B hereto. If Pitney Bowes' license to any Third Party Content terminates, Licensee agrees: (a) that the Purchase/Lease Agreement and all other agreements related thereto (e.g. equipment or software maintenance agreements) shall remain in full force and effect in accordance with their terms; (b) to discontinue and/or return the terminated Third Party Content upon notice from Pitney Bowes; and (c) that Pitney Bowes shall have no further obligation with respect to such Third Party Content.

7.7 Export and Other Laws: Licensee agrees that, unless it has obtained prior written authorization from the United States Department of Commerce or is otherwise permitted by the United States Department of Commerce Export Administration Regulations and, in either case, has the prior written consent of Pitney Bowes, it will not export or otherwise disclose, directly or indirectly, any technology or software received from Pitney Bowes nor allow the direct product thereof to be shipped or to be disclosed, either directly or indirectly, to any destination that is prohibited by the United States Government or to a foreign national that is prohibited by the United States Government. Without limiting the foregoing, Licensee and Pitney Bowes shall comply with all applicable laws and regulations relating to the Pitney Bowes Software and its use. In addition, certain United States Postal Service regulations and/or rules prohibit the transfer of certain software outside of the United States.

8 ENTIRE AGREEMENT: This Agreement, the Purchase/Lease Agreement, any related statement of work, application design agreement or similar document signed by both Pitney Bowes and Licensee, and any other agreement between Pitney Bowes and Licensee expressly referred to herein contain the entire agreement of the parties with respect to the subject matter hereof and shall supersede any and all prior agreements, understandings, promises, representations or warranties made by one party to the other, whether oral or in writing, concerning the subject matter contained herein or the terms or conditions applicable hereto.

LICENSEE HAS READ THIS AGREEMENT AND UNDERSTANDS AND AGREES TO ABIDE BY ITS TERMS.

LICENSEE

COMPANY NAME:

**PITNEY BOWES INC., THROUGH ITS DOCUMENT
MESSAGING TECHNOLOGIES DIVISION**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

SOFTWARE MAINTENANCE

Software maintenance terms

If Licensee has elected to purchase maintenance from or has included maintenance in its lease payments to Pitney Bowes for the software licensed hereunder, the following additional terms and conditions shall apply:

1. Services Provided. Pitney Bowes shall provide the following support services:

(a) Error Correction. Pitney Bowes shall attempt to correct documented errors in the Software. Errors must be reported to Pitney Bowes within a reasonable time and must be repeatable by Pitney Bowes. Pitney Bowes shall, as expeditiously as possible, use its best efforts to correct such errors, or to provide a software patch or bypass around such error. No warranty is made that all errors can or will be corrected. Licensee shall provide Pitney Bowes with reasonable direct and/or remote access to Licensee's equipment, the Software and all relevant documentation and records, and shall provide such reasonable assistance as Pitney Bowes may request, including, but not limited to, providing sample output and other diagnostic information.

(b) Updates. Pitney Bowes shall provide Licensee, at no additional cost, error corrections, modification or minor enhancements (herein called "Updates") for the Software when such Updates are developed or published by Pitney Bowes and made generally available to other licensees of the Software. All Updates shall become part of the Software and shall be subject to the terms of this Agreement. Any new products developed or published by Pitney Bowes will be offered to Licensee at Pitney Bowes's then current rates. Determination of whether specific software programs are Updates or new products shall be made solely and exclusively by Pitney Bowes.

(c) USPS Address Data Directory. Pitney Bowes shall provide Data Directory updates to be installed by you on a bi-monthly basis to satisfy USPS requirements.

(d) Sorting Software. Pitney Bowes shall provide Sorting updates to Licensee as required by the USPS, including all postal rates and classification changes

(e) Telephone Support Service. Pitney Bowes will provide twenty-four (24) hours a day, seven (7) days a week, to discuss technical and operational issues pertaining to Software.

2. Licensee Responsibilities.

(a) Operation. Licensee is responsible for properly managing and operating the Software.

(b) Modifications by Licensee. In no event shall Pitney Bowes be responsible to correct any errors or damages resulting from Licensee's unauthorized changes or modifications of the Software.

(c) Uninstalled Updates. Support services shall only be offered with the most current version of the Software. Pitney Bowes shall not be responsible for correcting any alleged error if the Licensee has failed to incorporate any Update, which has been made available by Pitney Bowes.

3. Charges for Maintenance and Support.

(a) Commencing on the equipment delivery date, Licensee shall pay to Pitney Bowes the maintenance charges described in the Agreement to which this is an exhibit. Pricing will be reviewed on an annual basis.

(b) In the event maintenance is not included in Licensee's lease payment to Pitney Bowes, Pitney Bowes will invoice Licensee for annual maintenance charges (or for any *pro rata* portion thereof) on the delivery date and on each subsequent anniversary thereof. Any invoice not paid within thirty (30) days of such timeframe shall carry a late charge at the rate of 1.5% per month from the date such payment is due until paid in full.

(c) If Licensee upgrades to a new release, *i.e.*, major enhancements and/or new functionality of the programs licensed by Pitney Bowes, the software maintenance services provided hereunder may be transferred to the new release at the then current subscription fee for the new release less credit for fees previously paid hereunder.

EXHIBIT B

The following terms apply if Licensee licenses certain third party Application Software hereunder

Software provided by Firstlogic, Inc. and/or its successors and assigns is subject to the following additional terms and conditions.

Directories. Due to United States Postal Service regulations, Licensee, depending on which Licensed Product is being used, must use a current Zip+4 directory ("Directory") to operate the Licensed Software within the mail transport product. The Licensed Software will not operate without a current Directory which is compatible with the Licensed Software. Pitney Bowes, on behalf of Firstlogic and/or its successors and assigns, supplies updated Directories on an annual basis to Licensees for whom such service is subscribed and for whom the annual software maintenance fee set forth in the Sale/Lease Agreement is timely paid. In order to continue receiving the Directory updates, the software maintenance must be renewed each year and another annual software maintenance fee paid to Pitney Bowes. During the term of this Agreement, Pitney Bowes will supply Directory updates to each Licensee for such periods for which the applicable Annual Subscription Fees are received by Pitney Bowes. **PAYMENT OF THE APPLICABLE ANNUAL SUBSCRIPTION FEES FOR EACH LICENSEE IS REQUIRED TO OPERATE THE LICENSED SOFTWARE WITHIN THE LICENSEE APPLICATION.**

Software provided by Computech Corporation and/or its successors and assigns is subject to the following additional terms and conditions.

Dongles. Computech Corporation reserves the right to include a deactivation device ("dongle") in each copy of the CARS II Software. If included, the dongle will prevent the use of such CAR II Software until Computech furnishes the key which will activate the CARS II Software. Dongles are the property of Computech Corporation and are used to prevent unauthorized copying or use of the CARS II Software. Dongles may not be transferred between Licensee unless the corresponding software is transferred under the terms of this Agreement. Dongles remain the property of Computech and must be returned by Integrator to Computech upon expiration/termination of each Licensee account.

USPS Terms – DPV/LACS and SuiteLink Product

The following terms apply solely to Your use of the United States Postal Service (“USPS”) data that is provided under license from PBDMT.

Capitalized terms used herein and not otherwise defined have the meaning assigned to them in the Agreement. The terms and conditions set forth below supersede any conflicting terms and conditions in the Agreement.

a) The delivery point validation (the “DPV Product”), LACSLink and SuiteLink and any updates, materials, know-how, computer code, and technical information (hereinafter collectively, the “USPS Data”) are confidential and proprietary to the USPS and will remain the property of USPS. You will maintain the USPS Data in strict confidence in accordance with the terms of the Agreement.

b) You are prohibited from: (i) modifying, improving, correcting, or enhancing the USPS Data in any way; (ii) combining the USPS Data, or any portion thereof, with other information, data, software or the like to create any derivative product of the USPS Data; or (iii) making or reducing to practice any invention, idea or concept, whether patentable or not, on or relating to the USPS Data, or any portion thereof, without the prior written approval of USPS.

c) You will not: (i) use the USPS Data or any of its technology to compile a list of delivery points not already in Your possession or to otherwise create a mailing list or portion thereof; (ii) rent, sell, distribute or otherwise provide any of your proprietary address lists, service products, or other system of records that contain address attributes derived or updated through the use of the USPS Data; or (iii) in addition to the foregoing, use SuiteLink for any purposes other than for improving business delivery addresses in multi-occupation buildings for use on letters, flats, postcards, packages, leaflets, magazines, advertisements, books and other printed material, and any other item that will be delivered by USPS.

d) You are not permitted to export the USPS Data outside the United States or its territories.

e) You agree and acknowledge that USPS retains all right, title and interest in the USPS Data, and all trademarks, trade dress, service marks, trade secrets, copyrights, patents and other intellectual property rights related thereto.

f) The USPS will be a third party beneficiary with respect to the license to the USPS Data granted hereunder and thereby will have the right to directly enforce against You the restrictions with respect to the USPS Data set out herein.

g) NEITHER PBDMT NOR THE USPS WILL BE LIABLE FOR ANY DESIGN, PERFORMANCE OR OTHER FAULT OR INADEQUACY OF THE USPS

DATA. This disclaimer is in addition to any other disclaimers of warranties set out in the Agreement.

h) To satisfy USPS requirements THE DPV PRODUCT WILL CONTAIN DISABLING DEVICE(S) DESIGNED TO PREVENT USE NOT PERMITTED BY THIS LICENSE. PBDMT will document all disabling devices to You. In the event You encounter the “Stop DPV Processing” function, You will contact PBDMT in order to restore DPV processing capability. PBDMT will immediately notify USPS of Your name and address. At the sole discretion of the USPS, PBDMT may not have the right to restore Your DPV processing capability.

i) Notwithstanding any provision set out in the Agreement regarding any limitation of liability, You will promptly reimburse PBDMT to the full amount of any damages or other claims that PBDMT is required to pay, and will otherwise hold PBDMT harmless from demands, costs and damages paid to third parties, which are a result of Your failure to comply with any of the obligations set out in these provisions.

j) Notwithstanding anything to the contrary elsewhere in the Agreement or any applicable order, the USPS Data is not licensed on a perpetual basis, and may only be licensed for the limited term set out in the applicable order. You may elect to renew Your term license the USPS Data to the extent PBDMT continues to offer a license to the USPS Data, for an additional term upon payment of the applicable renewal fees. PBDMT will have the right to terminate Your license to the USPS Data if (i) the USPS cancels PBDMT’s right to distribute the USPS Data, (ii) You are in breach of any of the foregoing provisions; or (iii) the Agreement or Order is terminated.

DirectView™ Software License Agreement

The following terms apply only if you purchase a DirectView™ product from Pitney Bowes DMT and are in addition to the terms set forth in the Agreement.

THIS SOFTWARE LICENSE AND MAINTENANCE AGREEMENT ("DirectView™ Agreement") is between PBDMT and You ("Licensee") with PBDMT or one of its affiliates relating to one or more of the DirectView™ software products named on the Order. The terms of this DirectView™ Agreement are in addition to, and do not supersede, the terms of the Agreement, except that, with respect to the Licensed Software (as defined in Section 1 below), this DirectView™ Agreement does supersede those portions of the Agreement that refer expressly to software (other than those portions that relate to financing with respect to the Licensed Software). In the event of a conflict between the terms of this DirectView™ Agreement and the Agreement with respect to the Licensed Software, the terms of this DirectView™ Agreement shall control. LICENSEE'S SIGNATURE ON THE ORDER, OR USE OR CONTINUED USE OF THE LICENSED SOFTWARE, CONSTITUTES LICENSEE'S AGREEMENT TO THIS DirectView™ AGREEMENT.

1. Definitions. As used in this DirectView™ Agreement, the following terms have the meanings set forth below:

"**Affiliate**" means an entity that Controls, is Controlled by or is under common Control with a party;

"**Application**" means the application, if any, identified in an Order;

"**Computer**" means the server or computer identified in an Order on which Licensed Products are authorized to be installed and used;

"**Control**" means the ownership of more than fifty percent (50%) of an entity's stock or other voting interest;

"**Data Output**" means the maps, reports or other information generated by analyzing or processing Subscription Data, including geocode coordinates or address corrections appended to Licensee database records.

"**Data Record**" means each separate, individual digital data record which is used, referenced or accessed by the Licensed Products;

"**Documentation**" means the current technical and user documentation for the Licensed Products, Support Guidelines and other specifications. The Documentation may be modified from time-to-time to incorporate Enhancements;

"**Enhancements**" means any updates, upgrades, modifications, new releases and corrective programming to the Software, Subscription Data or Documentation that are provided as part of Maintenance Services;

"**Installation Site**" means the location identified in an Order where the Licensed Products are authorized to be installed and used;

"**Licensee**" means Client or the Affiliate of Client identified in an Order that is authorized to use the Licensed Products identified therein;

"**Licensor**" means PBDMT or the Affiliate of PBDMT identified in an Order that is granting the license set out therein;

"**Licensed Products**" means the Software and Enhancements;

"**Maintenance Services**" means the services described in Section 8(b), below;

"**MIPS**" means the processing speed of a computer expressed in millions of instructions per second;

"**Order**" means the document pursuant to which a Licensee licenses Licensed Products and obtains related services. Each Order will be in a format substantially similar to the form set out in Exhibit 1;

"**Processor Cores**" or "**CPU Cores**" means the number of cores on each processor or CPU in the Computer;

"**Remote Access**" means access to and use of the Licensed Products, including, without limitation, the submission and/or receipt of data, documents or processing instructions, directly or indirectly via a server, Internet, independent software application or otherwise, to the Computer, from locations other than the Installation Site;

"**Service Provider**" means a Licensee that uses the Licensed Products to perform services, including, without limitation: to verify address information

and/or provide postal-related services; develop, design, archive, process and/or print bills, statements or other business documents; merge or convert print stream data; append geographic coordinates to address records or other data and/or perform other data processing services; for entities other than Licensee, such as an Affiliate;

"**Software**" means the computer software identified in an Order which may include DirectView™ products;

"**Subscription Data**" means data files, including, but not limited to, postal, census, geographic, demographic, and other data, that are either identified in an Order or otherwise licensed with certain of the Licensed Products;

"**Support Guidelines**" means the then current technical support guidelines for the Licensed Products located at <http://www.pbinsight.com/resources/get/9898>;

"**Transaction**" means a record or user query that is submitted to the Licensed Products;

"**User**" means an individual authorized by Licensee to use the Licensed Products in accordance with an Order regardless of whether the individual is actively using the Licensed Products at any given time; and

"**Warranty Period**" means the ninety (90) day period following initial delivery of the Software.

2. Scope of Agreement; Orders by Licensee. From time to time during the term of this DirectView™ Agreement, Client may license Licensed Products and obtain Maintenance Services by entering into one or more Orders, which will become effective when executed by both parties. Each Order will constitute a separate contract between the parties, and will be governed in all respects by the terms of this DirectView™ Agreement and the applicable Order. Any conflict between the terms of an Order and this DirectView™ Agreement will be resolved in favor of the Order. Affiliates of Client are authorized to place Orders under this DirectView™ Agreement (each a "Client Affiliate"). By submitting an Order under this DirectView™ Agreement, Client Affiliate is deemed to agree to be bound by the terms of this Agreement. The term "Licensee" as used in this DirectView™ Agreement and the applicable Order will be deemed to refer to either Client or such Client Affiliate entering into the Order.

3. Grant of License. Subject to the terms and conditions of this DirectView™ Agreement and all Orders, Licensor hereby grants to Licensee a non-exclusive, non-transferable license to use the Licensed Products in accordance with the terms of this DirectView™ Agreement and the applicable Order. Unless otherwise identified in an Order, the Subscription Data is licensed for twelve (12) month terms and the license to the Subscription Data may be renewed for additional twelve (12) month terms as part of Maintenance Services in accordance with Section 8. The grant of rights to the Licensed Products is not a sale of the Licensed Products. Licensor and its third party providers reserve all rights not expressly granted by this DirectView™ Agreement.

4. Use of Licensed Products.

a) Licensee is permitted to use the Licensed Products and Data Output only for its own internal business purposes. The Licensed Products will be installed and used only at the Installation Site on the Computer containing up to the number of MIPS or Processor Cores set out in the applicable Order and utilizing the operating system set out therein. If the Licensed Products are installed in a virtual environment, the number of Processor Cores within the environment that may be used, in whole or in

b) Licensee may add additional Processor Cores or MIPS to the Computer, transfer the Licensed Products to a different computer with more MIPS or Processor Cores, utilize the Licensed Products with a different operating system, process additional Transactions or add Users or Applications upon PBDMT written consent and the payment of applicable fees. If the Installation Site is located in the United States, such Installation Site may be changed to another location within the United States upon written notice to Licensor, but may not be changed to a location outside the United States absent Licensor's prior written consent. If the Installation Site set forth in the Order is located outside of the United States, such Installation Site may be changed to another location within the original country upon notice to Licensor, but may not be changed to a different country absent Licensor's prior written consent.

c) Licensee may make a reasonable number of copies of the Licensed Products and Documentation solely for back up or disaster recovery purposes. Licensee must reproduce all copyright, trademark, trade secret and other proprietary notices in such copies. The back up or disaster recovery copies can only be used to perform disaster recovery testing or if the Computer becomes inoperative. If the Computer becomes inoperative, the Licensed Products can only be used on a back-up computer utilizing the same operating system with equal to or a fewer number of Processor Cores or MIPS as the Computer. Except to perform disaster recovery testing in accordance with Licensee's disaster recovery procedures, Licensee is not permitted to use the back up or disaster recovery copies of the Licensed Products for production or testing concurrently with the production or testing copies of the Licensed Products.

d) Licensee may install, for a period not to exceed fifteen (15) days from date of installation, Enhancements in a test environment for the sole purpose of determining if such Enhancements will be deployed by Licensee on the authorized Computer(s). Thereafter, Licensee is permitted to install only the authorized number of Licensed Products on the authorized Computers.

e) Licensee may, upon prior written notice to Licensor, permit its third party contractors to access and use the Licensed Products solely on behalf of, and for the benefit of, Licensee, so long as: (i) contractor agrees to comply fully with all terms and conditions of this Agreement and the applicable Order(s) as if they were Licensee; (ii) Licensee remains responsible for each contractor's compliance with this Agreement and the applicable Order(s) and any breach thereof; (iii) any User limitation includes User licenses allocated to Contractors; and (iv) the contractor is not a competitor of PBDMT, Licensor or any Licensor Affiliate. All rights granted to any contractor hereunder terminate immediately upon conclusion of the services rendered to Licensee that gives rise to such right. Upon termination of such rights, contractor must immediately cease all use of the Licensed Products, un-install and destroy all copies of the Licensed Products, Documentation and any other Licensor information in its possession, and must certify in writing upon Licensor request of compliance with this section.

f) In addition to the terms of this DirectView™ Agreement and the Order(s), product-specific license terms applicable to certain Licensed Products can be found at <http://www.pb.com/license-terms-of-use/> and are hereby incorporated into this DirectView™ Agreement by reference.

5. General Use Restrictions.

a) Licensee will not: (i) make derivative works of the Licensed Products; (ii) reverse engineer, decompile or disassemble the Licensed Products or any portion thereof; (iii) make copies of the Licensed Products or Documentation except as otherwise authorized in Section 4(c) or an Order; (iv) disclose the Licensed Products, Documentation or any other

Licensor information marked confidential or proprietary to any third party; (v) sublicense, rent, lease, lend, or host the Licensed Products to or for other parties; (vi) attempt to unlock or bypass any initialization system, encryption methods or copy protection devices in the Licensed Products; (vii) modify, alter or change the Licensed Products; (viii) alter, remove or obscure any patent, trademark or copyright notice in the Licensed Products or Documentation; or (ix) use components of a Licensed Product independent of the Licensed Products they comprise.

b) Licensee is prohibited from using the Licensed Products within or in conjunction with in-flight navigation or any vehicle navigation system providing turn-by-turn directions.

c) Licensee will not use Data Output outside of the Application designated in the Order (if applicable), or disclose Data Output to third parties except as authorized in the applicable Order(s), including the longitude and latitude or "x,y" coordinates contained therein. Any authorized disclosure of Data Output to third parties must prohibit those third parties from selling, sublicensing or disclosing the Data Output to additional third parties and from using the Data Output for any purpose other than as authorized in the applicable Order(s). Licensee may use Data Output to derive conclusions or recommendations that form part of Licensee's services to its customers, but Licensee may not provide Data Output as part of those services. Licensee may translate Subscription Data into other data formats so long as use of the Subscription Data in all formats does not exceed the limits of this DirectView™ Agreement and the applicable Order(s).

6. Fees; Payment Terms.

a) Licensee will pay to Licensor, or Licensor's authorized designee or agent, the license, maintenance, training and any other fees set out in an Order. All fees identified in an Order or this Agreement and any applicable taxes are due and payable within thirty (30) days from the date of Licensor's invoice. Licensee will pay a late charge of one and a half percent (1.5%) per month or the highest amount permitted by law, whichever is less, on any fees not paid by the due date. Unless otherwise identified in an Order, all fees are stated in and will be paid in United States currency.

b) The fees do not include any amount for taxes. Licensee will pay all federal, state and local sales, use, property, excise, and other taxes imposed on or with respect to this DirectView™ Agreement or an Order for the products and/or services provided hereunder. If any sales, use, excise or other taxes (except for taxes based on Licensor's net income) are assessed against or required to be collected in connection with this DirectView™ Agreement or an Order, Licensor will itemize such taxes on invoices issued in connection with an Order.

7. Indemnification.

a) Licensor will indemnify, defend and hold Licensee, its officers, directors and employees, harmless from all losses, damages, and reasonable costs and expenses to the extent they arise out of a claim by a third party that the Licensed Products, when used in accordance with the Documentation and in compliance with the terms of this DirectView™ Agreement and the applicable Order(s), infringe or misappropriate any copyright, trade secret, trademark or patent registered or valid within the country the Licensed Products are authorized to be installed as set out in the applicable Order. Licensor will have control of the defense and will defend at its own expense, any claim or litigation to which this indemnity relates, including the right to settle any such claim. Licensee must notify Licensor promptly of any such claim and provide reasonable cooperation to Licensor, upon Licensor's request and at Licensor's cost, to defend such claim. Licensor will not agree to any settlement which requires acknowledgment of fault or an incurred liability on the part of an indemnified party not otherwise covered by this indemnification without indemnified party's prior consent. Licensee may elect to participate in the defense of any claim with counsel of its choosing at its own expense.

b) If the Licensed Products are subject to a claim of infringement or misappropriation, or if Licensor reasonably believes that the Licensed Products may be subject to such a claim, Licensor reserves the right to: (i) replace the Licensed Products with functionally equivalent Software or Subscription Data; (ii) modify such Licensed Products while retaining substantively equivalent functionality; (iii) procure at no cost to Licensee the right to continue to use such Licensed Products; or (iv) if the foregoing

is not commercially reasonable. If Licensor directs Licensee to terminate use of such Licensed Products (or a permanent injunction is issued against such use), Licensee will immediately terminate such use and Licensee's remedies, in addition to the indemnification set out herein, will be limited to a pro rata refund of the current maintenance fees unused at the time of termination plus license fees previously paid for such Licensed Products that are subject to the infringement or misappropriation claim based on: (i) a term of sixty (60) months following execution of the applicable Order for a perpetual license; or (ii) any pre-paid but unused fees for the balance of a limited term license.

c) Licensor will have no obligation to indemnify Licensee under this Section 7 if the infringement or misappropriation results from Licensee's (i) modification of the Licensed Products; (ii) combination, operation or use of the Licensed Products with non-Licensor software products if such claim of infringement or misappropriation would have been avoided had such combination, operation or use not occurred; (iii) use of the Licensed Products in breach of this Agreement or an Order; or (iv) use of other than the most current release of the Licensed Products if such claim of infringement or misappropriation could have been avoided by Licensee's use of such current release of the Licensed Products, provided Licensor delivered such superseding version to Licensee and notified Licensee of the need to use such version.

8. Maintenance; Renewal of Term License.

a) Licensee will obtain Maintenance Services for Licensed Products for the initial term set forth in the Order and for the fees set forth therein. Following such initial term, Licensee may elect to purchase additional Maintenance Services in twelve (12) month terms at Licensor's then current rates in accordance with this Section 8.

b) Maintenance Services consist of: (i) reasonable amounts of telephone support to assist Licensee with the use of the Licensed Products in accordance with the Support Guidelines; (ii) Enhancements provided to other licensees of the Licensed Products who have paid for Maintenance Services for the current maintenance term; (iii) Subscription Data, as applicable; and (iv) the correction of errors or non-conformities with the Licensed Products in accordance with the Support Guidelines. Telephone support is provided only to the individuals located at a single designated location. If Licensor is unable to correct a reported error or non-conformity that is classified in the Support Guidelines as a critical or high severity level problem within thirty (30) days following notice from Licensee or an additional period of time reasonably agreed to by the parties, Licensee may terminate Maintenance Services for such Licensed Products and receive, as its remedy, a pro-rata refund of the fees paid for Maintenance Services for the balance of the existing maintenance term.

c) Maintenance Services for the Licensed Products may be terminated by Licensee prior to the end of a term upon notice to Licensor. Licensor may terminate Maintenance Services for the Licensed Products upon at least ninety (90) days written notice to Licensee prior to the end of any term or upon one hundred eighty (180) days written notice to Licensee for any superseded versions of the Licensed Products or if the Licensed Products are licensed for use on an operating system or Computer that is no longer supported by their developer or manufacturer.

d) If Licensee terminates or declines to renew Maintenance Services for the Licensed Products and subsequently elects to renew Maintenance Services, Licensee will pay to Licensor the fees for the subsequent twelve (12) month renewal term plus three times (3x) the applicable fees for the total period of non-maintenance.

e) Prior to the expiration of the term to any Licensed Products licensed on a limited term, Licensee may renew or extend the term license for such Licensed Products upon agreement by Licensor at rates and for the duration set forth in a quote issued by Licensor. Licensee may issue Licensor a purchase order for such renewal as set forth in the quote, provided such purchase order will: (i) incorporate the terms of the DirectView™ Agreement and the applicable Order, as may be amended; and (ii) not introduce any new terms. The parties agree that any pre-printed terms on such purchase order will have no force or effect, and Licensor hereby expressly disclaims any acceptance of such additional terms. If a Licensee has a term license to the Licensed Products, Licensee must renew the term license in order to purchase and obtain additional Maintenance Services for such Licensed Products.

9. Training; Services.

a) In consideration of the fees for training set out in an Order, Licensee may attend the training class identified therein. Licensee must attend and, if the training is on-site at Licensee's location, permit Licensor to perform the training course prior to the expiration date set out in the Order. If Licensee fails to have personnel attend the training class or permit Licensor to perform the training class prior to such expiration date, Licensor will not provide Licensee with a refund of the training fees or be obligated to perform the training. Unless otherwise specified in an Order, training will be provided at one of Licensor's training locations. Licensee will be solely responsible for all travel-related expenses incurred in attending such training. If an Order provides for training at Licensee's location, Licensee will pay for all reasonable travel-related expenses incurred by Licensor in the performance of the training.

b) Licensor, upon Licensee request, may perform additional consulting and professional services for Licensee ("Services"). Any Services performed by Licensor will be set forth in a Statement of Work ("SOW") executed by the parties and governed by the terms of this Agreement and addendum to this Agreement executed by the parties.

10. Warranties; Disclaimers.

a) Licensor represents and warrants that it has the right to grant to Licensee the rights granted hereunder.

b) Licensor represents and warrants that during the Warranty Period the Licensed Products will perform all material functions set out in the Documentation for such Licensed Products and otherwise operate in substantial accordance with such Documentation. If, during the Warranty Period the Licensed Products fail to comply with this warranty, Licensee must notify Licensor in writing of any alleged errors or non-conformities with the Licensed Products. Licensor will have thirty (30) days from receipt of such notice or an additional period of time as reasonably agreed to by the parties to correct such errors or non-conformities in accordance with the Support Guidelines. If Licensor is unable to timely correct such errors or non-conformities, Licensee may elect to terminate the license to such Licensed Products. If Licensee terminates the license to such Licensed Products during the Warranty Period in accordance with this Section, Licensee will, as its remedy, receive a refund of all fees previously paid for such Licensed Products.

c) LICENSOR DOES NOT WARRANT THAT THE LICENSED PRODUCTS WILL OPERATE ERROR-FREE OR THAT LICENSOR WILL CORRECT ALL PRODUCT ERRORS INCLUDING THOSE DESIGNATED AS MEDIUM OR LOW SEVERITY LEVEL ISSUES. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS DirectView™ AGREEMENT, THE LICENSED PRODUCTS ARE PROVIDED "AS IS" AND LICENSOR AND ITS THIRD PARTY SUPPLIERS DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE LICENSED PRODUCTS AND SERVICES FURNISHED UNDER THIS DirectView™ AGREEMENT, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, RELIABILITY COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE IN TRADE.

d) LICENSOR WILL NOT BE LIABLE FOR ANY CLAIMS OR DAMAGES CAUSED BY THE UNAUTHORIZED USE OF THE LICENSED PRODUCTS OR ACTS OF ABUSE OR MISUSE BY LICENSEE. IN ADDITION, LICENSOR WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE IN CONNECTION WITH OR ARISING OUT OF THE INTERRUPTION OR LOSS OF USE OF THE LICENSED PRODUCTS OR THE LOSS OR CORRUPTION OF LICENSEE'S DATA OR FILES PROCESSED OR STORED BY THE LICENSED PRODUCTS.

e) THE LICENSED PRODUCTS MAY CONTAIN A DISABLING DEVICE OR DEVICE REQUIRING ENABLEMENT: (i) TO COMPLY WITH REQUIREMENTS OF REGULATORY AUTHORITIES; (ii) TO PREVENT USE OF THE LICENSED PRODUCTS BEYOND THE TERM OF A LICENSE IDENTIFIED IN AN ORDER OR ON A COMPUTER OTHER THAN THE COMPUTER AUTHORIZED IN AN ORDER; AND/OR (iii) TO PREVENT USE OF THE LICENSED PRODUCTS IN EXCESS OF ANY TRANSACTIONS (OR OTHER RESTRICTIONS) OR BY MORE THAN THE NUMBER OF USERS SET OUT IN AN ORDER.

11. Limitation of Liability.
A) **DISCLAIMER.** NEITHER PARTY NOR PBDMT'S THIRD PARTY SUPPLIERS WILL BE LIABLE FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, BUSINESS INTERRUPTION, OR LOST DATA, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

B) **MAXIMUM LIABILITY.** IN ANY EVENT, EITHER PARTY'S (AND LICENSOR'S THIRD PARTY SUPPLIER'S) MAXIMUM LIABILITY FOR ANY CLAIM ARISING IN CONNECTION WITH THIS AGREEMENT OR ANY ORDER OR SOW (IN TORT, CONTRACT OR OTHERWISE) WILL NOT EXCEED THE AMOUNT OF FEES PAID BY LICENSEE TO LICENSOR UNDER THE APPLICABLE ORDER OR SOW.

C) **EXCLUSIONS.** THE FOREGOING DISCLAIMER SET FORTH IN SECTION 11(A) DOES NOT APPLY TO LICENSEE'S BREACH OF SECTION 5(A) (GENERAL USE RESTRICTIONS) OR LICENSOR'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 7. THE FOREGOING MAXIMUM LIABILITY SET FORTH IN SECTION 11(B) DOES NOT APPLY TO LICENSEE'S BREACH OF SECTION 4 (USE OF LICENSED PRODUCTS), SECTION 5 (GENERAL USE RESTRICTIONS), LICENSEE'S OBLIGATIONS TO PAY AMOUNTS DUE UNDER AN ORDER OR SOW, OR LICENSOR'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 7.

12. Term; Termination.

a) This DirectView™ Agreement will commence as of the date set forth above and will continue in effect until terminated as set forth in this DirectView™ Agreement or as agreed to in writing signed by both parties. Each Order or SOW will be effective as of the date set forth in such Order or SOW and will remain in effect until its expiration. Any Order entered into before the termination of this DirectView™ Agreement will remain in full force and effect for its entire term and this DirectView™ Agreement will remain in full force and effect for purposes of such Order until the termination of such Order, or in the case of perpetual licenses granted under an Order, for the duration of the license.

b) Either party may terminate this DirectView™ Agreement or any Order by written notice to the other party if the other party commits a material breach of this DirectView™ Agreement or the applicable Order and fails to cure such breach within thirty (30) days after receipt of such notice, or an additional period of time as agreed to by the parties.

c) Upon: (i) expiration of a term license to any of the Licensed Products, unless such term license is renewed; (ii) termination or expiration of the license to any of the Licensed Products for any reason; or (iii) termination of an Order, Licensee will immediately cease use of the applicable Licensed Products and delete and/or remove all copies of such products from its servers, terminals and other computer systems and promptly return or destroy all copies of the Licensed Products, Documentation and any other Licensor confidential and proprietary information in Licensee's possession. If requested, Licensee will certify compliance with the foregoing in writing.

d) Sections 6 (Fees, Payment Terms), 7 (Indemnification), 10 (Warranties, Disclaimers), 11 (Limitation of Liability), 12 (Term, Termination), 16(e) (General), 17 (Applicable Law), 18 (Verification) and other sections that by their nature are intended to survive termination of this Agreement or an Order indefinitely or to the extent set out therein.

13. Force Majeure. Except for Client's payment obligations, neither party is responsible from any delay or failure to perform resulting from causes beyond its reasonable control.

14. Assignment. Licensee is not permitted to transfer or assign (by operation of law or otherwise) any of its rights or obligations under an Order or this DirectView™ Agreement without the prior written consent of Licensor, which consent will not be unreasonably withheld, delayed or denied. Any such transfer or assignment without Licensor's written consent will be void and of no force and effect.

15. Publicity. Subject to Licensee's consent, which will not be unreasonably withheld, delayed or denied, Licensor may prepare a press release, case study or other collateral regarding Licensee's use of the Licensed Products. Otherwise, neither party will use the name of the other party in publicity releases or similar activity without the consent of the other party except Licensor can use Licensee's name in Licensor's client list.

16. General.

a) No waiver of any breach of any provision of this DirectView™ Agreement or an Order by either party or the failure of either party to insist on the exact performance of any provision of this DirectView™ Agreement or an Order will constitute a waiver of any prior, concurrent or subsequent breach of performance of the same or any other provisions hereof, and no waiver will be effective unless made in writing.

b) Any notice alleging a breach of this DirectView™ Agreement must be in writing and be sent by overnight courier or delivered in person to the party's address set forth in this DirectView™ Agreement. Any other notice required to be provided by Licensor under this Agreement may be sent by postal mail service or e-mail to the individual designated by Licensee. Any notice delivered to Licensor hereunder must be sent to the attention of "Contract Administration."

c) If any provision of this DirectView™ Agreement or an Order, or portion thereof, is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision will be severed and the remaining provisions of the DirectView™ Agreement or Order will remain in full force and effect.

d) If physical delivery of the Licensed Products is required, delivery of the Licensed Products will be FOB point of origin (within the United States) and for deliveries outside of the United States or from any country outside of the United States, delivery will be Carriage Paid To (CPT). Licensor may, to the extent available, deliver the Licensed Products, Enhancements or key codes electronically via the Internet or permit Licensee to download the Licensed Products, Enhancements or key codes from Licensor's website.

e) Licensee agrees not to export, re-export, or provide the Licensed Products to: (i) any country to which the United States has embargoed goods; (ii) any person on the U.S. Treasury Department's list of Specially Designated Nationals; (iii) any person or entity on the U.S. Commerce Department's Denied Persons List; or (iv) any person or entity where such export, re-export or provision violates any U.S. Export control or regulation.

f) Each party will act as an independent contractor and employees of each party will not be considered to be employees of the other party. No agency, partnership, joint venture or other joint relationship is created by this Agreement. Neither party may make any commitments binding on the other, nor may either party make any representation that they are acting for, or on behalf of, the other.

17. Applicable Law. This DirectView™ Agreement will be governed by, and construed in accordance with, the laws of the State of New York without regard to its principals of conflict of laws. In the event of any dispute arising out of or relating to this DirectView™ Agreement, a suit will be brought only in a federal or state court of competent jurisdiction located in New York County in the State of New York.

18. Verification. Upon ten (10) days written notice, Licensor or its designated third party may verify Licensee's compliance with the terms of the DirectView™ Agreement and applicable Order at all locations and for all environments in which Licensee uses the Licensed Products. Such verification will take place no more than one (1) time per twelve (12) month period during normal business hours in a manner which minimizes disruption to Licensee's work environment. Licensor may use an independent third party under obligations of confidentiality to provide assistance. Licensor will notify Licensee in writing if any such verification indicates that Licensee has used the Licensed Products in excess of the use authorized by the DirectView™ Agreement or Order. Licensee agrees to promptly enter into an Order and pay all associated fees directly to Licensor for the charges that Licensor specifies including, but not limited to: (i) any excess use; (ii) maintenance and/or subscription fees for the excess use for the duration of such excess or (2) two years, whichever is less; and (iii) any additional charges determined as a result of such verification.

19. U.S. Government Restricted Rights. If Licensee is an agency of the United States Government, the Licensed Products will be deemed "commercial computer software" or "commercial computer software documentation" and the Governments rights with respect to such Licensed Products and Documentation are limited by the terms of this DirectView™ Agreement, pursuant to FAR § 12.212(a) and/or DFARS § 227.7202-1(a), as applicable.

20. Entire Agreement. This DirectView™ Agreement, the Order, the Agreement, any related statement of work, and all appendices, exhibits, schedules and attachments hereto constitute the sole and complete agreement between the parties with regard to its subject matter, may not

be modified or amended except by a writing signed by both parties except as otherwise indicated herein, and supersedes all proposals, understandings, representations, prior agreements or communications relating to the Licensed Products and the subject matter of this DirectView™ Agreement. This DirectView™ Agreement also supersedes any pre-printed terms contained on any purchase order or similar document issued by Licensee and any such terms will have no force or effect. Neither this DirectView™ Agreement nor any Order will be construed against the party that has prepared such DirectView™ Agreement or Order, but instead will be construed as if both parties prepared the DirectView™ Agreement or Order.



The State of Arizona
State Procurement Office

In conjunction with



Request for Proposals

Arizona Solicitation Number ADSPO16-00006328

NASPO ValuePoint Master Agreement
for
Mailroom Equipment, Supplies and
Maintenance

(Enter Solicitation Posting Date)

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RFP Title:	Mailing Equipment, Supplies and Maintenance
RFP Project Description: (See Section 1.1)	The State of Arizona in conjunction with NASPO ValuePoint, is seeking Contractor(s) to provide a multi-state, contract for the purchase of Mailing Equipment, Services, and Support.
RFP Lead: (See Section 1.2)	Contract Lead: Christopher Lacey Agency Name: Arizona State Procurement Office Agency Address: 100 N 15 th Ave City, State, Zip: Phoenix, Arizona 85007 Contract Lead email: christopher.lacey@azdoa.gov Contact Phone: 602-542-7600

Section 4: NASPO ValuePoint Master Agreement Statement of Compliance

4.1. NASPO ValuePoint Master Agreement(s) resulting from this RFP will constitute the final agreement except for negotiated terms and conditions specific to a Participating Entity's Participating Addendum.

The Master Agreement will include, but not be limited to, the NASPO ValuePoint Standard Terms and Conditions in Section 6 and Lead State specific terms and conditions required to execute a master agreement, the statement of work, Section 3 and selected portions of the Offeror's Proposal.

This section highlights particular terms and conditions of NASPO ValuePoint Master Agreement Terms and Conditions, although Offerors will be bound to all the terms and conditions when executing a Master Agreement as shown in section 6. Offerors must include a statement in their Proposal that they have read and understand all of the terms and conditions as shown in the Master Agreement (section 6).

4.1.a Insurance

To be eligible for award, the Offeror agrees to acquire insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state at the prescribed levels set forth in Section 21 of the NASPO ValuePoint Master Agreement Terms and Conditions. Describe your insurance or plans to obtain insurance satisfying the requirements in Section 21.

4.1.b NASPO ValuePoint Administrative Fee and Reporting Requirements

To be eligible for award, the Offeror agrees to pay a NASPO ValuePoint administrative fee as specified in Paragraph 6 of Section 6 of the NASPO ValuePoint Master Agreement Terms and Conditions. Moreover, specific summary and detailed usage reporting requirements are prescribed in paragraph 7 of NASPO ValuePoint Master Agreement Terms and Conditions.

Offerors shall identify the person responsible for providing the mandatory usage reports. This information must be kept current during the contract period. Contractor will be required to provide reporting contact within 15 days of Master Agreement execution.

4.1.c NASPO ValuePoint eMarket Center

To be eligible for award, the Offeror agrees, by submission of a Proposal, to cooperate with NASPO ValuePoint and SciQuest (and any authorized agent or successor entity to SciQuest) to integrate its presence in the NASPO ValuePoint eMarket Center either through an electronic catalog (hosted or punchout site) or unique ordering instructions.

Refer to Paragraph 9, NASPO ValuePoint Master Agreement Terms and Conditions for the prescribed requirements.

Those terms and conditions require as a minimum that the Offeror agree to participate in development of ordering instructions. Proposer shall respond how they can support the eMarket Center in the Proposal through either a hosted catalog or punchout solution.

4.2 Lead State Terms and Conditions.

Refer to Section 7 for the Lead State Special Terms and Conditions that apply to this solicitation. Offeror shall indicate in their Proposal that they have read and understand all of the requirements shown Lead State Terms and Conditions.

4.3 Participating State Terms and Conditions.

As a courtesy to Offerors, some Participating State Specific Terms and Conditions are provided in Attachments to this solicitation. These are for informational purposes only and will be negotiated with individual Participating States after award of the Master Agreement. Each State reserves the right to negotiate additional terms and conditions in its Participating Addendums. Offerors shall submit a statement that they understand they may be required to negotiate these additional terms and conditions when executing a Participating Addendum.

4.4. Technical Requirements

This section contains technical requirements pertaining to the Mailroom Equipment Supplies and Maintenance. Other sections of this RFP contain additional requirements that must be met in order to be considered responsive. Offerors must identify in their Proposal how their company meets or exceeds all requirements listed in Section 4 of this RFP solicitation.

4.4.1 Offeror Profile

Provide the following information specific to your company:

- a. Your company's full legal name. [Pitney Bowes Inc.](#)
- b. Primary business address. [3001 Summer Street Stamford, CT 06926](#)
- c. Describe your company ownership structure. [Pitney Bowes Inc. is a publicly traded company. It is traded on the NYSE under the symbol: PBI.](#)
- d. Employee size (number of employees). [Approximately 16,000](#)
- e. Website. www.pb.com
- f. Sales contact information. [See attached Key Personnel attachment](#)
- g. Your client retention rate during the past 3 years. [PBI does not disclose this information.](#)

- h. A brief history of your company and the year it was founded.** Pitney Bowes, a \$3.9 billion company with over 16,000 employees, provides technology solutions for small, mid-size and large firms in more than 100 countries to help our clients connect with their customers to build loyalty and grow revenue. Many of the company's solutions are delivered on open platforms to best organize, analyze and apply both public and proprietary data to two-way customer communications. Pitney Bowes includes direct mail, transactional mail, shipping and e-commerce services and call center communications in its solution mix along with digital channel messaging for the Web, email and mobile applications. Pitney Bowes is a 96 year old company incorporated in DE.
- i. Describe your company's growth during the past three years.**

Three years ago, we set a course to transform our business and to build a bridge for Pitney Bowes to our second century. We had no illusions that it would be easy. We knew there would be challenges — that doing it right would take time, effort and a sustained commitment. But we knew that if any company had the capacity for transformation, it was Pitney Bowes. We had the right businesses and opportunities to work with, and the evidence is growing that we were right.

When we first automated business mail in 1920 — an industry we still lead 96 years later — our founders had a singular mission that remains our overarching focus today: enabling commerce. Successive generations built on this foundation, moving forward, innovating, always adapting — to new business models, disruptive technologies and ever-changing client needs. They left us a great legacy of leadership and excellence. Now it is our generation's turn to take advantage of new opportunities and build the kind of value that similarly endures.

That's what our transformation has been about, and what it will continue to be about — creating value that lasts not for a quarter or two but for decades to come — that enables us to begin a second century the way we began the first one, as an innovator and market-maker with an unwavering focus on client needs.

4.4.2 Customer Service

- a. What are your hours of operation and when are key account people available to us?** Monday through Friday 8:00am – 5:00pm excluding Pitney Bowes observed holidays.
- b. Describe how problem identification and resolution will be handled.**

Once at the Client site, the CSR has sixty (60) minutes to diagnose the problem. Once the problem is diagnosed, a time estimate for resolution shall be provided to the Client.

If the problem is not diagnosed within sixty (60) minutes, the CSR will escalate to a Region Technical Specialist ("RTS") and the service manager. The RTS shall try to diagnose the problem over the phone based on the symptoms described by the site CSR. A decision will be made by the senior CSR to go to the site if unresolved. The Client and service manager shall be notified of the status as well as the estimated time of arrival of the senior CSR.

Once at the Client site, the RTS has sixty (60) minutes to diagnose the problem. If the senior CSR does not diagnose the problem, the Service Manager, and the Division Director shall be notified for the purpose of determining whether additional support is required.

If parts are required for diagnoses, confirmation on parts availability must be made and the Client, as well as service management, must be informed.

- c. How will you service our account? Describe the system you will use to manage our account.** See answer below in section f

- d. How do you respond to customer complaints and service issues? See answer below in section f
- e. How do you assess customer satisfaction? See answer below in section f
- f. What are your quality assurance measures and how are they handled in your organization?

Pitney Bowes utilizes state of the art Service Management Systems to track all service requests and manage until completion. This system allows us to track, analyze and review account history in order to provide outstanding customer service to all of our customers. Pitney Bowes will establish entitlements in our system to ensure compliance with service level requirements for each State. We have access to historical service data in order to provide our customer with accurate projected service needs.

Pitney Bowes has contracted an outside survey group to regularly survey a random groupings of customer accounts in order to help Pitney Bowes achieve totally satisfied customers. Any issues or concerns noted on these surveys will prompt the customer's local Service Manager to contact the customer to discuss and find a resolution.

Pitney Bowes Salespersons and local Service Managers regularly meet with customers to make sure all of the customer's needs are being fulfilled and to discuss new products, services, and ideas for more efficiency and cost savings for the customer.

4.4.3. Technology

- a. Describe your online system that Purchasing Entities would use to place orders and receive results? Include all methods of order submission.
 - Customers can use our website, or other Procurement sites, such as Ariba to submit Purchase orders to us.
 - We also can accept electronic PO's via EDI or cXML.
 - Both Punch-out (supplies only) as well as cif catalogs are supported
- b. Describe your ability and process to support a decentralized system of orders submitted from many end users in multiple states and locations.
Same as above

4.4.4. Data Security

- a. What measures do you take to protect sensitive customer information
Policies and procedures have been established to inventory, maintain and safeguard data within our infrastructure network and systems, including the application of the appropriate level of security controls for the different categories of data (which includes sensitive data).

4.4.5 Promotion of the NASPO ValuePoint Master Agreement

The NASPO ValuePoint Master Agreement Terms and Conditions include program provisions governing participation in the cooperative, reporting and payment of administrative fees, and marketing/education relating to the NASPO ValuePoint cooperative procurement program. In this regard;

- a. Briefly describe how you intend to promote the use of the Master Agreement.

Pitney Bowes will employ a multi-pronged approach incorporating communications and education to all sellers across 3 strategically integrated sales channels.

- National announcement to all Pitney Bowes sales channels via webinar

- Quarterly webinars for provide updates and refresh of key contract features and objective.
 - In field training and promotion. There are hundreds of PB sales professional interfacing with public sector clients every day though direct sellers, inside sales agents, and dealer partner sales professionals. Additionally, Pitney Bowes government channel managers and dozens of other PB sales leaders and subject matter experts that interface with Cooperative Development Coordinators and Education & Outreach team to promote the contract through a combination of in field and classroom training and education.
- b. Knowing that state procurement officials (CPO) must permit use of the Master Agreement in their state, how will you integrate the CPO's permission into your plan for promoting the agreement?

Pitney Bowes government channel managers and other PB sales leaders and subject matter experts (to include: Sales Directors, Government Major Account Managers) are the main POC to interface with CPO's to promote, monitor progress, and resolve contract issues that may arise. Pitney Bowes expectation is 100% compliance with individual State Participating Addenda.

- c. Public entities are sensitive to "scope" issues, that is, whether performance is within the intended scope of the solicitation as awarded. In the context of your method of promoting agreements of this nature, how would you clarify any questions regarding the scope the agreement with respect to any potential order?

Pitney Bowes internal pricing systems are designed to segment specific client types to the most appropriate price/contract options, while denying those same clients access to products and services that are not within the scope of the contract. The system's functionality greatly reduces the likelihood of these types of questions.

- d. How will your company manage due dates for administrative fee payments and usage reports?

The reports are run the following business day after the close of business for the month. Fees are payable net 60 days after the end of the quarter and well before their due date.

- e. Through its Cooperative Development Coordinators and Education & Outreach team, NASPO ValuePoint assists Lead States by engaging vendors in strategies aimed at promoting master agreements. What opportunities and/or challenges do you see in working with NASPO ValuePoint staff in this way?

Pitney Bowes government channel managers and other PB sales leaders and subject matter experts are expected to interface with the NASPO/Value Point Cooperative Development Coordinators and Education & Outreach team to promote the contract through a combination of periodic individual meetings and participation in NASPO events.

Section 5: Price and Cost Proposal

Cost in proposals will be evaluated independent of the technical evaluation. Cost proposal must be submitted to the Lead State as a separate document in Offerors Proposal. **Do not embed cost proposal in the technical proposal response.**

Offeror shall provide detailed costs for all costs associated with the responsibilities and related services, per Attachment C and C1.

Cost for the NASPO ValuePoint Master Agreements shall be based on the following:

Offeror must submit cost, prices and rates as required by (Pricing and Pricing Scenario Workbooks attached in ProcureAZ within the Attachments Tab), Cost Sheets. Prices and rates shall include all anticipated charges, including but not limited to, freight and delivery, cost of materials and product, travel expenses, transaction fees, overhead, profits, and other costs or expenses incidental to the Offeror's performance.

The Lead State is exempt from federal excise taxes and no payment will be made for any taxes levied on the Offeror's or any Subcontractor's employee's wages. The Lead State will pay for any applicable Lead State or local sales or use taxes on the products provided or the services rendered. If required by Lead State, Taxes shall be included as a separate line item on an Offeror's invoice. The tax rules with respect to other Participating Entities may vary and are expected to be addressed in the Participating Amendments.

5.1 Price and Rate Guarantee Period

All prices and rates offered shall be guaranteed for the initial term of the Master Agreement. Any request for price or rate adjustment following the initial Master Agreement term, is detailed in Section 6 and Section 7 of the Master Agreement.



Section 6: NASPO ValuePoint Master Agreement Terms and Conditions

1. Master Agreement Order of Precedence

a. Any Order placed under this Master Agreement shall consist of the following documents:

- (1) A Participating Entity's Participating Addendum ("PA");
- (2) NASPO ValuePoint Master Agreement Terms & Conditions; (3) A Purchase Order issued against the Master Agreement;
- (4) The Scope of Work, Section 3 of the Request for Proposals;
- (5) The Solicitation or, if separately executed after award, the Lead State's bilateral agreement that integrates applicable provisions;
- (6) Contractor's response to the Solicitation, as revised (if permitted) and accepted by the Lead State.

b. These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to this Master Agreement as an Exhibit or Attachment.

2. Definitions

Acceptance is defined by the applicable commercial code, except Acceptance shall not occur before the completion of delivery in accordance with the Order, installation if required, and a reasonable time for inspection of the Product.

Contractor means the person or entity delivering Products or performing services under the terms and conditions set forth in this Master Agreement.

Embedded Software means one or more software applications which permanently reside on a computing device.

Intellectual Property means any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.

Lead State means the State centrally administering any resulting Master Agreement(s).

Master Agreement means the underlying agreement executed by and between the Lead State, acting on behalf of the NASPO ValuePoint program, and the Contractor, as now or hereafter amended.

NASPO ValuePoint is the NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, a 501(c)(3) limited liability company that is a subsidiary organization the National Association of State Procurement Officials (NASPO), the sole member of NASPO ValuePoint. NASPO ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. NASPO ValuePoint is identified in the Master Agreement as the recipient of reports and may perform contract administration functions relating to collecting and receiving reports as well as other contract administration functions as assigned by the Lead State.

Order or Purchase Order means any purchase order, sales order, contract or other document used by a Purchasing Entity to order the Products.

Participating Addendum means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any other additional Participating Entity specific language or other requirements, e.g. ordering procedures specific to the Participating Entity, other terms and conditions.

Participating Entity means a state, or other legal entity, properly authorized to enter into a Participating Addendum.

Participating State means a state, the District of Columbia, or one of the territories of the United States that is listed in the Request for Proposal as intending to participate. Upon execution of the Participating Addendum, a Participating State becomes a Participating Entity; however, a Participating State listed in the Request for Proposals is not required to participate through execution of a Participating Addendum.

Product means any equipment, software (including embedded software), documentation, service or other deliverable supplied or created by the Contractor pursuant to this Master Agreement. The term Products, supplies and services, and products and services are used interchangeably in these terms and conditions.

Purchasing Entity means a state (as well as the District of Columbia and U.S territories), city, county, district, other political subdivision of a State, and a nonprofit organization under the laws of some states if authorized by a Participating Addendum, who issues a Purchase Order against the Master Agreement and becomes financially committed to the purchase.

NASPO ValuePoint Program Provisions

3. Term of the Master Agreement

a. The initial term of this Master Agreement is for Two (2) years. This Master Agreement may be extended beyond the original contract for up to 36 months (not to exceed a 5-year maximum) at the Lead State's discretion and by mutual agreement and upon review of requirements of Participating Entities, current market conditions, and Contractor performance.

b. The Master Agreement may be extended for a reasonable period of time, not to exceed six months, if in the judgment of the Lead State a follow-on, competitive procurement will be unavoidably delayed (despite good faith efforts) beyond the planned date of execution of the follow-on master agreement. This subsection shall not be deemed to limit the authority of a Lead State under its state law otherwise to negotiate contract extensions.

4. Amendments

The terms of this Master Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written agreement of the Lead State and Contractor.

5. Participants and Scope

a. Contractor may not deliver Products under this Master Agreement until a Participating Addendum acceptable to the Participating Entity and Contractor is executed. The NASPO ValuePoint Master Agreement Terms and Conditions are applicable to any Order by a Participating Entity (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented or amended by a Participating Addendum. By way of illustration and not limitation, this authority may apply to unique delivery and invoicing requirements, confidentiality requirements, defaults on Orders, governing law and venue relating to Orders by a Participating Entity, indemnification, and insurance requirements. Statutory or constitutional requirements relating to availability of funds may require specific language in some Participating Addenda in order to comply with applicable law. The expectation is that these alterations, modifications, supplements, or amendments will be addressed in the Participating Addendum or, with the consent of the Purchasing Entity and Contractor, may be included in the ordering document (e.g. purchase order or contract) used by the Purchasing Entity to place the Order.

b. Use of specific NASPO ValuePoint cooperative Master Agreements by state agencies, political subdivisions and other Participating Entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

c. Obligations under this Master Agreement are limited to those Participating Entities who have signed a Participating Addendum and Purchasing Entities within the scope of

those Participating Addenda. Financial obligations of Participating Entities who are states are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating Entities who are states incur no financial obligations on behalf of other Purchasing Entities. Contractor shall email a fully executed PDF copy of each Participating Addendum to PA@naspovaluepoint.org to support documentation of participation and posting in appropriate data bases.

d. NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, is not a party to the Master Agreement. It is a nonprofit cooperative purchasing organization assisting states in administering the NASPO cooperative purchasing program for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for all 50 states, the District of Columbia and the territories of the United States.

e. Participating Addenda shall not be construed to amend the following provisions in this Master Agreement between the Lead State and Contractor that prescribe NASPO ValuePoint Program requirements: Term of the Master Agreement; Amendments; Participants and Scope; Administrative Fee; NASPO ValuePoint Summary and Detailed Usage Reports; NASPO ValuePoint Cooperative Program Marketing and Performance Review; NASPO ValuePoint eMarketCenter; Right to Publish; Price and Rate Guarantee Period; and Individual Customers. Any such language shall be void and of no effect.

f. Participating Entities who are not states may under some circumstances sign their own Participating Addendum, subject to the approval of participation by the Chief Procurement Official of the state where the Participating Entity is located. Coordinate requests for such participation through NASPO ValuePoint. Any permission to participate through execution of a Participating Addendum is not a determination that procurement authority exists in the Participating Entity; they must ensure that they have the requisite procurement authority to execute a Participating Addendum.

g. **Resale.** "Resale" means any payment in exchange for transfer of tangible goods, software, or assignment of the right to services. Subject to any specific conditions included in the solicitation or Contractor's proposal as accepted by the Lead State, or as explicitly permitted in a Participating Addendum, Purchasing Entities may not resell Products (the definition of which includes services that are deliverables). Absent any such condition or explicit permission, this limitation does not prohibit: sales of Products to the general public as surplus property; and fees associated with inventory transactions with other governmental or nonprofit entities and consistent with a Purchasing Entity's laws and regulations. Any sale or transfer permitted by this subsection must be consistent with license rights granted for use of intellectual property.

6. Administrative Fees

a. The Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than sixty (60) days following the end of each calendar quarter. The NASPO ValuePoint Administrative Fee shall be submitted quarterly and is based on all sales of products and

services under the Master Agreement (less any charges for taxes or shipping). The NASPO ValuePoint Administrative Fee is not negotiable. This fee is to be included as part of the pricing submitted with proposal.

b. Additionally, some states may require an additional fee be paid directly to the state only on purchases made by Purchasing Entities within that state. For all such requests, the fee level, payment method and schedule for such reports and payments will be incorporated into the Participating Addendum that is made a part of the Master Agreement. The Contractor may adjust the Master Agreement pricing accordingly for purchases made by Purchasing Entities within the jurisdiction of the state. All such agreements shall not affect the NASPO ValuePoint Administrative Fee percentage or the prices paid by the Purchasing Entities outside the jurisdiction of the state requesting the additional fee. The NASPO ValuePoint Administrative Fee in subsection 6a shall be based on the gross amount of all sales (less any charges for taxes or shipping) at the adjusted prices (if any) in Participating Addenda.

7. NASPO ValuePoint Summary and Detailed Usage Reports

In addition to other reports that may be required by this solicitation, the Contractor shall provide the following NASPO ValuePoint reports.

a. Summary Sales Data. The Contractor shall submit quarterly sales reports directly to NASPO ValuePoint using the NASPO ValuePoint Quarterly Sales/Administrative Fee Reporting Tool found at <http://www.naspo.org/WNCPO/Calculator.aspx>. Any/all sales made under this Master Agreement shall be reported as cumulative totals by state. Even if Contractor experiences zero sales during a calendar quarter, a report is still required. Reports shall be due no later than thirty (30) days following the end of the calendar quarter (as specified in the reporting tool).

b. Detailed Sales Data. Contractor shall also report detailed sales data by: (1) state; (2) entity/customer type, e.g. local government, higher education, K12, non-profit; (3) Purchasing Entity name; (4) Purchasing Entity bill-to and ship-to locations; (4) Purchasing Entity and Contractor Purchase Order identifier/number(s); (5) Purchase Order Type (e.g. sales order, credit, return, upgrade, determined by industry practices); (6) Purchase Order date; (7) Ship Date; (8) and line item description, including product number if used. The report shall be submitted in any form required by the solicitation. Reports are due on a quarterly basis and must be received by the Lead State and NASPO ValuePoint Cooperative Development Team no later than thirty (30) days after the end of the reporting period. Reports shall be delivered to the Lead State and to the NASPO ValuePoint Cooperative Development Team electronically through a designated portal, email, CD-ROM, flash drive or other method as determined by the Lead State and NASPO ValuePoint. Detailed sales data reports shall include sales information for all sales under Participating Addenda executed under this Master Agreement. The format for the detailed sales data report is in shown in Attachment H.

c. Reportable sales for the summary sales data report and detailed sales data report includes sales to employees for personal use where authorized by the solicitation and

the Participating Addendum. Report data for employees should be limited to ONLY the state and entity they are participating under the authority of (state and agency, city, county, school district, etc.) and the amount of sales. No personal identification numbers, e.g. names, addresses, **social security numbers or any other numerical identifier**, may be submitted with any report.

d. Contractor shall provide the NASPO ValuePoint Cooperative Development Coordinator with an executive summary each quarter that includes, at a minimum, a list of states with an active Participating Addendum, states that Contractor is in negotiations with and any Participating Addendum roll out or implementation activities and issues. NASPO ValuePoint Cooperative Development Coordinator and Contractor will determine the format and content of the executive summary. The executive summary is due thirty (30) days after the conclusion of each calendar quarter.

e. Timely submission of these reports is a material requirement of the Master Agreement. The recipient of the reports shall have exclusive ownership of the media containing the reports. The Lead State and NASPO ValuePoint shall have a perpetual, irrevocable, non-exclusive, royalty free, transferable right to display, modify, copy, and otherwise use reports, data and information provided under this section.

8. NASPO ValuePoint Cooperative Program Marketing and Performance Review

a. Contractor agrees to work cooperatively with NASPO ValuePoint personnel. Contractor agrees to present plans to NASPO ValuePoint for the education of Contractor's contract administrator(s) and sales/marketing workforce regarding the Master Agreement contract, including the competitive nature of NASPO ValuePoint procurements, the Master agreement and participating addendum process, and the manner in which qualifying entities can participate in the Master Agreement.

b. Contractor agrees to participate in an annual contract performance review at a location selected by the Lead State and NASPO ValuePoint, which may include a discussion of marketing action plans, target strategies, marketing materials, as well as Contractor reporting and timeliness of payment of administration fees.

9. NASPO ValuePoint eMarket Center

a. In July 2011, NASPO ValuePoint entered into a multi-year agreement with SciQuest, Inc. whereby SciQuest will provide certain electronic catalog hosting and management services to enable eligible NASPO ValuePoint's customers to access a central online website to view and/or shop the goods and services available from existing NASPO ValuePoint Cooperative Contracts. The central online website is referred to as the NASPO ValuePoint eMarket Center.

b. The Contractor will have visibility in the eMarket Center through Ordering Instructions. These Ordering Instructions are available at no cost to the Contractor and provide customers information regarding the Contractors website and ordering

information. The Contractor is required at a minimum to participate in the eMarket Center through Ordering Instructions.

c. At a minimum, the Contractor agrees to the following timeline: NASPO ValuePoint eMarket Center Site Admin shall provide a written request to the Contractor to begin Ordering Instruction process. The Contractor shall have thirty (30) days from receipt of written request to work with NASPO ValuePoint to provide any unique information and ordering instructions that the Contractor would like the customer to have.

d. If the solicitation requires either a catalog hosted on or integration of a punchout site with eMarket Center, or either solution is proposed by a Contractor and accepted by the Lead State, the provisions of the eMarket Center Appendix to these NASPO ValuePoint Master Agreement Terms and Conditions apply.

10. Right to Publish

Throughout the duration of this Master Agreement, Contractor must secure from the Lead State prior approval for the release of information that pertains to the potential work or activities covered by the Master Agreement. This limitation does not preclude publication about the award of the Master Agreement or marketing activities consistent with any proposed and accepted marketing plan. The Contractor shall not make any representations of NASPO ValuePoint's opinion or position as to the quality or effectiveness of the services that are the subject of this Master Agreement without prior written consent. Failure to adhere to this requirement may result in termination of the Master Agreement for cause.

11. Price and Rate Guarantee Period

All prices and rates must be guaranteed for the initial term of the Master Agreement. *All discounts off Manufacturer's Suggested Retail Price are the minimum allowed throughout the term of the MPA including any optional year extensions.* Following the initial Master Agreement period, any request for price or rate adjustment must be for an equal guarantee period, and must be made at least Ninety (90) Days prior to the effective date. Requests for price or rate adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the Master Agreement shall not be effective unless approved by the Lead State. No retroactive adjustments to prices or rates will be allowed.

12. Individual Customers

Except to the extent modified by a Participating Addendum, each Purchasing Entity shall follow the terms and conditions of the Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases

as the Lead State has in the Master Agreement, including but not limited to, any indemnity or right to recover any costs as such right is defined in the Master Agreement and applicable Participating Addendum for their purchases. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Purchasing Entity individually Administration of Orders

13. Ordering

- a. Master Agreement order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.
- b. Purchasing Entities may define project-specific requirements and informally compete the requirement among companies having a Master Agreement on an “as needed” basis. This procedure may also be used when requirements are aggregated or other firm commitments may be made to achieve reductions in pricing. This procedure may be modified in Participating Addenda and adapted to the Purchasing Entity’s rules and policies. The Purchasing Entity may in its sole discretion determine which Master Agreement Contractors should be solicited for a quote. The Purchasing Entity may select the quote that it considers most advantageous, cost and other factors considered.
- c. Each Purchasing Entity will identify and utilize its own appropriate purchasing procedure and documentation. Contractor is expected to become familiar with the Purchasing Entities’ rules, policies, and procedures regarding the ordering of supplies and/or services contemplated by this Master Agreement.

Contractor shall not begin work without a valid Purchase Order or other appropriate commitment document under the law of the Purchasing Entity.

- d. Orders may be placed consistent with the terms of this Master Agreement during the term of the Master Agreement.
- e. All Orders pursuant to this Master Agreement, at a minimum, shall include:
 - (1) The services or supplies being delivered;
 - (2) The place and requested time of delivery;
 - (3) A billing address;
 - (4) The name, phone number, and address of the Purchasing Entity representative;
 - (5) The price per hour or other pricing elements consistent with this Master Agreement and the contractor’s proposal;
 - (6) A ceiling amount of the order for services being ordered; and

(7) The Master Agreement identifier.

- f. All communications concerning administration of Orders placed shall be furnished solely to the authorized purchasing agent within the Purchasing Entity's purchasing office, or to such other individual identified in writing in the Order.
- g. Orders must be placed pursuant to this Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days past the then-current termination date of this Master Agreement. Contractor is reminded that financial obligations of Purchasing Entities payable after the current applicable fiscal year are contingent upon agency funds for that purpose being appropriated, budgeted, and otherwise made available.
- h. Notwithstanding the expiration, cancellation or termination of this Master Agreement, Contractor agrees to perform in accordance with the terms of any Orders then outstanding at the time of such expiration or termination. Contractor shall not honor any Orders placed after the expiration, cancellation or termination of this Master Agreement, or otherwise inconsistent with its terms. Orders from any separate indefinite quantity, task orders, or other form of indefinite delivery order arrangement priced against this Master Agreement may not be placed after the expiration or termination of this Master Agreement, notwithstanding the term of any such indefinite delivery order agreement.

14. Shipping and Delivery

- a. The prices are the delivered price to any Purchasing Entity unless define differently elsewhere within the contract. All deliveries in the 48 contiguous states shall be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor. Delivery terms outside the 48 contiguous states are prescribed in section 3.3.2 of the RFP. Responsibility and liability for loss or damage shall remain the Contractor's until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount, if any, will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered shall be shipped without charge.
- b. All deliveries will be "Inside Deliveries" as designated by a representative of the Purchasing Entity placing the Order. Inside Delivery refers to a delivery to other than a loading dock, front lobby, or reception area. Specific delivery instructions will be noted on the order form or Purchase Order. Any damage to the building interior, scratched walls, damage to the freight elevator, etc., will be the responsibility of the Contractor. If damage does occur, it is the responsibility of the Contractor to immediately notify the Purchasing Entity placing the Order.

c. All products must be delivered in the manufacturer's standard package. Costs shall include all packing and/or crating charges. Cases shall be of durable construction, good condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipping carton shall be marked with the Participating Entity, Purchase Order number, and Contract number (both the Master Agreement number and the Participating Entities number).

15. Laws and Regulations

Any and all Products offered and furnished shall comply fully with all applicable Federal and State laws and regulations.

16. Inspection and Acceptance

- a. Where the Master Agreement or an Order does not otherwise specify a process for inspection and Acceptance, this section governs. This section is not intended to limit rights and remedies under the applicable commercial code.
- b. All Products are subject to inspection at reasonable times and places before Acceptance. Contractor shall provide right of access to the Lead State, or to any other authorized agent or official of the Lead State or other Participating or Purchasing Entity, at reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance requirements under this Master Agreement. Products that do not meet specifications may be rejected. Failure to reject upon receipt, however, does not relieve the contractor of liability for material (nonconformity that substantial impairs value) latent or hidden defects subsequently revealed when goods are put to use. Acceptance of such goods may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor is liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of Product rejected and returned, or for which Acceptance is revoked.

If any services do not conform to contract requirements, the Purchasing Entity may require the Contractor to perform the services again in conformity with contract requirements, at no increase in Order amount. When defects cannot be corrected by re-performance, the Purchasing Entity may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and reduce the contract price to reflect the reduced value of services performed.

- c. The warranty period shall begin upon Acceptance.
- d. Acceptance Testing may be explicitly set out in a Master Agreement to ensure conformance to an explicit standard of performance. Acceptance Testing means the process set forth in the Master Agreement for ascertaining that the Product meets the standard of performance prior to Acceptance by the Purchasing Entity. If Acceptance Testing is prescribed, this subsection applies to applicable Products purchased under this Master Agreement, including any additional, replacement, or substitute Product(s) and any Product(s) which are modified by or with the written approval of Contractor

after Acceptance by the Purchasing Entity. The Acceptance Testing period shall be thirty (30) calendar days or other time period identified in this Master Agreement or the Participating Addendum, starting from the day after the Product is delivered or, if installed, the day after the Product is installed and Contractor certifies that the Product is ready for Acceptance Testing. If the Product does not meet the standard of performance during the initial period of Acceptance Testing, Purchasing Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the standard of performance is met. Upon rejection, the Contractor will have fifteen (15) calendar days to cure the standard of performance issue(s). If after the cure period, the Product still has not met the standard of performance, the Purchasing Entity may, at its option: (a) declare Contractor to be in breach and terminate the Order; (b) demand replacement Product from Contractor at no additional cost to Purchasing Entity; or, (c) continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor. Contractor shall pay all costs related to the preparation and shipping of Product returned pursuant to the section. No Product shall be deemed Accepted and no charges shall be paid until the standard of performance is met. The warranty period shall begin upon Acceptance.

17. Payment

Payment after Acceptance is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance, unless a different late payment amount is specified in a Participating Addendum, Order, or otherwise prescribed by applicable law. Payments will be remitted by mail or electronic transfer. Payments may be made via a State or political subdivision "Purchasing Card" with no additional charge.

18. Warranty

Warranty provisions govern where specified elsewhere in the documents that constitute the Master Agreement; otherwise this section governs. The Contractor warrants for a period of one year from the date of Acceptance that: (a) the Product performs according

to all specific claims that the Contractor made in its response to the solicitation, (b) the Product is suitable for the ordinary purposes for which such Product is used, (c) the Product is suitable for any special purposes identified in the solicitation or for which the Purchasing Entity has relied on the Contractor's skill or judgment, (d) the Product is designed and manufactured in a commercially reasonable manner, and (e) the Product is free of defects. Upon breach of the warranty, the Contractor will repair or replace (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contractor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

19. Title of Product

Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to the Product free and clear of all liens, encumbrances, or other security interests. Transfer of title to the Product shall include an irrevocable and perpetual license to use any Embedded Software in the Product. If Purchasing Entity subsequently transfers title of the Product to another entity, Purchasing Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license shall be at no additional cost or charge to either Purchasing Entity or Purchasing Entity's transferee.

20. License of Pre-Existing Intellectual Property

Contractor grants to the Purchasing Entity a nonexclusive, perpetual, royalty-free, irrevocable, license to use, publish, translate, reproduce, transfer with any sale of tangible media or Product, perform, display, and dispose of the Intellectual Property, and its derivatives, used or delivered under this Master Agreement, but not created under it ("Pre-existing Intellectual Property"). The Contractor shall be responsible for ensuring that this license is consistent with any third party rights in the Pre-existing Intellectual Property.

General Provisions

21. Insurance

a. Unless otherwise agreed in a Participating Addendum, Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state and having a rating of A-, Class VII or better, in the most recently published edition of A.M. Best's Insurance Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or, at a Participating Entity's option, result in termination of its Participating Addendum.

b. Coverage shall be written on an occurrence basis. The minimum acceptable limits shall be as indicated below:

(1) Commercial General Liability covering premises operations, independent contractors, products and completed operations, blanket contractual liability, personal injury (including death), advertising liability, and property damage, with a limit of not less than \$1 million per occurrence/\$2 million general aggregate;

(2) Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements.

c. Contractor shall pay premiums on all insurance policies. Contractor shall provide notice to a Participating Entity who is a state within five (5) business days after Contractor is first aware of expiration, cancellation or nonrenewal of such policy or is first aware that cancellation is threatened or expiration, nonrenewal or expiration otherwise may occur.

d. Prior to commencement of performance, Contractor shall provide to the Lead State a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that (1) names the Participating States identified in the Request for Proposal as additional insureds, (2) provides for written notice of cancellation shall be delivered in accordance with the policy provisions, and (3) provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of any Participating State as secondary and noncontributory. Unless otherwise agreed in any Participating Addendum, other state Participating Entities' rights and Contractor's obligations are the same as those specified in the first sentence of this subsection except the endorsement is provided to the applicable state.

e. Contractor shall furnish to the Lead State copies of certificates of all required insurance in a form sufficient to show required coverage within thirty (30) calendar days of the execution of this Master Agreement and prior to performing any work. Copies of renewal certificates of all required insurance shall be furnished within thirty (30) days after any renewal date to the applicable state Participating Entity. Failure to provide evidence of coverage may, at the sole option of the Lead State, or any Participating Entity, result in this Master Agreement's termination or the termination of any Participating Addendum.

e. Coverage and limits shall not limit Contractor's liability and obligations under this Master Agreement, any Participating Addendum, or any Purchase Order.

22. Records Administration and Audit.

a. The Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Agreement and Orders placed by Purchasing Entities under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall permit the Lead State, a Participating Entity, a Purchasing Entity, the federal government (including its grant awarding entities and the U.S. Comptroller General), and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Agreement or orders placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of five (5) years following termination of this Agreement or final payment for any order placed by a Purchasing Entity against this Agreement, whichever is later, or such longer period as is required by the Purchasing Entity's state statutes, to assure compliance with the terms hereof or to evaluate performance hereunder.

b. Without limiting any other remedy available to any governmental entity, the Contractor shall reimburse the applicable Lead State, Participating Entity, or Purchasing Entity for any overpayments inconsistent with the terms of the Master Agreement or Orders or underpayment of fees found as a result of the examination of the Contractor's records.

c. The rights and obligations herein exist in addition to any quality assurance obligation in the Master Agreement requiring the Contractor to self-audit contract obligations and that permits the Lead State to review compliance with those obligations.

23. Confidentiality, Non-Disclosure, and Injunctive Relief

a. Confidentiality. Contractor acknowledges that it and its employees or agents may, in the course of providing a Product under this Master Agreement, be exposed to or acquire information that is confidential to Purchasing Entity or Purchasing Entity's clients. Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by Contractor or its employees or agents

in the performance of this Master Agreement, including, but not necessarily limited to (1) any Purchasing Entity's records, (2) personnel records, and (3) information concerning individuals, is confidential information of Purchasing Entity ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information. Confidential Information does not include information that (1) is or becomes (other than by disclosure by Contractor) publicly known; (2) is furnished by Purchasing Entity to others without restrictions similar to those imposed by this Master Agreement; (3) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement; (4) is obtained from a source other than Purchasing Entity without the obligation of confidentiality, (5) is disclosed with the written consent of Purchasing Entity or; (6) is independently developed by employees, agents or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

- b. Non-Disclosure. Contractor shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Master Agreement. Contractor shall advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use commercially
- c. Reasonable efforts to assist Purchasing Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Contractor shall advise Purchasing Entity, applicable Participating Entity, and the Lead State immediately if Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement, and Contractor shall at its expense cooperate with Purchasing Entity in seeking injunctive or other equitable relief in the name of Purchasing Entity or Contractor against any such person. Except as directed by Purchasing Entity, Contractor will not at any time during or after the term of this Master Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at Purchasing Entity's request, Contractor shall turn over to Purchasing Entity all documents, papers, and other matter in Contractor's possession that embody Confidential Information. Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits and evidence of the performance of this Master Agreement.
- d. Injunctive Relief. Contractor acknowledges that breach of this section, including disclosure of any Confidential Information, will cause irreparable injury to Purchasing Entity that is inadequately compensable in damages. Accordingly, Purchasing Entity may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are

necessary for the protection of the legitimate business interests of Purchasing Entity and are reasonable in scope and content.

- e. Purchasing Entity Law. These provisions shall be applicable only to extent they are not in conflict with the applicable public disclosure laws of any Purchasing Entity.

24. Public Information.

This Master Agreement and all related documents are subject to disclosure pursuant to the Purchasing Entity's public information laws.

25. Assignment/Subcontracts

- a. Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Master Agreement, in whole or in part, without the prior written approval of the Lead State.
- b. The Lead State reserves the right to assign any rights or duties, including written assignment of contract administration duties to NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint.

26. Changes in Contractor Representation

The Contractor must notify the Lead State of changes in the Contractor's key administrative personnel managing the Master Agreement in writing within 10 calendar days of the change. The Lead State reserves the right to approve changes in key personnel, as identified in the Contractor's proposal. The Contractor agrees to propose replacement key personnel having substantially equal or better education, training, and experience as was possessed by the key person proposed and evaluated in the Contractor's proposal.

27. Independent Contractor

The Contractor shall be an independent contractor. Contractor shall have no authorization, express or implied, to bind the Lead State, Participating States, other Participating Entities, or Purchasing Entities to any agreements, settlements, liability or understanding whatsoever, and agrees not to hold itself out as agent except as expressly set forth herein or as expressly agreed in any Participating Addendum.

28. Cancellation

Unless otherwise stated, this Master Agreement may be canceled by either party upon 60 days' written notice prior to the effective date of the cancellation. Further, any Participating Entity may cancel its participation upon 30 days' written notice, unless otherwise limited or stated in the Participating Addendum. Cancellation may be in whole or in part. Any cancellation under this provision shall not affect the rights and obligations

attending orders outstanding at the time of cancellation, including any right of a Purchasing Entity to indemnification by the Contractor, rights of payment for Products delivered and accepted, rights attending any warranty or default in performance in association with any Order, and requirements for records administration and audit. Cancellation of the Master Agreement due to Contractor default may be immediate.

29. Force Majeure

Neither party to this Master Agreement shall be held responsible for delay or default caused by fire, riot, unusually severe weather, other acts of God, or war which are beyond that party's reasonable control. The Lead State may terminate this Master Agreement after determining such delay or default will reasonably prevent successful performance of the Master Agreement.

30. Defaults and Remedies

a. The occurrence of any of the following events shall be an event of default under this Master Agreement:

- (1) Nonperformance of contractual requirements; or
- (2) A material breach of any term or condition of this Master Agreement; or
- (3) Any certification, representation or warranty by Contractor in response to the solicitation or in this Master Agreement that proves to be untrue or materially misleading; or
- (4) Institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or
- (5) Any default specified in another section of this Master Agreement.

b. Upon the occurrence of an event of default, the Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of 15 calendar days in which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure shall not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Master Agreement.

c. If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Master Agreement and the Lead State shall have the right to exercise any or all of the following remedies:

- (1) Exercise any remedy provided by law; and
- (2) Terminate this Master Agreement and any related Contracts or portions thereof; and
- (3) Impose liquidated damages as provided in this Master Agreement; and
- (4) Suspend Contractor from being able to respond to future bid solicitations; and
- (5) Suspend Contractor's performance; and
- (6) Withhold payment until the default is remedied.

d. Unless other specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and have all of the rights and remedies under this paragraph regarding its participation in the Master Agreement, in addition to those set forth in its Participating Addendum. Unless otherwise specified in a Purchase Order, a Purchasing Entity shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in these Master Agreement Terms and Conditions shall be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

31. Waiver of Breach

Failure of the Lead State, Participating Entity, or Purchasing Entity to declare a default or enforce any rights and remedies shall not operate as a waiver under this Master Agreement or Participating Addendum. Any waiver by the Lead State, Participating Entity, or Purchasing Entity must be in writing. Waiver by the Lead State or Participating Entity of any default, right or remedy under this Master Agreement or Participating Addendum, or by Purchasing Entity with respect to any Purchase Order, or breach of any terms or requirements of this Master Agreement, a Participating Addendum, or Purchase Order shall not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement, Participating Addendum, or Purchase Order.

32. Debarment

The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. This certification represents a recurring certification made at the time any Order is placed under this Master Agreement. If the Contractor cannot certify this statement, attach a written explanation for review by the Lead State.

33. Indemnification

a. Indemnification by the Contractor of the Lead State is governed by Section 7.1W of this RFP. Otherwise, the Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), Participating Entities, and Purchasing Entities, along with their officers, agents, and employees as well as any person or entity for which they may be liable, from and against third-party claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to tangible property arising from act(s), error(s), or omission(s) of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to the performance under the Master Agreement.

b. Indemnification – Intellectual Property. Indemnification by the Contractor of the Lead State is government by Section 7.2, State of Arizona Uniform Terms and Conditions, subsection 6.2. Otherwise, the Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), Participating Entities, Purchasing Entities, along with their officers, agents, and employees as well as any person or entity for which they may be liable ("Indemnified Party"), from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that the Product or its use, infringes Intellectual Property rights ("Intellectual Property Claim") of another person or entity.

(1) The Contractor's obligations under this section shall not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

- (a) provided by the Contractor or the Contractor's subsidiaries or affiliates;
- (b) specified by the Contractor to work with the Product; or
- (c) reasonably required, in order to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or
- (d) It would be reasonably expected to use the Product in combination with such product, system or method.

(2) The Indemnified Party shall notify the Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of it. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible. The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to vigorously pursue the defense or settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of it and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim. Unless otherwise agreed in writing, this section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.

34. No Waiver of Sovereign Immunity

In no event shall this Master Agreement, any Participating Addendum or any contract or any Purchase Order issued thereunder, or any act of the Lead State, a Participating Entity, or a Purchasing Entity be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

This section applies to a claim brought against the Participating Entities who are states only to the extent Congress has appropriately abrogated the state's sovereign immunity and is not consent by the state to be sued in federal court. This section is also not a waiver by the state of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

35. Governing Law and Venue

a. The procurement, evaluation, and award of the Master Agreement shall be governed by and construed in accordance with the laws of the Lead State sponsoring and administering the procurement. The construction and effect of the Master Agreement after award shall be governed by the law of the state serving as Lead State. The construction and effect of any Participating Addendum or Order against the Master Agreement shall be governed by and construed in accordance with the laws of the Participating Entity's or Purchasing Entity's State.

b. Unless otherwise specified in the RFP, the venue for any protest, claim, dispute or action relating to the procurement, evaluation, and award is in the Lead State. Venue for any claim, dispute or action concerning the terms of the Master Agreement shall be in

the state serving as Lead State. Venue for any claim, dispute, or action concerning any Order placed against the Master Agreement or the effect of a Participating Addendum shall be in the Purchasing Entity's State.

c. If a claim is brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for (in decreasing order of priority): The Lead State for claims relating to the procurement, evaluation, award, or contract performance or administration if the Lead State is a party; a Participating State if a named party; the state where the Participating Entity or Purchasing Entity is located if either is a named party.

36. Assignment of Antitrust Rights

Contractor irrevocably assigns to a Participating Entity who is a state any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided in that state for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at the Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

37. Contract Provisions for Orders Utilizing Federal Funds.

Pursuant to Appendix II to 2 Code of Federal Regulations (CFR) Part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. These federal requirements may be proposed by Participating Entities in Participating Addenda and Purchasing Entities for incorporation in Orders placed under this Master Agreement.

(November 2015)

eMarket Center Appendix

- a. This Appendix applies whenever a catalog hosted by or integration of a punchout site with eMarket Center is required by the solicitation or either solution is proposed by a Contractor and accepted by the Lead State.
- b. Supplier's Interface with the eMarket Center. There is no cost charged by SciQuest to the Contractor for loading a hosted catalog or integrating a punchout site.
- c. At a minimum, the Contractor agrees to the following:
 - (1) Implementation Timeline: NASPO ValuePoint eMarket Center Site Admin shall provide a written request to the Contractor to begin enablement process. The Contractor shall have fifteen (15) days from receipt of written request to work with NASPO ValuePoint and SciQuest to set up an enablement

schedule, at which time SciQuest's technical documentation shall be provided to the Contractor. The schedule will include future calls and milestone dates related to test and go live dates. The contractor shall have a total of Ninety (90) days to deliver either a (1) hosted catalog or (2) punch-out catalog, from date of receipt of written request.

(2) NASPO ValuePoint and SciQuest will work with the Contractor, to decide which of the catalog structures (either hosted or punch-out as further described below) shall be provided by the Contractor. **Whether hosted or punch-out, the catalog must be strictly limited to the Contractor's awarded contract offering (e.g. products and/or services not authorized through the resulting cooperative contract s hould not be vie wable by NASPO ValuePoint Participating Entity users).**

(a) Hosted Catalog. By providing a hosted catalog, the Contractor is providing a list of its awarded products/services and pricing in an electronic data file in a format acceptable to SciQuest, such as Tab Delimited Text files. In this scenario, the Contractor must submit updated electronic data [Insert Time Frame Here] to the eMarket Center for the Lead State's approval to maintain the most up-to-date version of its product/service offering under the cooperative contract in the eMarket Center.

(b) Punch-Out Catalog. By providing a punch-out catalog, the Contractor is providing its own online catalog, which must be capable of being integrated with the eMarket Center as a. Standard punch-in via Commerce eXtensible Markup Language (cXML). In this scenario, the Contractor shall validate that its online catalog is up-to-date by providing a written update to the Lead State stating they have audited the offered products/services and pricing listed on its online catalog. The site must also return detailed UNSPSC codes (as outlined in line 3) for each line item. Contractor also agrees to provide e-Quote functionality to facilitate volume discounts.

d. Revising Pricing and Product Offerings: Any revisions to product/service offerings (new products, altered SKUs, new pricing etc.) must be pre-approved by the Lead State and shall be subject to any other applicable restrictions with respect to the frequency or amount of such revisions. However, no cooperative contract enabled in the eMarket Center may include price changes on a more frequent basis than once per year. The following conditions apply with respect to hosted catalogs:

(1). Updated pricing files are required by the 1st of the month and shall go into effect in the eMarket Center on the 1st day of the following month (i.e. file received on 1/01/13 would be effective in the eMarket Center on 2/01/13). Files received after the 1st of the month may be delayed up to a month (i.e. file received on 11/06/09 would be effect in the eMarket Center on 1/01/10).

(2) Lead State-approved price changes are not effective until implemented within the eMarket Center. Errors in the Contractor's submitted pricing files will delay the implementation of the price changes in eMarket Center.

e. Supplier Network Requirements: Contractor shall join the SciQuest Supplier Network (SQSN) and shall use the SciQuest's Supplier Portal to import the Contractor's catalog and pricing, into the SciQuest system, and view reports on catalog spend and product/pricing freshness. The Contractor can receive orders through electronic delivery (cXML) or through low-tech options such as fax. More information about the SQSN can be found at: www.sciquest.com or call the SciQuest Supplier Network Services team at 800-233-1121.

f. Minimum Requirements: Whether the Contractor is providing a hosted catalog or a punch-out catalog, the Contractor agrees to meet the following requirements:

(1) Catalog must contain the most current pricing, including all applicable administrative fees and/or discounts, as well as the most up-to-date product/service offering the Contractor is authorized to provide in accordance with the cooperative contract; and

(2) The accuracy of the catalog must be maintained by Contractor throughout the duration of the cooperative contract between the Contractor and the Contract Administrator; and

(3) The Catalog must include a Lead State contract identification number; and

(4) The Catalog must include detailed product line item descriptions; and

(5) The Catalog must include pictures when possible; and

(6) The Catalog must include any additional NASPO ValuePoint and Participating Addendum requirements. Although suppliers in the SQSN normally submit one (1) catalog, it is possible to have multiple contracts applicable to different NASPO ValuePoint Participating Entities. For example, a supplier may have different pricing for state government agencies and Board of Regents institutions. Suppliers have the ability and responsibility to submit separate contract pricing for the same catalog if applicable. The system will deliver the appropriate contract pricing to the user viewing the catalog.

g. Order Acceptance Requirements: Contractor must be able to accept Purchase Orders via fax or cXML. The Contractor shall provide positive confirmation via phone or email within 24 hours of the Contractor's receipt of the Purchase Order. If the Purchasing Order is received after 3pm EST on the day before a weekend or holiday, the Contractor must provide positive confirmation via phone or email on the next business day.

- h. UNSPSC Requirements: Contractor shall support use of the United Nations Standard Product and Services Code (UNSPSC). UNSPSC versions that must be adhered to are driven by SciQuest for the suppliers and are upgraded every year. NASPO ValuePoint reserves the right to migrate to future versions of the UNSPSC and the Contractor shall be required to support the migration effort. All line items, goods or services provided under the resulting statewide contract must be associated to a UNSPSC code. All line items must be identified at the most detailed UNSPSC level indicated by segment, family, class and commodity. More information about the UNSPSC is available at: <http://www.unspsc.com> and <http://www.unspsc.com/FAQs.asp#howdoesunspscwork>.
- i. Applicability: Contractor agrees that NASPO ValuePoint controls which contracts appear in the eMarket Center and that NASPO ValuePoint may elect at any time to remove any supplier's offering from the eMarket Center.
- j. The Lead State reserves the right to approve the pricing on the eMarket Center. This catalog review right is solely for the benefit of the Lead State and Participating Entities, and the review and approval shall not waive the requirement that products and services be offered at prices (and approved fees) required by the Master Agreement.
- k. Several NASPO ValuePoint Participating Entities currently maintain separate SciQuest eMarketplaces, these Participating Entities do enable certain NASPO ValuePoint Cooperative Contracts. In the event one of these entities elects to use this NASPO ValuePoint Cooperative Contract (available through the eMarket Center) but publish to their own eMarketplace, the Contractor agrees to work in good faith with the entity and NASPO ValuePoint to implement the catalog. NASPO ValuePoint does not anticipate that this will require substantial additional efforts by the Contractor; however, the supplier agrees to take commercially reasonable efforts to enable such separate SciQuest catalogs.

Section 7: Lead State (State of Arizona) Terms and Conditions

7.1 State of Arizona Special terms and Conditions

A. Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 Et Seq., the State of Arizona intends to establish a Contract (Participating Addendum, PA) for the materials or services as listed herein on service to the State.

B. Contract Type- Fixed Price C. Licenses

Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of a business conducted by the contractor.

D. Volume of Work

The State does not guarantee a specific amount of work either for the life of the Contract or on an annual basis.

E. Key Personnel

It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions.

1. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to the State.
2. Key personnel who are not available for work under this Contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the contractor shall immediately notify the State and shall subject to the concurrence of the State, replace such personnel of substantially equal ability and qualifications.

F. Price or Rate Adjustment

Any price or rate adjustment shall be within the confines of the awarded contract, or as negotiated in service to this Contract. Any price or rate adjustment requested must not exceed the Producers Price Index (PPI) by Industry: Other Commercial and Service Industry Machinery Manufacturing: Mailing, Letter Handling, and Addressing Machines, Except Parts and Attachments, Series ID: PCU3333183333183A at time of requested adjustment. Any negotiated price adjustments for this Contract shall be documented via a bilateral Contract Amendment.

G. Information Disclosure

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

H. Employees of the Contractor

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the

State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

I. Warranty

All services supplied under this Contract shall be fully guaranteed by the Contractor for a minimum period of ninety (90) days from the date of acceptance by the State. Any defects of design, workmanship, or delivered materials that would result in non-compliance shall be fully corrected by the Contractor without cost to the State.

J. Non-Exclusive Contract

Any Contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

1. Method of Assessment:

At the completion of each quarter, the contractor reviews all sales under their contract in preparation for submission of their Usage Report. The contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: <https://spo.az.gov/state-purchasing-cooperative>. At its option, the State may expand or narrow the applicability of this fee. The State shall provide thirty (30) written notice prior to exercising or changing this option. The contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:

- Total sales receipts from State agencies, boards and commissions;
- Total sales receipts from members of the State Purchasing Cooperative; and
- Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

2. Submission of Reports and Fees:

Within thirty (30) days following the end of the quarter, the contractor submits their Usage Report and if applicable, a check in the amount of one percent (1%) of their sales receipts from members of the State Purchasing Cooperative, to the Department of Administration, State Procurement Office. Contractors are required to use the State's current report templates unless you have authorization from your contract officer to use a different format. You need to complete Form 799, which is a cover letter that gives the totals of your transactions; and Form 801, which is an Excel

spreadsheet that details your transactions. Sales to state agencies and the cooperative members are to be totaled separately. The most current forms can be downloaded at <https://spo.az.gov/statewide-contracts-administrative-fee>.

4.1 The submission schedule for Administrative Fees and Usage reports shall be as follows:

FY Q1, July through September Due October 31

FY Q2, October through December Due January 31

FY Q3, January through March Due by April 30

FY Q4, April through June Due by July 31

2.2 Usage Reports and any questions are to be submitted by email to the state's designated usage report email address: usage@azdoa.gov

3. Administrative Fee

The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.

4. Contractor's failure to remit administrative fees

Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

K. Compensation

Should the Contractor fail to provide all required services or deliver work products, as agreed upon by State and the Contractor, the State shall be entitled to invoke applicable remedies, including but not limited to, withholding payment to the Contractor and declaring the Contractor in material breach of the Contract. If the Contractor is in any manner in default of any obligation or the Contractor's work or performance is determined by the State to be defective, sub-standard, or if audit exceptions are identified, the State may, in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default, defect, exception or sub-standard performance. The Contractor shall reimburse the State on demand, or the State may deduct from future payments, any amounts paid for work products or performance which are determined to be an audit exception, defective or sub-standard performance. The Contractor shall correct its mistakes or errors without additional cost to the State. The State shall be the sole determiner as to defective or sub-standard performance.

The Contractor shall fulfill their contractual requirements including the Deliverables identified in the Statement of Work and fulfill the roles and responsibilities described in the Statement of Work for a firm fixed price, inclusive of travel and travel-related expenses. The fixed amount shall be inclusive of any fees for the use of any third party products or services required for use in the performance of this Contract.

L. Offshore Performance of Work Prohibited

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

M. Indemnification and Insurance

1.1 To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, and any jurisdiction or agency issuing permits for any work included in the project, and their respective directors, officers, officials, agents and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, costs, losses, or expenses, (including reasonable attorney's fees), (hereinafter collectively referred to as "Claims") arising out of actual or alleged bodily injury or personal injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of Contractor's directors, officers, agents, employees, volunteers or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all Claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. This indemnification will survive the termination of the above listed contract with the Contractor.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

1.2 Insurance Requirements

1.2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

1.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

1.3 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

1.3.1 Commercial General Liability (CGL) – Occurrence Form Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000 Each Occurrence
	\$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions,

universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.

- c. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.3 Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
- Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000

- d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

- e. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

1.3.4 Technology Errors & Omissions Insurance

- Each Claim \$2,000,000
- Annual Aggregate \$2,000,000

- f. Such insurance shall cover any, and all errors, omissions, or negligent acts in the delivery of products, services, and/or licensed programs under this contract.
- g. Coverage shall include or shall not exclude settlement and/or defense of claims involving intellectual property, including but not limited to patent or copyright infringement.
- h. In the event that the Tech E&O insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years, beginning at the time work under this Contract is completed.

1.3.5 Media Liability Coverage

- Each Claim \$2,000,000
- Annual Aggregate \$2,000,000

- i. Such insurance shall cover any and all errors and omissions or negligent acts in the production of content, including but not limited to plagiarism, defamation, libel, slander, false advertising, invasion of privacy, and infringement of copyright, title, slogan, trademark, service mark and trade dress.
- j. In the event that the Media Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

1.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41- 621 (E).

1.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract

1.5 Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

1.6 Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

1.7 Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) as required by this Contract. An authorized representative of the insurer shall sign the certificates.

1.7.1 All certificates and endorsements, as required by this written agreement, are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

1.7.2 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

1.8 Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

1.9 Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

1.10 Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

P. Data Privacy/Security Incident Management

Contractor and its agents shall cooperate and collaborate with appropriate State personnel to identify and respond to an information security or data privacy incident, including a security breach.

1. Threat of Security Breach

Contractor(s) agrees to notify the State Chief Information Officer (CIO), the State Chief Information Security Officer (CISO) and other key personnel as identified by the State of any perceived threats placing the supported infrastructure and/or applications in danger of breach of security. The speed of notice shall be at least commensurate with the level of threat, as perceived by the Contractor(s). The State agrees to provide contact information for the State CIO, CISO and key personnel to the Contractor(s).

2. Discovery of Security Breach

Contractor agrees to immediately notify the State CIO, the CISO and key personnel as identified by the State of a discovered breach of security. The State agrees to provide contact information for the State CIO, the CISO and key personnel.

Q. Access Constraints and Requirements

Contractor access to State facilities and resources shall be properly authorized by State personnel, based on business need and will be restricted to least possible privilege. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures. Policies / Standards, ADOA/ASET Policies / Procedures, and Arizona Revised Statutes (A.R.S.) §28-447, §28-449, §38-421, §13-2408, §13-2316, §41-770.

Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws.

Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

R. Compliance Requirements for A.R.S. § 41-4401, Government Procurement: E-Verify Requirement

1. The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
2. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.
3. Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.
4. The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph One (1).

7.2 State of Arizona Uniform Terms and Conditions

1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1. "*Attachment*" means any item the Solicitation requires the Offeror to submit as part of the Offer.

- 1.2. "*Contract*" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3. "*Contract Amendment*" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4. "*Contractor*" means any person who has a Contract with the State.
- 1.5. "*Days*" means calendar days unless otherwise specified.
- 1.6. "*Exhibit*" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7. "*Gratuity*" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8. "*Materials*" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9. "*Procurement Officer*" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10. "*Services*" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11. "*Subcontract*" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12. "*State*" means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13. "*State Fiscal Year*" means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;
 - 2.3.3. Statement or Scope of Work;
 - 2.3.4. Specifications;
 - 2.3.5. Attachments;
 - 2.3.6. Exhibits;
 - 2.3.7. Documents referenced or included in the Solicitation.
- 2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the

Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

- 3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized

Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

- 3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or

copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.

3.11 Offshore Performance of Work Prohibited.

Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically

stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination. 4.3. Applicable Taxes.

4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4. IRS W9 Form. In order to receive payment, the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for

any reason and these goods or services are not funded, the State may take any of the following actions:

- 4.5.1. Accept a decrease in price offered by the contractor;
- 4.5.2. Cancel the Contract; or
- 4.5.3. Cancel the contract and re-solicit the requirements.

5. Contract Changes

5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2. Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its

departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."

6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4. Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall not include the following occurrences:

6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in

accordance with this force majeure term and condition; or

6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1. Of a quality to pass without objection in the trade under the Contract description;

7.2.2. Fit for the intended purposes for which the materials are used;

7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4. Adequately contained, packaged and marked as the Contract may require; and

7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.

7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5. Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

7.6. Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2. Stop Work Order.

8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

- 9.2. **Gratuities.** The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3. **Suspension or Debarment.** The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4. **Termination for Convenience.** The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State.

In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

- 9.5. **Termination for Default.**
- 9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6. Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. §12-1518, except as may be required by other applicable statutes (Title 41).

12. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.



Attachment A

Capacity of Offeror

Solicitation No.: ADSPO16-00006328

Description: NASPO ValuePoint

Arizona Department of Administration

State Procurement Office

100 N. 15th Ave, Suite 201

Capacity of Offeror Questionnaire

Provide a response to each item below, using attachments where necessary. Each narrative item response should demonstrate ability to satisfy the Statement of Work. Limit response to experience directly relevant to this solicitation. The narrative shall include a response to all elements state or referred to in each item. All information contained in the proposal shall be current and factual. Failure to provide complete and accurate responses to the following items may have a negative impact on the evaluation of the Offer.

Instructions:

- a. All materials must be in electronic format that can be received in ProcureAZ ((<https://procure.az.gov>), the State of Arizona's electronic procurement system.
- b. Responses should be comprehensive, but concise, addressing specifics with minimal extraneous information.
- c. Response to all questions, even if you answer is "Not Applicable".
- d. Label your response "ATTACHMENT A_Capacity_*companyname*" and state the question number being addressed.
- e. Additional attached information shall indicate the item number and heading being referenced as it appears below.
- f. The above additional attached information should also include a header labeled, "ATTACHMENT A_Capacity_*companyname_name of additional information*"



Attachment A

Capacity of Offeror

Solicitation No.: ADSP016-00006328

Description: NASPO ValuePoint

Arizona Department of Administration

State Procurement Office

100 N. 15th Ave, Suite 201

1. Proposed Offering

Contractor is proposing equipment, supplies, and maintenance for all fifty States, Washington D.C. and Puerto Rico. **Offeror Response:** Pitney Bowes Inc. ("PBI") is proposing equipment, supplies, and maintenance for all fifty states, including Washington D.C. At this time, PBI will not be proposing equipment, supplies, and maintenance for Puerto Rico.

If Contractor is not proposing equipment, supplies and maintenance for all fifty States, Washington D.C. and Puerto Rico, please detail the States, District, and territory you are proposing.

Offeror Response: PBI is proposing equipment, supplies, and maintenance for all fifty states, including Washington D.C. At this time, PBI will not be proposing equipment, supplies, and maintenance for Puerto Rico.

2. Proposed Categories

Contractor shall detail below all categories they are offering. Please see *Attachment C* titled Pricing and *Attachment C-1 Pricing Scenarios* for details of the different categories. The contract shall be awarded by Category.

Offeror Response:

Pitney Bowes will be offering products and services under the following categories:

- Postage Meter Rental
- Mailing Systems, Ultra Low Volume
- Mailing Systems, Low-Volume
- Mailing Systems, Medium Volume
- Mailing Systems, High Volume
- Mailing Systems, Production
- Integrated Postal Scales
- Letter Openers, Low Volume
- Letter Openers, High Volume
- Letter Folders, Low Volume
- Letter Folders, High Volume
- Folder-Inserters, Low Volume
- Folder-Inserters, Medium Volume
- Folder-Inserters, High Volume
- Folder-Inserters, Production
- Envelope Addressing System, Ink Jet, Low Volume
- Envelope Addressing System, Ink Jet, Medium Volume
- Envelope Addressing System, Ink Jet, High Volume
- Tabbers, High Volume
- Mailing Furniture (general)

Software, License and Subscription
Pre-sorting Equipment, Production
Software Consulting Service
Design – Production Only
Installation – Assembly - Production

Pitney Bowes is offering the following leasing options, designated by product line, in compliance with Section 3.15, Equipment Leasing in the RFP (Arizona Solicitation Number ADSPO16-00006328). Related lease terms and conditions are labeled and are included under the attachments on *ProcureAZ*.

1. Pitney Bowes Global Financial Services LLC “GFS” Term Rental (Installment Purchase) – Option A, State & Local Rental – Option B, and State & Local Fair Market Value Lease – Option C pursuant to Sections 3.15 and 3.16, respectively and its terms and conditions

are offered for lease transaction for the SMB Product line specifically listed on Attachment C.1

2. **SUMMARY OF LEASING/RENTAL PROGRAMS UNDER ADSPO16-00006328**

Pitney Bowes Global Financial Services offers a variety of equipment leasing and lease/rental programs to enable your agency to acquire the equipment it needs with the innovative financing solution that works best for you. This Agreement cannot be used for Production Equipment Categories (Production Ink Jet Envelope Addressing System, Production Tabbers, Inserter Production, Production Folder-Inserter, Pre-Sorting Equipment) awarded under ADSPO16-00006328- to Pitney Bowes Inc.

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

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

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



Attachment A

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

Capacity of Offeror

Solicitation No.:
Description:

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

Arizona

State Procurement Office
100 N. 15th Ave, Suite 201

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

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

SPECIAL COTERMINOUS LEASE RATES (for SMB only)

Pitney Bowes can offer to our current leasing customers the opportunity to enter into a "coterminous lease" for the purposes of acquiring additional accessories and solutions for their current equipment. The term of the lease will be consistent with the number of months remaining on the lease contract for the existing equipment. For example, a customer with 18 months remaining on a lease will be offered an 18 month lease for additional accessories or solutions. Invoices will show two separate line items reflecting the current machine lease and the new coterminous lease. The coterminous lease will be subject to the same terms and conditions as the original lease. Below are the monthly coterminous lease rates for NASPO ValuePoint ADSPO16-00006328 Financing Option A, Option B, and Option C.

TERM	OPTION A	OPTION B	OPTION C
12	0.08825	0.09312	0.08981
15	0.07153	0.07638	0.07308
18	0.06039	0.06525	0.06194
21	0.05244	0.05732	0.05400
24	0.04648	0.05139	0.04804
27	0.04185	0.04680	0.04341
30	0.03815	0.04313	0.03972
33	0.03513	0.04015	0.03671
36	0.03260	0.03770	0.03420
39	0.03048	0.03560	0.03210
42	0.02866	0.03382	0.03028
45	0.02709	0.03230	0.02871
48	0.02570	0.03090	0.02770
51	0.02450	0.02980	0.02615
54	0.02343	0.02880	0.02510
57	0.02247	0.02786	0.02414

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



Attachment A

Capacity of Offeror

Solicitation No.: ADSP016-00006328

Description: NASPO ValuePoint

Arizona Department of Administration

State Procurement Office

100 N. 15th Ave, Suite 201

In applicable States, the DMT Leases may be offered under this Arizona Solicitation Number ADSP016-00006328 and the State Participating Addenda and, in such cases, if there is a conflict between a DMT Lease, and the related State Participating Addenda, the DMT Leases shall govern. Alternatively, in applicable States, the DMT Leases may be offered as a separate contract outside the Participating Addenda and this Agreement. Further, in the event a State wishes to use its own lender, it will be considered a separate contract outside the Participating Addenda and this Agreement. Note that the DMT Product Line is not offered under the GFS lease program described above in Item 1. Further, the DMT Product Line is not available for an Equipment Rental program, as described in Section 3.16 of the RFP.

3. Contractors Organizational Capacity

Contractor shall describe in general their organizational capacity to support the proposed offering and the Participating Entity's under any subsequent Contract.

3.1. Experience in Industry

3.1.1. Contractor shall describe their experience in the provision of the Products and Services and Support, throughout the Geographic Areas, as required herein. Please provide information regarding your firm's experience in this industry, to include the number of years your firm has been in the business, what has been your firm's US market share in the Mailing Room Equipment industry for the past three years, etc. **Offeror Response:**

Pitney Bowes Inc., a \$3.9 billion company with over 16,000 employees, provides technology solutions for small, mid-size and large organizations in more than 100 countries. PBI helps its clients connect with their customers to build loyalty and grow revenue. Many of the company's solutions are delivered on open platforms to best organize, analyze and apply both public and proprietary data to two-way customer communications. Pitney Bowes Inc. includes direct mail, transactional mail, shipping and e-commerce services and call center communications in its solution mix along with digital channel messaging for the web, email and mobile applications. Pitney Bowes Inc. is a 96 year old company incorporated in the state of Delaware.

3.2. Experience with Similar Customers (or specify Government)

3.2.1. Contractor shall describe their experience with similar Customers in the provision of the Products, Services, and support throughout the Geographic Areas.

Offeror Response:

PBI and its affiliates have provided equipment, software and services to Government entities since its inception 96 years ago. Pitney Bowes has a long standing experience in doing business within all 50 States, thousands of local municipalities, political subdivisions and the Federal Government. We have been party to individual state wide contracts across 48 states, as well as multiple regional and municipal contracts. Since 2005, PBI has been an authorized vendor under three NASPO sponsored national cooperative agreements and 71 underlying Participating Addenda. This includes the current Master Agreement, ADSP011-00000411-7, led by the State of Arizona. Pitney Bowes entered into 36 Participating Addenda under this Master Agreement of which 33 are currently active and identified below.



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1. Arizona - Lead State
2. Alaska
3. Arkansas
4. California
5. Orange County
6. Colorado
7. Connecticut
8. Delaware
9. Hawaii
10. Idaho
11. Iowa
12. Kansas
13. Kentucky
14. Maryland
15. Maine
16. Michigan
17. Minnesota
18. Missouri
19. Montana
20. Nevada
21. Nebraska
22. New Hampshire
23. New Mexico
24. North Dakota
25. Oregon
26. Oklahoma
27. South Carolina
28. South Dakota
29. Utah
30. Vermont
31. Washington
32. Wisconsin
33. Wyoming

PBI has held a GSA Federal Supply Schedule for over 20 years. PBI's current GSA FSC Group is 36 contract number GS-25F-001M. PBI maintains relationships with the following federal government agencies, boards, commissions and departments. Agriculture

- Air Force
- Army
- Commerce
- Courts
- Defense
- Education
- Energy
- Environmental Protection
- Equal Employment Opportunity



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- Federal Communication
- Federal Deposit Insurance
- Federal Trade
- Health and Human Services

3.3. Management Structure

3.3.1. Contractor shall describe their management structure in support of the Products and Services, throughout the entire proposed Geographic Area.

Offeror Response:

Pitney Bowes Inc. maintains a presences in all 50 states via either a direct sales and service organization, an authorized dealer or both in some states. In addition, we have 3 Government Sales Directors covering the West, Midwest and Eastern regions of the country respectively. PBI's key contact for the NASPO ValuePoint contract is the West Government Sales Director as noted in the attached list of Key Personnel. Additionally there is a VP of Sales overseeing the contract as noted in the attached key personnel list.

3.4. Key Personnel

3.4.1. Contractor shall assign specific individuals to key positions in support of the Contract. Contractor shall provide brief bios of key personnel including their training, experience and performance in supporting similar Customers as anticipated under any resulting Contracts. Contractor shall list all such Key Personnel in the applicable Contract Attachment titled *Attachment B* titled Offeror Response Form – Key Personnel.

3.5. Cost Containment

3.5.1. Contractor shall describe your firm's cost containment history over the past five years including a description of cost savings programs and the associated quantitative savings/efficiency realized the Percentage price increase per product line for the past three years, and the date and percentage of all anticipated price increases to the MSRP price for calendar years 2021-2022.

Offeror Response:

Throughout 2015 Pitney Bowes continued to reduce costs and improve the management of our assets. We cut our inventory by half and reduced Sales, General and Administrative costs by 7 percent, and by more than \$200 million since 2013. The net result is that during this three-year period, we have created more than \$1.5 billion of market capitalization, paid off more than \$1 billion of debt, grown our Digital Commerce Solutions business at a 12 percent compound annual growth and performed near the top of our peer group in terms of shareholder return.

We have focused on the basics, sold underperforming businesses, and dramatically simplified our business model. We continue to make good progress against our long-term strategy to stabilize mail, improve cost containment and grow our business by leveraging digital commerce. We have made great strides in stabilizing mail and are now turning our attention to reinventing these core businesses to deliver more value. By updating our go-to-market approach and sharpening our geographic focus in our major markets, we're able to deliver a better client experience and do it cost effectively. This has resulted in enhanced sales productivity, improving trends in equipment sales, and continued moderations of the declines in recurring revenue.



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We are poised to deliver even more improvements in the years to come through the combination of benefits from our previous actions and the global implementation of our new ERP system. ERP rolled out in Canada last fall and in the U.S. in April 2016. The resulting global integrated platform will enable us to enhance the client experience, better leverage our scale, streamline processes and improve our cost containment strategies.

Pitney Bowes has a formal product cost process where we review the quarterly impact of either the favorable and unfavorable elements or our product FAC (Fully-Absorbed Cost). Our procurement department focuses on procured piece part cost, and our manufacturing department focuses on the labor cost elements. Our product configurations and portfolio is vast however we have seen a 3% increase overall each year.

3.6. Refer ences

3.6.2 Contractor shall list three (3) References for which your firm provided services of similar size and scope as required by the solicitation within the past three (3) years. All Information shall be accurate and easily verifiable. Complete *Attachment G* titled References.

4. Authorized Dealers/Partners/Sales and Service Provider Relationships

4.1. Contractor must include in their response a list of Authorized Dealers/Partners authorized to represent them per the Terms and Conditions of this RFP by state (Authorized Dealers/Partners/Sales and Service Provider Response Form). It is the manufacturer's responsibility to ensure complete coverage of service throughout all States they are proposing. Invoices and payments will be addressed within the individual PA's. Some Participating Entities may require all invoices and billing go through the Contract and some Participating Entities may require invoices and payment to go through the Authorized Dealers/Partners/Sales and Service Provider. Please verify that either invoicing/billing option is available.

Please provide your response in the Response Form *Attachment D* titled Authorized Dealers/Partners/Sales and Service Provider Response Form.

Pitney Bowes Inc. has a sales organization that is made up of direct sales, service and authorized dealers across the US including Alaska and Hawaii. The key point of contact for Sales and Service for each State is listed on the attached Offer Response Form – Authorized Dealers/Partners/Sales and Service Provider List and on the Offeror Response Form – Key Personnel. In order to ensure proper reporting and payment of administrative fees, purchase orders and payment of invoices should be direct through Pitney Bowes Inc. Invoices would be issued by either Pitney Bowes Inc. or Pitney Bowes Global Financial Services LLC.

4.2. The Contractor shall be fully responsible for meeting all of the Terms and Conditions of any contract /MPA/PA resulting from this RFP. The Contractor will have full responsibility for their Authorized Dealers/Partners/Sales and Service Provider performance. Contractor will be responsible for any training and education of authorized resellers to ensure contract.

Please respond that you read, understand and will comply.



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Offeror Response: Pitney Bowes has read, understands and will comply with any training and education of their Authorized Dealers/Partners/Sales and Service Provider to ensure compliance with training requirements in the contract /MPA/PA.

- 4.3. Contractor shall notify the MPA Contract Administrator and the affected PA Procurement Officer of any authorized reseller changes, additions and deletions throughout the term of the Contract as they occur. The MPA Contract Administrator and the affected PA Procurement Officer will have the right to deny approval of any authorized reseller additions and/or substitutions.

Response would be that you read, understand and will comply, or to take exception

Offeror Response: Pitney Bowes Inc. has read, understands and will comply.

- 4.4. Describe what your firm requires from potential dealers to become an "Authorized Dealer" and define specifically how your firm currently measures an authorized dealer's performance, including the following:

- 4.4.1. Dealer commitment including product marketing, sales staff, sales volume, and service after the sale. **Offeror Response:**

Pitney Bowes Inc.'s authorized dealers commit to providing professional product marketing, sales staff and service after the sale.

- 4.4.2. Dealer contract support including contract administration and administrative/financial assistance.

Offeror Response:

Pitney Bowes provides contract administration through our Government Account representatives Management Teams and our call center located in Neenah, WI. Financial assistance is provided for SMB products via Pitney Bowes Global Financial Services LLC.

- 4.4.3. If a Participating Entity files a complaint about an authorized dealer due to customer service issues, lack of inventory, poor design service, late deliveries, incorrect billing practices, or other performance issues, describe how the Authorized Dealers/Partners/Sales and Service Provider is assisted by the Contractor in improving their performance, the Contractor's corrective action process, and the Contractor's process for removing the Authorized Dealers/Partners/Sales and Service Provider from the Authorized Dealers/Partners/Sales and Service Provider list if they fail to meet the requirements, including the criteria that would warrant a removal or replacement of an Authorized Dealers/Partners/Sales and Service Provider.

Offeror Response:

The Director of Government Sales will be your liaison between our local field sales channel and the "local" Government entity. The local seller would engage the Director of Government Sales for support and a final resolution strategy. If the Director of Government Sales needs additional support for problem resolution the Director of Government Sales would escalate to the regional State and Local Manager for final resolution. Pitney Bowes is a Corporation and has dedicated Pitney Bowes personnel responsible for support of all of our NASPO Value Point customers. Additional support exists within the local district office as well as a national support structure for our NASPO ValuePoint Clients. These additional layers of support would include the



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Local District Customer Care manager, Local District management team and the National Vice President of Government Sales.

4.4.4. Provide a list of all your Authorized Dealers/Partners by State, in a document including the following Information.

- 4.4.4.1. State
- 4.4.4.2. Authorized Dealers/Partners/Sales and Service Provider Name
- 4.4.4.3. Authorized Dealers/Partners/Sales and Service Provider Address
- 4.4.4.4. Single Point of Contact
- 4.4.4.5. Title
- 4.4.4.6. Phone Number
- 4.4.4.7. Fax Number
- 4.4.4.8. Email address
- 4.4.4.9. Web address (if applicable)
- 4.4.4.10. Geographic area of coverage in each state for each dealer
- 4.4.4.11. Product lines each dealer is authorized to market

Offeror Response –Provide response in document titled: Offer Response Form – Authorized Dealers/Partners/Sales and Service Provider List.

5. Good Standing

5.1. The Contractor and Authorized Dealers/Partner must be in good standing with trade associations, certification boards, or other regulatory agencies. Disclosure of any alleged issues, investigations, and/or citations is required. Provide information regarding on-going or past bankruptcies or reorganizations within the last five (5) years with your proposal submission. The MPA Contract Administrator reserves the right to request more information or to take further action based on information received.

Offeror Response:

Pitney Bowes Inc. and its proposed Authorized Dealers/Partners are in good standing with trade associations, certification boards, or other regulatory agencies. Pitney Bowes Inc. is not subject to any ongoing or past bankruptcies or reorganizations within the last five (5) years. To the best of our knowledge none of our proposed authorized Dealers/Partners are subject to any on-going or past bankruptcies or reorganizations within the last five (5) years.

6. Customer Service

6.1. Describe in detail the process that your firm utilizes to track and respond to issues and concerns from both the Authorized Dealers and the end user.

Offeror Response:

Pitney Bowes utilizes state of the art Service Management Systems to track all service requests and manage until completion. This system allows us to track, analyze and review account history in order to provide outstanding customer service to all of our customers. Pitney Bowes will establish entitlements in our system to ensure compliance



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with service level requirements for each State. We have access to historical service data in order to provide our customer with accurate projected service needs.

Pitney Bowes has contracted an outside survey group to regularly survey a random groupings of customer accounts in order to help Pitney Bowes achieve totally satisfied customers. Any issues or concerns noted on these surveys will prompt the customer's local Service Manager to contact the customer to discuss and find a resolution.

Pitney Bowes Salespersons and local Service Managers regularly meet with customers to make sure all of the customer's needs are being fulfilled and to discuss new products, services, and ideas for more efficiency and cost savings for the customer.

- 6.2. The Contracted Supplier or Authorized Dealer must have one lead representative for each Participating Addendum. Contact information shall be kept current.

Offeror Response – Pitney Bowes Inc. has read understands and will comply. Provide response in document titled: Offer Response Form – Authorized Dealers/Partners/Sales and Service Provider List.

- 6.3. Customer Service Representative will respond to all inquiries within one business day. Response would be that you read, understand and will comply, or to take exception

Offeror Response:

Pitney Bowes has read, understands and will comply with having a Customer Service Representative respond to all inquiries within one business day.

- 6.4. Customer Service Representative(s) must be available by phone or email, at a minimum, from 7:00 AM – 6:00 PM Monday through Friday for the applicable time zones.

Response would be that you read, understand and will comply, or to take exception

Offeror Response:

Pitney Bowes has read, understands and will comply with having a Customer Service Representative respond to all inquiries within one business day.

- 6.5. Describe the standard lead time for the following order types and describe what situations could increase or decrease the lead times for each order type:



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6.5.1. Low Volume equipment

Offeror Response: Pitney Bowes Inc. shall furnish standard low volume equipment within twenty (20) business days after receipt of order. For highly configured items requiring a greater lead time, both parties will mutually agree upon, in writing, a delivery time and date.

6.5.2. Medium Volume equipment

Offeror Response: Pitney Bowes Inc. shall furnish standard medium volume equipment within twenty (20) business days after receipt of order. For highly configured items requiring a greater lead time, both parties will mutually agree upon, in writing, a delivery time and date.

6.5.3. Production

Offeror Response: Both parties will mutually agree upon, in writing, a delivery time and date for the Pitney Bowes production mail equipment.

6.5.4. Accessories

Offeror Response: Pitney Bowes Inc. shall furnish standard accessories within twenty (20) business days after receipt of order. For highly configured items requiring a greater lead time, both parties will mutually agree upon, in writing, a delivery time and date.

6.5.5. Furniture

Offeror Response: Pitney Bowes Inc. shall furnish stock equipment within twenty (20) business days after receipt of order. For highly configured items requiring a greater lead time, both parties will mutually agree upon, in writing, a delivery time and date.

6.5.6. Supplies

Offeror Response: Pitney Bowes Inc. will furnish supplies within seven (7) business days after receipt of request/order.



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6.6. Describe in detail the escalation plan between the Authorized Dealer and Manufacturer.

Offeror Response:

The Director of Government Sales would be the liaison between our local field sales channel and the "local" Government entity. The local seller would engage the Director of Government Sales for support and a final resolution strategy. If the Director of Government Sales needs additional support for problem resolution the Director of Government Sales would escalate to the regional State and Local Manger for final resolution. Pitney Bowes is a Corporation and has 100% Pitney Bowes personnel responsible for support of all of our NASPO Value Point customers. Additional support exists within the local district office as well as a National support structure for our NASPO Value Point Clients. These additional layers of support would include the Local District Customer Care manager, Local District management team and the National Vice President of Government sales.

4.5 Legal and Regulatory Actions

6.6.1. Contractors shall fully disclose their involvement in any legal proceedings, lawsuits or governmental regulatory actions and any contractual demands for assurance regarding their provision of similar services, pending or occurring in the last five (5) years. We are only looking for information that can be legally obtained.

Offeror Response:

We are not aware of any current or threatened litigation that will impact either our ability to perform the services or provide the products requested in this RFP. During the past five (5) years, Pitney Bowes Inc., in its ordinary course of business, has been a defendant in, or party to, a number of pending and threatened legal actions. These may involve litigation by or against us relating to, among other things, contractual rights under vendor, insurance or other contracts; intellectual property or patent rights; equipment, service, payment or other disputes with clients; or disputes with employees. Some of these actions may be brought as a purported class action on behalf of a purported class of employees, clients or others. In management's opinion, the potential liability, if any, that may result from these actions, either individually or collectively, is not reasonably expected to have a material effect on our financial position, results of operations or cash flows. However, as litigation is inherently unpredictable, there can be no assurances in this regard. In 2015, we finalized the settlement with the Department of Justice relating to an investigation it had conducted regarding compliance with certain postal regulatory requirements in our Presort Services business without any admission of liability by the Company. As a result of the settlement, we recorded a charge of \$7 million, net of estimated recoveries in 2015. Information regarding any significant legal action is reported in our filings with the SEC. Please refer to the company's most recent 10K's and other disclosure filings for more information.

7. Environmental

7.1. While some participating states may have environmental initiatives, others do not, as such, States with environmental concerns and initiatives will address these issues through the Participating Addendum process.



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7.2. Has your firm made a public commitment to environmental sustainability? If so, provide details for the following

7.2.1. Description of the measurements that are employed and how they are reported.

Offeror Response:

Pitney Bowes has a long tradition of environmental responsibility, and each year we seek ways to further reduce our environmental footprint. Over the past 50 years we have worked to minimize our waste streams, expand on our use of returnable/reusable packaging designs, maximize the use of water-based inks, use partnerships to improve the recovery of equipment for reuse, recycling and end-of-life stewardship, employ innovative, responsible waste management vendors, and manage the remediation efforts from legacy site contamination.

Product stewardship

Our products are designed for a long lifetime of use, reuse and recycling. We started our product take-back program 50 years ago, and since then we have recovered millions of pounds of equipment and components. We have also worked steadily to increase sales of "green" products.

Energy conservation

We monitor energy consumption in our fleets, facilities and operations, and we research and apply conservation measures to reduce consumption. We calculate and publicly report on our carbon emissions, and in 2015 we met a five-year, 15% reduction target which was established in 2012, three years ahead of schedule. As a result we established a further five-year, 8% reduction target to guide our energy and GHG programs. We use every means available to help achieve our reduction target through process improvements, employee awareness and site consolidation.

Environmental performance

We report our carbon emissions, product stewardship and recycling and waste avoidance tonnage. We do not report on hazardous wastes, air emissions or waste water discharges, as these waste streams have become either not applicable or negligible in magnitude. Our manufacturing processes consume no water, emit no air pollutants that would require a permit, and produce no hazardous wastes, though very small amounts of wastes are generated by secondary operations such as hand cleaning and touch-up repair.

Environmental product compliance

From equipment design and partner selection to packaging, distribution and end of life, we monitor worldwide compliance with domestic and global regulations regarding environmental product content, reporting, registration and recovery.

Additional information is available at www.pb.com/responsibility.



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7.2.2. Name(s) and title(s) of staff that are specifically dedicated to the firms' public commitment to sustainability.

Offeror Response:

Kathleen Ryan Mufson, Director, Corporate Citizenship & Philanthropy
John Thaler, Director, Global Environmental Health and Safety
Zelia Kranich, Manager, Product Compliance and Sustainability

7.2.3. List all environmental third party certification programs that your firm has achieved and the level of compliance.

Offeror Response:

While a few Pitney Bowes locations have chosen to pursue ISO 14001 registration, generally all Pitney Bowes locations are required to be compliant with an internal Global Environment, Health & Safety Policy and Management System, which was created to mirror the requirements of ISO 14001 and OHSAS 18001, but not third party certified.

7.3. Has your firm had any breaches of environmental, health, or safety standards within the past 12 months? This includes fires, explosions, industrial accidents, hazardous releases, or other health and safety incidents at any of the firm's facilities. If so, provide details (including but not limited to date of event, quantitative extent of damage, environmental effects, and corrective action plan and success rate) of all breaches.

Offeror Response: None



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- 7.4. Confirm your acceptance to maintain for the term of this Agreement, and all renewals/extension thereof, programs as described in the response to the RFP.

Offeror Response:

Pitney Bowes Inc. confirms it will maintain for the term of this Agreement and all renewals/extensions thereof, programs as described in this response to the RFP.

- 7.5. Buyback/Trade in – Contractor shall describe the buyback/recycling program offered by your firm. Please detail the formula used to determine the value of the used equipment and all other facets of the program.

Offeror Response:

Over the past fifty years, since the product take-back program was started, Pitney Bowes Inc. has recovered millions of pounds of equipment and components, with numerous benefits for the company, customers and the environment.

Pitney Bowes customers that purchase or lease postal meters or mailing machines can return these products to established distribution centers throughout the United States. All returned products are sent to the Pitney Bowes remanufacturing plant for inspection, harvesting and remanufacture of equipment parts.

Any parts or finished products that cannot be remanufactured are sent to an approved recycling partner to ensure responsible recycling practices are used to process these recyclable materials.

Today, 95 percent of the company's mailing equipment parts are recyclable. This environmental benefit is achieved through the organization's environmental standards for suppliers and in the product design process. Since 1991, Pitney Bowes has been using an internal 'Design for Environmental Quality' standard to design our product with end-of-life considerations to maximize reusability of commodity materials.

Our product take-back program gives customers the option to minimize environmental impact and avoid the cost of waste disposal by redirect its waste to serve as raw materials, saving the energy used to create those materials while providing financial benefits.

The production mail division has a standard trade-in credit of \$5,000. Anything else is handled on a case basis with no formula.

Attachment B

Key Personnel

Instructions:

Answer all questions thoroughly. This Attachment shall be completed for all key personnel in the administration of any resultant contract under this solicitation. A separate resume may be attached as supplemental information, but shall not take the place of this attachment. Answers such as "See attached Resume" will not be accepted. If resumes are included please also reference the position on the resume.

Position: Government Contracts Manager

Name: Amy Hare

Current Information

Position currently held in firm:	Government Contracts Manager
Years with firm:	19
Years in current position:	< 1
Years experience in role under this contract:	<1
Percentage of employee's time dedicated to this contract:	30%

Related Experience

Project Name: Contract experience with government agencies		
Job title: Director	Project begin date 1997	Project end date 2013
Duties performed related to proposed position: Responsible for reviewing and negotiating legal terms and conditions in master agreements, statements of work, software licenses, municipal lease financing and agreements.		
Project Name: Contracting experience with government agencies		
Job title: Director	Project begin date: 2013	Project end date: 2016
Duties performed related to proposed position: Responsible for reviewing and negotiating legal terms and conditions in master agreements, statements of work, software licenses, municipal lease financing and agreements.		

Identify the primary function(s) of the candidate in performing the services required by this solicitation. Indicate the corresponding solicitation/response page and paragraph:

Responsible for negotiating legal terms and conditions in master agreements and related Participating Addenda. Alternate point of contact for legal contract issues and questions.
--

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Position: Partner Operations Manager

Name: Bernie Cory

Current Information

Position currently held in firm:	Partner Operations Manager
Years with firm:	32
Years in current position:	3
Years experience in role under this contract:	2
Percentage of employee's time dedicated to this contract:	10%

Related Experience

Project Name: Partner Operations Manager		
Job title: Partner Operations Manager	Project begin date 10/2013	Project end date 10/16/2016
Duties performed related to proposed position: Responsible for managing third party vendors		
Project Name		
Job title:	Project begin date:	Project end date:
Duties performed related to proposed position:		

Identify the primary function(s) of the candidate in performing the services required by this solicitation. Indicate the corresponding solicitation/response page and paragraph:

Manage the relationship with third party partners and Pitney Bowes Inc.

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Position: Director, Government Sales, West Region

Name: Bill Walter

Current Information

Position currently held in firm:	Director, Government Sales, West Region
Years with firm:	31
Years in current position:	3
Years experience in role under this contract:	9
Percentage of employee's time dedicated to this contract:	50%

Related Experience

Project Name: BuyBoard Contract response		
Job title: Director, Government Sales	Project begin date June 2015	Project end date September 2015 and ongoing
Duties performed related to proposed position: Coordinated, negotiated, responded and maintain the BuyBoard RFP and contract in Texas		
Project Name: NJPA Contract management		
Job title: Dir, Govt Sales	Project begin date: 2012	Project end date: ongoing
Duties performed related to proposed position: Maintain contract, update pricing and products, national resource for questions		

Identify the primary function(s) of the candidate in performing the services required by this solicitation. Indicate the corresponding solicitation/response page and paragraph:

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Key Personnel

Instructions:

Answer all questions thoroughly. This Attachment shall be completed for all key personnel in the administration of any resultant contract under this solicitation. A separate resume may be attached as supplemental information, but shall not take the place of this attachment. Answers such as "See attached Resume" will not be accepted. If resumes are included please also reference the position on the resume.

Position: Director, Government Contracts

Name: John Winslow

Current Information

Position currently held in firm:	National Director, Government Contracts
Years with firm:	18
Years in current position:	0.5
Years experience in role under this contract:	11
Percentage of employee's time dedicated to this contract:	40%

Related Experience

Project Name: NJPA Contract Management		
Job title: Director, Government Sales	Project begin date 2016	Project end date ongoing
Duties performed related to proposed position: Maintain contract, update pricing and products, national resource for questions.		
Project Name: E&I Contract management		
Job title: National Dir, Govt Sales	Project begin date: 2016	Project end date: ongoing
Duties performed related to proposed position: Maintain contract, update pricing and products, national resource for questions.		

Identify the primary function(s) of the candidate in performing the services required by this solicitation. Indicate the corresponding solicitation/response page and paragraph:

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Key Personnel

Instructions:

Answer all questions thoroughly. This Attachment shall be completed for all key personnel in the administration of any resultant contract under this solicitation. A separate resume may be attached as supplemental information, but shall not take the place of this attachment. Answers such as "See attached Resume" will not be accepted. If resumes are included please also reference the position on the resume.

Position: Strategic Coordinator

Name: Lorrie McKee

Current Information

Position currently held in firm:	Strategic Coordinator
Years with firm:	29
Years in current position:	16
Years experience in role under this contract:	4
Percentage of employee's time dedicated to this contract:	50%

Related Experience

Project Name: WSCA/NASPO Reporting		
Job title: Strategic Coordinator	Project begin date 12/11/2016	Project end date ongoing
Duties performed related to proposed position: Gathering data and compiling usage reports for the states that are currently under the NASPO contract. Making sure the states receive their reports and insure that the states along with NASPO receive their administration fees.		
Project Name: State Contract Reporting – various states		
Job title: Strategic Coordinator	Project begin date: 12/2011	Project end date: ongoing
Duties performed related to proposed position: Gathering data and compiling usage reports for the states that are currently under the NASPO contract. Making sure states receive their reports and ensure the states along with NASPO receive their administration fees.		

Identify the primary function(s) of the candidate in performing the services required by this solicitation. Indicate the corresponding solicitation/response page and paragraph:

Gathering data and compiling usage reports for the states that Pitney Bowes currently has a contract, compiling the report as specified by the state in the manner in which they requested the data be received.
--

Attachment B

Key Personnel

Instructions:

Answer all questions thoroughly. This Attachment shall be completed for all key personnel in the administration of any resultant contract under this solicitation. A separate resume may be attached as supplemental information, but shall not take the place of this attachment. Answers such as "See attached Resume" will not be accepted. If resumes are included please also reference the position on the resume.

Position: North American Supervisor

Name: Ryan Berndt

Current Information

Position currently held in firm:	North American Supervisor
Years with firm:	13
Years in current position:	7
Years experience in role under this contract:	3
Percentage of employee's time dedicated to this contract:	60%

Related Experience

Project Name: State and Local Government		
Job title: Supervisor	Project begin date 7/1/2013	Project end date ongoing
Duties performed related to proposed position: Manage government billing account managers		
Project Name:		
Job title:	Project begin date:	Project end date:
Duties performed related to proposed position:		

Identify the primary function(s) of the candidate in performing the services required by this solicitation. Indicate the corresponding solicitation/response page and paragraph:

Attachment B

Key Personnel

Instructions:

Answer all questions thoroughly. This Attachment shall be completed for all key personnel in the administration of any resultant contract under this solicitation. A separate resume may be attached as supplemental information, but shall not take the place of this attachment. Answers such as "See attached Resume" will not be accepted. If resumes are included please also reference the position on the resume.

Position: Director, Government Contract Compliance

Name: Art Adams

Current Information

Position currently held in firm:	Director, Government Contract Compliance
Years with firm:	36
Years in current position:	<1
Years experience in role under this contract:	10
Percentage of employee's time dedicated to this contract:	15-20%

Related Experience

Project Name: NASPO Sponsored Cooperative Agreements		
Job title: Director, S&L Contracts	Project begin date 2006	Project end date 2016
Duties performed related to proposed position: Negotiation of three NASPO sponsored Master Agreements and all underlying Participating Addenda, Lead State and State Procurement point of contact for escalation of contractual matters.		
Project Name:		
Job title:	Project begin date:	Project end date:
Duties performed related to proposed position:		

Identify the primary function(s) of the candidate in performing the services required by this solicitation. Indicate the corresponding solicitation/response page and paragraph:

Lead State and State Procurement Office point of contact for escalation of contractual related matters when standard escalation process defined in the Capacity of Offeror does not lead to a mutually agreeable resolution; assisting Government Contract Manager in negotiations with the individual State Participating Addenda.

Attachment C

Pricing Sheets

See attachments in the Attachments Tab within Procure.AZ.

Attachment C-1

Pricing Scenarios

See attachments in the Attachments Tab within Procure.AZ.

Official copies of the Master Agreement (as amended) and related documents can be found on the lead state's website <https://procure.az.gov/bso/external/purchaseorder/poSummary.sdo?docId=ADSPO16-169897&releaseNbr=0&parentUrl=contract> or the NASPO ValuePoint website <https://www.naspovaluepoint.org/portfolios/portfolio-contractor/541/>

Attachment D

AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Contractors shall provide a list of Authorized Dealers/Partners/Sales and Service Provider (Dealer) authorized to represent them per the Terms and Conditions of this RFP by State. It is the Manufacturer's responsibility to ensure complete coverage of service throughout all States they are proposing. Manufacturer may copy and paste or delete the blank template below to add additional Authorized Dealers/Partners/Sales and Service providers per State. State:

Partner: [Advanced Mailing and Shipping Technologies](#)

State: [WV](#)

Dealer Address: [2346 Market St Wheeling, WV 26003](#)

Single Point of Contact: [Kenneth J Kasznel](#)

Title: [President](#)

Phone Number: [412-352-4008](#)

Email Address: k.kasznel@amasti.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [PA-Washington, Allegheny, Green, Beaver, Butler, Fayette, Westmoreland, Indiana, Armstrong WV – Hancock, Brooke, Ohio, Marshall, Wetzell, Marion, Harrison, Monongalia, Wood, Ohio – Jefferson, Harrison, Belmont, Guernsey](#)

Partner: [Independent Mailing Systems](#)

State: [NC](#)

Dealer Address: [208 N. Front St. Warsaw, NC 28398](#)

Single Point of Contact: [Jerry Sheffield](#)

Title: [President](#)

Phone Number: [910-293-2195](#)

Email Address: jerrysheffield@hotmail.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [NC: Currituck, Camden, Gates, Harford, Pasquatank, N. Hampton, Warren, Vance, Franklin, Halifax, Bertie, Tyrrell, Washington, Martini, Edgecombe, Nash, Hyde, Beaufort, Pitt, Greene, Wilson, Wayne, Lenoir, Craven, Pamlico, Carteret, Onslow, Jones, Duplin, Sampson, Cumberland, Harnett, Morre, Hoke, Scotland, Robeson, Bladen, Pender, New Hanover, Brunswick, Pequimans, Chowan, Columbus](#)

[SC: Chesterfield, Darlington, Florence, Marion, Horry, Dillon, Marlboro, George](#)

Partner: [First Choice Systems & Solutions, Inc.](#)

State: [PA](#)

Dealer Address: [16 Luzerne Ave, Suite 145 West Pittston, PA](#)

Single Point of Contact: [Donald Martin](#)

Title: [President](#)

Phone Number: [570-362-8084](#)

Email Address: don@firstchoicepb.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [PA Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Lycoming, Monroe, Montour, Northumberland, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Union, Wayne, Wyoming](#)

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Partner: [Columbus Office Solutions](#)
State: [OH](#)
Dealer Address: [3700 Sullivant Avenue, Columbus, OH 43228](#)
Single Point of Contact: [Bill Sopher](#)
Title: [President](#)
Phone Number: [614-819-0104](#)
Email Address: bill@cosllc.net
Web Address (if applicable): www.mailandprint.com
Geographic area of coverage in each state for each dealer: [Delaware, Knox, Fairfield, Licking & Franklin](#)

Partner: [Northeast Mailing Systems, LLC](#)
State: [NH](#)
Dealer Address: [26 Bank St. Lebanon, NH 03766](#)
Single Point of Contact: [Bill Babineau](#)
Title: [President](#)
Phone Number: [866-330-3935](#)
Email Address: info@northeastmailing.com
Web Address (if applicable)

Dealer Address: [400 E. Joppa Road Ste. 100 Towson, MD 21286](#)
Single Point of Contact: [Shawn Shannon](#)
Title: [President](#)
Phone Number: [443-463-3378](#)
Email Address: shawنشannon3@gmail.com
Web Address (if applicable): www.mailandprint.com
Geographic area of coverage in each state for each dealer: [Anne Arundel, Baltimore, Baltimore City, Caroline, Carroll, Cecil, Dorchester, Frederick, Harford, Howard, Kent, Queen Annes, Somerset, Talbot, Washington, Wicomico, Worcester](#)

Partner: [Dakota Mailing Inc.](#)
State: [ND](#)
Dealer Address: [4141 38th St. Suite 1A Fargo, ND 58104](#)
Single Point of Contact: [Joe Engh](#)
Title: [President](#)
Phone Number: [701-451-0663](#)
Email Address: joe@dakotamailing.com
Web Address (if applicable): www.dakotamailing.com
Geographic area of coverage in each state for each dealer: [ND: Barnes, Benson, Burleigh, Cass, Cavalier, Dickey, Eddy, Emmons, Foster, Grand Forks, Griggs, Kidder, La Moure, Logan, Mcintosh, Morton, Mountrail, Nelson, Oliver, Pembina, Pierce, Ramsey, Ransom, Richland, Rolette, Sargent, Steele, Stutsman, Towner, Traill, Walsh, Wells SD: Beadle, Brookings, Brown, Clark, Codington, Day, Hamilin, Kingsbury. Mashall, Roberts, Spink MN: Becker, Beltrami, Bigstone, Cass, Chippewa, Clay, Clearwater, Crow Wing, Douglas, Grant, Griggs, Hubbard, Itasca, Kankiyohi, Kittson, Koochiching, Lac Qui Parle, Lake of the Woods, Lincoln, Lyon, Mahnomen, Marsall, Meeker, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Redwood, Renville, Roseau, Stearns, Stevens, Swift, Todd, Traverse, Wadena, Wilken, Yellow Medicine](#)

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Partner: [Pacific Mailing & Shipping Systems, Inc.](#)

State: [OR](#)

Dealer Address: [15820 SE 114th Ave Clackamas, OR 97015](#)

Single Point of Contact: [Troy Wilson](#)

Title: [President](#)

Phone Number: [503-496-4202](#)

Email Address: troy@pacmail.com

Web Address (if applicable):

Geographic area of coverage in each state for each dealer: [Oregon: Clackamas, Clatsop, Columbia, Hood River, Jefferson, Linn, Marion, Multnomah, Tillamook, Washington, Yamhill](#) [Washington: Lewis, Skamania, Cowlitz, Clark](#)

Partner: [Kelley Imaging Systems, Inc](#)

State: [WA](#)

Dealer Address: [8725 S. 212th Street Kent, WA 98031](#)

Single Point of Contact: [Aric J. Manion](#)

Title: [Vice -President](#)

Phone Number: [206-284-9100](#)

Email Address: terry.boyle@kelleymailing.com

Web Address (if applicable):

Geographic area of coverage in each state for each dealer: [WA: Benton, Clark, Cowlitz, Franklin, Lewis, King, Kittitas, Pierce, Skagit, Skamania, Snohomish, Thurston, Whatcom, Yakima](#), [OR: Clackamas, Clatsop, Columbia, Hood, River, Jefferson, Linn, Marion, Multnomah, Tillamook, Washington, Yamhill](#)

Partner: [On Demand, Inc.](#)

State: [TX](#)

Dealer Address: [2650 Fountain View Dr. Houston, TX 77057](#)

Single Point of Contact: [Michael Gray](#)

Title: [President](#)

Phone Number: [832-333-3000](#)

Email Address: mgray@ondemandhouston.com

Web Address (if applicable):

Geographic area of coverage in each state for each dealer: [Austin, Brazoria, Brazos, Burleson, Chambers, Colorado, Fayette, Fort Bend, Galveston, Grimes, Hardin, Harris, Jefferson, Lee, Liberty, Maragorda, Montgomery, Polk, San Jacino, Walker, Waller, Washington, Wharton](#)

Partner: [Laser Resources LLC](#)

State: [IA](#)

Dealer Address: [4265 109th St. Urbandale, IA 50322](#)

Single Point of Contact: [Robert Lashier](#)

Title: [President](#)

Phone Number: [515-278-4050](#)

Email Address: bob@laserresources.com

Web Address (if applicable):

Geographic area of coverage in each state for each dealer: [Adair, Benton, Blackhawk, Boone, Cedar, Cerro Gorgo, Carroll, Dallas, Franklin, Greene, Grundy, Guthrie, Hamilton, Hardin, Hancock, Iowa, Jasper, Johnson, Linn, Madison, Mahaska, Marion, Marshall, Polk, Poweshiek, Scott, Story, Tama, Warren, Webster, Wright.](#)

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Partner: [Northeast Mailing Systems, LLC](#)

State: [NH](#)

Dealer Address: [26 Bank St. Lebanon, NH 03766](#)

Single Point of Contact: [Bill Babineau](#)

Title: [President](#)

Phone Number: [866-330-3935](#)

Email Address: info@northeastmailing.com

Web Address (if applicable) [NH: Belknap, Carroll, Cheshire, Coos, Grafton, Hillsborough, Merrimack, Rockingham, Strafford, Sullivan, Clinton VT: Addison, Bennington, Caledonia, Chittenden, Essex, Franklin, Orange, Washington, Windham, & Windsor](#)

Partner: [Texas Office Systems, Inc](#)

State: [TX](#)

Dealer Address: [1080 Industrial Blvd. Hewitt, TX 76643](#)

Single Point of Contact: [Kermit Farmer](#)

Title: [President](#)

Phone Number: [254-666-2592](#)

Email Address: kfarmer@officesystems2000.com;
kermitfarmer@aol.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Aransas, Atascosa, Bee, Bell, Bosque, Brooks, Brazons, Brown, Burleson, Burnet, Calhoun, Camerson, Coleman, Coryell, Dewitt, Dimmit, Duval, Erath, Falls, Freestone, Frio, Goliad, Hamilton, Hill, Hidalgo, Jim Hogg, Jim Wells, Karner Kennedy, Kleeberg, La Salle, Lavaca, Lampasas, Lee, Leon, Limestone, Live Oak, Llano, Madison, Maverick, McLennan, McMullen, Milam, Mills, Navarro, Nueces, Refugio, Robertson, San Patricio, SanSaba, Star, Victoris, Williamson, Webb, Willacy, Zapata, Zavalla.](#)

Partner: [Copy Shop d/b/a Island Printing & Mailing Solutions](#)

State: [HI](#)

Dealer Address: [99-1046 Iwaena St Alea, HI 96701](#)

Single Point of Contact: [Michael Murray](#)

Title: [President](#)

Phone Number: [808-545-5540](#)

Email Address: mike@businesssolutionshi.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Hawaii: Captian Cook, Hakalau, Hawaii National, Park, Hawi, Hilo, Holualoa, Honaunau, Hinokaa, Hnonmu, Ocean View, Waikoloa, Kailua Kona, Kamuela, Kealakekua, Kapaau, Luapahoehoe, Mountain View, Naaehu, Paaulo, Pahala, Papaaloo, Volcano Honolulu: Aiea, Ewa Beach, Kapolei, Haleiwa, Hauula, Kaaawa, Kahuku, Kailua, Kaneohe, Kunia, Lale, P{earl City, Wahiawa, Mililani, Waialua, Waianae, Waimanalo, Waipahu, Honolulu, JBPHH, Scholield Barracks, Camp H M Smith, MCBH Kaneohe, Bay Kauai: Anahola, Eleele, Hanalei, Hanapepe, Princewille, Kalaheo, Kapaa, Kealia, Kekaha, Kilauea, Koloa, Lawai, Lihue, Waimea Maui: Haiku, Hana, Hoolehua, Kahului, Kalaupapa, Kaunakakai, Kihei, Kualapuu, Lahaina, Lanai City, Makawao, Maunaloa, Paia, Puunene, Kula, Wailuku.](#)

Partner: [Claritus](#)

State: [NE](#)

Dealer Address: [4201 Progressive Ave Lincoln, NE 68504](#)

Single Point of Contact: [David Herbert](#)

Title: [President](#)

Phone Number: [402-421-2323](#)

Email Address: dave@claritus.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Iowa Counties, Buena Vista, Cass, Cherokee, Clay,](#)

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Crawford, Dickinson, Fremont, Harrison, Ida, Lyon, Mills, Monona, Montgomery, O'Brien, Osceola, Page, Plymouth, Pttawattamie, Sac, Shelby, Sioux, Woodbury, MN Counties, Big Stone, Lec Qui Parle, Lincoln, Lyon, Murray, Pipestone, Rock, Traverse, Wilkin, Yellow Medicine, Nobles, Nebraska Counties, Adams, Antelope, Blaine, Boone, Boyd, Brown, Buffalo, Burt, Butler, Cass, Cedar, Clay, Colfax, Cuming, Custer, Dakota, Dawson, Dixon, Dodge, Douglas, Fillmore, Franklin, Furnas, Gage, Garfield, Gosper, Greeley, Hall, Hamilton, Harlan, Holt, Howard, Jefferson, Johnson, Kearney, Keya Paha, Knox, Lancaster, Loup, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Phelps, Pierce, Platte, Polk, Richardson, Rock, Saline, Sarpy, Saunders, Seward, Sherman, Stanton, Thayer, Thurston, Valley, Washington, Wayne, Webster, York, SD Counties, Aurora, Beadle, Bon Homme, Brookings, Brown, Brule, Buffalo, Charles Mix, Clark, Clay, Codington, Davison, Day, Deuel, Douglas, Edmunds, Faulk, Gregory, Hamlin, Hand, Hanson, Hughes, Hutchinson, Hyde, Jerauld, Kingsbury, Lake, Lincoln, Lyman, Marshall, McCook, McPherson, Mellette, Miner, Minnehaha, Moody Sanborn, Spink, Sully, Stanley, Tripp, Turner, Union, Yankton.

Partner: [Advantage Business Systems](#)

State: [MS](#)

Dealer Address: [5442 Executive Place Jackson, MS 39206](#)

Single Point of Contact: [John Scott Day](#)

Title: [President](#)

Phone Number: [601-362-9192](#)

Email Address: sday@absms.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Adams, Amite, Attala, Bolivar, Calhoun, Carroll, Leflore, Lincoln, Kemper, Lee, Lowndes, Madison, Marion, Monroe, Chickasaw, Montgomery, Choctaw, Neshoba, Claiborne, Newton, Clarke, Noxubee, Clay, Oktibbeha, Coahoma, Panola, Copiah, Pike, Covington, Pontotoc, Forrest, Quitman, Franklin, Rankin, Grenada, Scott, Hinds, Sharkey, Holmes, Simpson, Humphreys, Smith, Issaquena, Sunflower, Itawamba, Tallahatchie, Jasper, Union, Jefferson, Warren, Jefferson, Davis, Washington, Jones, Wayne, Lafayette, Webster, Lamar, Wilkinson, Lauderdale, Winston, Lawrence, Yalobusha, Leake, Yazoo.](#)

Partner: [Arkansas Mailing Services Inc](#)

State: [AR](#)

Dealer Address: [3123 Newman Dr North Little Rock, AR 72117](#)

Single Point of Contact: [Doug Jones](#)

Title: [President](#)

Phone Number: [501-375-4816](#)

Email Address: dougjones@armailing.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Arkansas, Ashley, Baxter, Benton, Boone, Bradley, Calhoun, Carroll, Chicot, Clark, Clay, Cleburne, Cleveland, Columbia, Conway, Craighead, Crawford, Crittenden, Cross, Dallas, Desha, Drew, Faulkner, Franklin, Fulton, Garland, Grant, Greene, Hempstead, Hot Spring, Howard, Independence, IZard, Jackson, Jefferson, Lawrence, Lee, Lincoln, Little River, Logan, Lonoke, Madison, Marion, Miller, Mississippi, Monroe, Montgomery, Nevada, Newton, Ouachita, Perry, Phillips, Pike, Poinsett, Polk, Pope, Prairie, Pulaski, Randolph, Saline, Scott, Searcy, Sebastian, Sevier, Sharp, St. Francis, Stone, Union, Van Buren, Washington, Yell.](#)

Partner: [Commonwealth Mailing Solutions](#)

State: [KY](#)

Dealer Address: [1263 New Circle Rd. Suite 110 Lexington, KY 40505](#)

Single Point of Contact: [Troy Turner](#)

Title: [President](#)

Phone Number: [859-294-3911](#)

Email Address: tturner@ctemail.net

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Adair, Allen, Anderson, Barren, Bath, Bell, Bourbon, Boyd,](#)

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[Bracken, Breathitt, Breckinridge, Bullitt, Carroll, Carter, Casey, Clark, Clay, Clinton, Cumberland, Edmonson, Elliott, Estill, Fayette, Fleming, Franklin, Gallatin, Grant, Grayson, Green, Greenup, Hardin, Harrison, Hart, Henry, Jackson, Jefferson, Jessamine, Johnson, Knott, Knox, Larue, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, Livingston, Madison, Magoffin, Marion, Martin, Mason, McCreary, Meade, Menifee, Mercer, Metcalfe, Monroe, Montgomery, Morgan, Nelson, Nicholas, Oldham, Owen, Owsley, Pendleton, Perry, Pike, Powell, Pulaski, Robertson, Rockcastle, Rowan, Russell, Scott, Shelby, Spencer, Taylor, Trimble, Warren, Washington, Wayne, Whitley, Wolfe, Woodford.](#)

Partner: [Covenant Mailing and Printing Solutions, LLC](#)

State: [AL](#)

Dealer Address: [2841 Moody Parkway, Suite 300 Moody, AL 35004](#)

Single Point of Contact: [Dennis Williams](#)

Title: [President](#)

Phone Number: [205-640-1618](#)

Email Address: dennis@covenantmailing.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Alabama, Blount, Calhoun, Cherokee, Clerburne, Cullma, Etowah, Fayette, Jefferson, Lamar, Marion, St Clair, Shelby, Tuscaloosa, Walker, Winston.](#)

Partner: [Louisiana Mailing and Copy Systems](#)

State: [LA](#)

Dealer Address: [3625 Florida Avenue Kenner, LA 70065](#)

Single Point of Contact: [Earl Tice](#)

Title: [President](#)

Phone Number: [\(504\)-466-2011](#)

Email Address: ectice@bellsouth.net

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Jefferson, Lafourche, Livingston, Orleans, Saint Bernard, Saint Charles, Saint John The Baptist, Saint Tammany, Tangipahoa, Terrebonn](#)

Partner: [NAMOS \(North Alabama Mailing\)](#)

State: [AL](#)

Dealer Address: [9580 Madison Blvd., Suite 1 Madison, AL 35758](#)

Single Point of Contact: [David Roper](#)

Title: [President](#)

Phone Number: [256-461-6927](#)

Email Address: david@namosnet.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Madison, Morgan, Limestone, Marshall, Cullman, Jackson, Lauderdale, Colbert, Lawrence, Franklin, Dekalb,](#)

Partner: [Pinnacle Mailing Products](#)

State: [IN](#)

Dealer Address: [7700 West Kilgore Avenue, Suite #5, Yorktown, IN 47396](#)

Single Point of Contact: [Kim Laffoon](#)

Title: [Vice-President Sales](#)

Phone Number: [800-241-3724](#)

Email Address: kimlaffoon@pinnaclemailing.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Adams, Bartholomew, Benton, Blackford, Boone, Brown, Carroll, Cass, Clark, Clay, Clinton, Dearborn, Decatur, Delaware, Fayette, Floyd, Fountain, Franklin, Grant, Greene,Hamilton,Hancock, Hendricks, Henry, Howard, Huntington, Jackson, Jay, Jefferson, Jennings, Johnson, Lawrence, Madison, Marion, Miami, Monroe, Montgomery, Morgan, Ohio, Orange, Owen, Parke, Putnam, Randolph, Ripley, Rush, Scott, Shelby, Sullivan, Switzerland, Tippecanoe, Tipton, Union, Vermillion, Vigo, Wabash, Warren,](#)

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[Washington, Wayne, Wells, White](#)

Partner: [Stuarts, Inc](#)

State: [LA](#)

Dealer Address: [3642 Youree Dr. Shreveport, LA 71105](#)

Single Point of Contact: [Richard Stuart](#)

Title: [President](#)

Phone Number: [318-869-3595](#)

Email Address: rich@stuartsync.com

Web Address (if applicable) www.stuarts.com

Geographic area of coverage in each state for each dealer: [LA: Bossier, Caddo, DeSoto, Webster, Bienville, Clairborne, Natchitoches, Red River, Union, Lincoln, Jackson, Ouachita, Caldwell, Morehouse, Richland, Franklin, Wesy Carroll, East Carroll, Nadison TX: Bowle, Cass, Harriton, Marion, Panola.](#)

Partner: [Universal Business Products](#)

State: [FL](#)

Dealer Address: [5326 W Crenshaw Tampa, FL 33634](#)

Single Point of Contact: [Marc Morgan](#)

Title: [President](#)

Phone Number: [813-290-9206](#)

Email Address: mmorgan@ubsmailing.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Brevard, Charlotte, Citrus, Collier, DeSoto, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Lake, Lee, Manatee, Monroe, Okeechobee, Orange, Osceola, Pasco, Pinellas, Polk, Sarasota, Semiole, Sumter, Volusia](#)

Partner: [Northern Business Products](#)

State: [ME](#)

Dealer Address: [3 Maple St. Presque Isle, ME 04769](#)

Single Point of Contact: [Mark Carmichael](#)

Title: [President](#)

Phone Number: [207-540-1490](#)

Email Address: mark@northernbusinessproducts.biz

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [ME: Penobscot, Aroostook, Somerset, Washington, Piscataquis](#)

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Partner: [Vans Business Machines](#)

State: [MI](#)

Dealer Address: [1100 Bay View Rd. Petoskey, MI 49770](#)

Single Point of Contact: [Jerry Van Slembrouck](#)

Title: [President](#)

Phone Number: [231-347-6450](#)

Email Address: jerry@vansbiz.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Alpena, Emmet, Cheboygan, Presque Isle, Charlevoix, Otsego, Luce, Mackinac, Chippewa, Antrim, Montmorency, Leelanau, Benzie, Grand Traverse, Kalkaska, Crawford, Oscoda, Alcona](#)

Partner: [Sumner Group dba Image Technologies of Missouri](#)

State: [MO](#)

Dealer Address: [6701 Stephens Station Rd Columbia, MO 65202](#)

Single Point of Contact: [Wayne Rueger](#)

Title: [President](#)

Phone Number: [573-499-5300](#)

Email Address: wrueger@imagetechmo.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [Adair, Audrain, Benton, Boone, Camden, Callaway, Chariton, Cole, Cooper, Howard, Linn, Macon, Maries, Miller, Moniteau, Monroe, Montgomery, Morgan, Osage, Pettis, Pulaski, Randolph, Saline](#)

Partner: [Paper Trail Solutions](#)

State: [NC](#)

Dealer Address: [909 Aviation Parkway, Suite 1200 Morrisville, NC 27560](#)

Single Point of Contact: [Andre Randle](#)

Title: [President](#)

Phone Number: [919-845-7787](#)

Email Address: andre@pds-x.com

Web Address (if applicable) <http://www.papertrail360.com/>

Geographic area of coverage in each state for each dealer: [North Carolina: Morrisville, Concorde, Greensboro and surrounding areas.](#)

Partner: [Hilliard Office Solutions](#)

State: [TX](#)

Dealer Address: [3001 West Loop 250 North Midland, TX 79705](#)

Single Point of Contact: [Brent Hilliard](#)

Title: [President](#)

Phone Number: [432-617-4677](#)

Email Address: hilliard@mmbo.com

Web Address (if applicable) www.hilliardos.com

Geographic area of coverage in each state for each dealer: [Texas: Midland, Abilene, Dallas, Fort Worth, Lubbock and surrounding areas.](#)

Attachment D

AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Contractors shall provide a list of Authorized Dealers/Partners/Sales and Service Provider (Dealer) authorized to represent them per the Terms and Conditions of this RFP by State. It is the Manufacturer's responsibility to ensure complete coverage of service throughout all States they are proposing. Manufacturer may copy and paste or delete the blank template below to add additional Authorized Dealers/Partners/Sales and Service providers per State.

Partner: [Arctic Office](#)

State: [AK](#)

Dealer Address: [100 Fireweed Lane Anchorage, AK 99503](#)

Single Point of Contact: [Bill Borchardt](#)

Title: [President](#)

Phone Number: [907-792-1212](#)

Email Address: bborchardt@arcticoffice.com

Web Address (if applicable) www.arcticoffice.com

Geographic area of coverage in each state for each dealer: [State of Alaska](#)

Partner: [STR Business Solutions](#)

State: [PA](#)

Dealer Address: [6636 Hamilton Boulevard Allentown, PA 18106](#)

Single Point of Contact: [Mark Gaston](#)

Title: [President](#)

Phone Number: [484-359-9594](#)

Email Address: mgaston@gmail.com

Web Address (if applicable) www.strbusiness.com

Geographic area of coverage in each state for each dealer: [PA: Berks, Lehigh, Northampton, Montgomery, Chester NJ: Hunterdon, Warren](#)

Partner: [Pacific Office Automation](#)

State: [OR](#)

Dealer Address: [14747 NW Greenbrier Parkway Beaverton, OR 97006](#)

Single Point of Contact: [Doug Pitassi](#)

Title: [President](#)

Phone Number: [503-641-2000](#)

Email Address: doug.pitassi@pacificoffice.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [OR: Beaverton, Eugene, Portland, Salem UT: Salt Lake CA: San Francisco, San Jose AZ: Tempe, Phoenix, Tucson NM: Sante Fe, Albuquerque CO: Denver WA: Seattle, Spokane, Tacoma, Kennewick, Evett and surrounding areas.](#)

Partner: [CRI Digital](#)

State: [OH](#)

Dealer Address: [4800 Evanswood Drive Columbus, OH 43229](#)

Single Point of Contact: [Scott DiFrancesco](#)

Title: [President](#)

Phone Number: [614-268-6646](#)

Email Address: scott@crigital.net

Web Address (if applicable)

Geographic area of coverage in each state for each dealer: [OH: Athens, Champaign, Delaware, Fairfield, Franklin, Hardin, Hocking, Knox, Licking, Logan, Madison, Marion, Miami, Morrow, Muskingum, Pickaway, Ross, Union](#)

Partner: [DSC Office Systems](#)

State: [OH](#)

Dealer Address: [10270 Alliance Road Blue Ash, OH 45242](#)

Single Point of Contact: [Bernie Reagan](#)

Title: [President](#)

Phone Number: [513-821-1199](#)

Email Address: BReagan@dscoffice.com

Web Address (if applicable) <http://www.dscoffice.com>

Attachment D

AUTHORIZED DEALERS/PARTNERS/SALES AND SERVICE PROVIDER LIST

Contractors shall provide a list of Authorized Dealers/Partners/Sales and Service Provider (Dealer) authorized to represent them per the Terms and Conditions of this RFP by State. It is the Manufacturer's responsibility to ensure complete coverage of service throughout all States they are proposing. Manufacturer may copy and paste or delete the blank template below to add additional Authorized Dealers/Partners/Sales and Service providers per State.

Geographic area of coverage in each state for each dealer: OH: [Brown, Clermont, Clinton, Hamilton, & Warren](#) KY: [Campbell, Grant, Kenton, Boone, Pendleton, Bracken](#) IN: [Dearborn, Ohio, Switzerland](#).

Partner: [Spiral Binding](#)

State: [NJ](#)

Dealer Address: [1 Maltese DR Totowa, NJ 07512](#)

Single Point of Contact: [Ann Marie Boggio](#)

Title: [Vice-President Sales](#)

Phone Number: [800-631-3572](#)

Email Address: aboggio@spiralbinding.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer:

Partner: [Color Mail Systems](#)

State: [FL](#)

Dealer Address: [600 West Las Olas Blvd., Unit 1208S Ft. Lauderdale, FL 33312](#)

Single Point of Contact: [Ira Wernikoff](#)

Title: [President](#)

Phone Number: [954-389-2433](#)

Email Address: ira@colormailoffice.com

Web Address (if applicable)

Geographic area of coverage in each state for each dealer:

Attachment E

OFFER AND ACCEPTANCE

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Pitney Bowes Inc.

Company Name

Address

City

State

Zip

Contact Email Address

See attached Signed document in the attachments on Procure.AZ.

Signature of Person Authorized to Sign Offer

Arthur Adams

Printed Name

Title

Phone:

Fax:

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS/ IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No. _____.

The effective date of the Contract shall be: _____.

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona
Awarded this

day of

20

Procurement Officer

100 | Attachment F

DESIGNATION OF CONFIDENTIAL, TRADE SECRET & PROPRIETARY INFORMATION

All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recognizing there may be materials included in a solicitation response that is proprietary or a trade secret, a process is set out in A.A.C. R2-7-103 (attached) that will allow qualifying materials to be designated as confidential and excluded from disclosure. For purposes of this process the definition of "trade secret" will be the same as that set out in A.A.C. R2-7-101(52).

This form must be completed and returned with the response to the solicitation and any supporting information to assist the State in making its determination as to whether any of the materials submitted as part of the solicitation response should be designated confidential because the material is proprietary or a trade secret and therefore not subject to disclosure.

All offerors must select one of the following:

_____ My response **does not** contain proprietary or trade secret information. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.

_____ My response **does** contain trade secret information because it contains information that:

1. Is a formula, pattern, compilation, program, device, method, technique or process, **AND**
2. Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; **AND**
3. Is the subject of efforts by myself or my organization that are reasonable under the circumstances to maintain its secrecy.

Please note that failure to attach an explanation may result in a determination that the information does not meet the statutory trade secret definition. All information that does not meet the definition of trade secret as defined by A.A.C. R2-7-101(52) will become public in accordance with A.A.C. R2-7-C317. The State reserves the right to make its own determination of Proposer's trade secret materials through a written determination in accordance with A.A.C. R2-7-103.

If the State agrees with the proposer's designation of trade secret or confidentiality and the determination is challenged, the undersigned hereby

Attachment F

agrees to cooperate and support the defense of the determination with all interested parties, including legal counsel or other necessary assistance.

By submitting this response, proposer agrees that the entire offer, including confidential, trade secret and proprietary information may be shared with an evaluation committee and technical advisors during the evaluation process. Proposer agrees to indemnify and hold the State, its agents and employees, harmless from any claims or causes of action relating to the State's withholding of information based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by the State in defending such an action.

Company Name

Address

City

State

Zip

Title

Signature of Person Authorized to Sign

Printed Name

R2-7-103. Confidential Information

- A. If a person wants to assert that a person's offer, specification, or protest contains a trade secret or other proprietary information, a person shall include with the submission a statement supporting this assertion. A person shall clearly designate any trade secret and other proprietary information, using the term "confidential". Contract terms and conditions, pricing, and information generally available to the public are not considered confidential information under this Section.
- B. Until a final determination is made under subsection (C), an agency chief procurement officer shall not disclose information designated as confidential under subsection (A) except to those individuals deemed by an agency chief procurement officer to have a legitimate state interest.
- C. Upon receipt of a submission, an agency chief procurement officer shall make one of the following written determinations:
1. The designated information is confidential and the agency chief procurement officer shall not disclose the information except to those individuals deemed by the agency chief procurement officer to have a legitimate state interest;
 2. The designated information is not confidential; or
 3. Additional information is required before a final confidentiality determination can be made.

- D. If an agency chief procurement officer determines that information submitted is not confidential, a person who made the submission shall be notified in writing. The notice shall include a time period for requesting a review of the determination by the state procurement administrator.

- E. An agency chief procurement officer may release information designated as confidential under subsection (A) if:
 - 1. A request for review is not received by the state procurement administrator within the time period specified in the notice; or
 - 2. The state procurement administrator, after review, makes a written determination that the designated information is not confidential.

Attachment G

ORGANIZATIONAL EXPERIENCE / REFERENCES

Three (3) References for which your firm provided services of similar size and scope as required by this solicitation within the past 3 years. **All information shall be accurate and easily verifiable.**

1	Client Company/Address	Contact	Begin Date	End Date
	National Joint Powers Alliance (NJPA) 202 12th Street NE Staples, MN 56479	David Duhn	June 2012	June 2017
		Phone Number	Email Address	
		218-894-5469	David.duhn@njpacoop.org	
Services Provided Similar To Those Described In Solicitation				
Nationwide cooperative contract for government and non-profit members with our line of Mailing systems, Shipping Management, Scales, Folders, Inserters, Tabbers, Mail Sorters, Letter Openers, Addressing Printers, Address & Deliverability Validation, Document Printers, Shredders, Furniture, and pbSmart™ solutions bringing value to the members.				

2	Client Company/Address	Contact	Begin Date	End Date
	BuyBoard 12007 Research Blvd Austin, TX 78759	Connie Burkett	October 2012	October 2017
		Phone Number	Email Address	
		800-695-2919 ext. 7152	Connie.Burkett@tasb.org	
Services Provided Similar To Those Described In Solicitation				
Nationwide cooperative for government and non-profit members with our line of Shipping Management, Mailing Systems, Scales, Folders, Inserters, Tabbers, Mail Sorters, Letter Openers, Addressing Printers, Address & Deliverability Validation, Document Printers, Shredders, Furniture and pbSmart™ solutions bringing value to the members.				

3	Client Company/Address	Contact	Begin Date	End Date
	State of Alabama 100 N Union St Ste 192 Montgomery, AL 36104	Michael Jones	July 2014	July 2017
		Phone Number	Email Address	
		334-242-7250	Michael.jones@purchasing.alabama.gov	
Services Provided Similar To Those Described In Solicitation				
Statewide contract for mail and mail room related equipment for the use of state government agencies, cities, counties, municipalities, and schools.				

Attachment H

NASPO ValuePoint Detailed Sales Reporting Template

See attachments in the Attachments Tab within Procure.AZ.

[Pitney Bowes Inc. has read, understands and can comply.](#)

Attachments I

Participating States' Terms and Conditions: Arizona Solicitation Number ADSPO16-00006328

Mailroom Equipment, Supplies and Maintenance

Apart from the Lead State conducting the Solicitation, the States listed below have signified their intent to enter into a Contract and participate with the State of Arizona for this Request for Proposal. These States are considered Participating Entities for the purposes of this Solicitation and its resulting Contracts(s).

Additional states may be added through execution of a Participating Addendum. All States reserve the right to add any State specific terms and conditions to any resultant Participating Addendum signed in response to Award(s) based from this procurement.

Arizona South Dakota

California Utah

Colorado Virginia

Connecticut Vermont

Delaware Washington

Hawaii

Idaho

Illinois

Iowa

Michigan

Minnesota

Missouri

Montana

North Dakota

Oregon

