	<b>Contract Amendment</b>		<b>Arizona Department of Administration State Procurement Office Phoenix, AZ 85007</b>
	Contract #: <b>CTR058808</b>	Contract Amendment: <b>Five (5)</b>	
	Effective Date: <b>5/15/2024</b>		

## NASPO Mailing Equipment, Supplies and Maintenance

### *Pitney Bowes*

The purpose of this amendment is to extend the contract, and add on additional items.


In accordance with Section 6: NASPO Valuepoint Master Agreement Terms and Conditions, the following items have been amended:

- Pursuant to Section II, Term of Master Agreement, Section 2.1, Initial Term, the contract is hereby extended from May 15, 2024 to May 14, 2025.

In accordance with Section 3: Scope of Work, Section 3.6, Technology Advancements, the equipment and technologies below have been added and deleted from the price book, these revisions are noted on attachments "NASPO Price Book\_revised January 2024" and "NASPO Supply Price List Eff 05.15.2022\_Rev 12.14.2023". The equipment that has been added is available for purchase immediately.


#### Added to Price Book:

- 360 API BASE SUBSCRIPTION
- 360 API BASIC SENDING
- ADVANCED ACCOUNTING
- CONNECTOR - EPIC HEALTH
- CONNECTOR - MCKESSON
- CONNECTOR - SCRIPTPRO
- CONNECTOR BASE B SUBSCRIPTION ANNUAL
- CONNECTOR PER USAGE FEE - TIER 2
- CORDLESS HANDHELD SCANNER FOR LOCKERS
- DATA RETAIN SENDING
- DATA RETAIN SENDING 0
- DATA RETAIN SENDING 1
- DATA RETAIN SENDING 10
- DATA RETAIN SENDING 11
- DATA RETAIN SENDING 12
- DATA RETAIN SENDING 2
- DATA RETAIN SENDING 3
- DATA RETAIN SENDING 4
- DATA RETAIN SENDING 5
- DATA RETAIN SENDING 6
- DATA RETAIN SENDING 7
- DATA RETAIN SENDING 8
- DATA RETAIN SENDING 9
- EXTERIOR ANCHOR BRACKETS
- HIGH VOLUME 4" LABEL PRINTER
- HIGH VOLUME 4" LABEL PRINTER
- HIGH VOLUME 4" LABEL PRINTER

	<b>Contract Amendment</b>		Arizona Department of Administration State Procurement Office Phoenix, AZ 85007
	Contract #: <b>CTR058808</b>	Contract Amendment: <b>Five (5)</b>	
	Effective Date: <b>5/15/2024</b>		

- HIGH VOLUME 4" LABEL PRINTER
- INDOOR PARCELPPOINT DUAL ADD-ON M M M M M
- INDOOR PARCELPPOINT DUAL ADD-ON XX
- INDOOR PP DUAL KIOSK M S S M K S L M S S M S S S S S S L
- INDOOR PPOINT DUAL ADD-ON M S S S S S S S S M L
- LOW VOLUME 4" LABEL PRINTER
- LOW VOLUME 4" LABEL PRINTER
- MCKESSON ENTERPRISERX CONNECTOR SUBSCRTN
- MCKESSON ENTERPRISERX USAGE SUBSCRIPTION
- NUMBER OF MONTHS RETAIN
- OUTDOOR ROOF KIT
- OVERAGE VOLUME BAND - \$0.09 PER LABEL
- OVERAGE VOLUME BAND - \$0.125 PER LABEL
- OVERAGE VOLUME BAND - \$0.15 PER LABEL
- PARCELPPOINT
- PITNEYANALYTICS
- PITNEYSHIP MAILCENTER INTEGRATION
- PS ENTERPRISE-100 TRANSACTIONS MONTH
- PS ENTERPRISE-1000 TRANSACTIONS MONTH
- PS ENTERPRISE-10000 TRANSACTIONS MONTH
- PS ENTERPRISE-100000 TRANSACTIONS MONTH
- PS ENTERPRISE-150000 TRANSACTIONS MONTH
- PS ENTERPRISE-200000 TRANSACTIONS MONTH
- PS ENTERPRISE-2500 TRANSACTIONS MONTH
- PS ENTERPRISE-25000 TRANSACTIONS MONTH
- PS ENTERPRISE-250000 TRANSACTIONS MONTH
- PS ENTERPRISE-300000 TRANSACTIONS MONTH
- PS ENTERPRISE-400000 TRANSACTIONS MONTH
- PS ENTERPRISE-50 TRANSACTIONS MONTH
- PS ENTERPRISE-500 TRANSACTIONS MONTH
- PS ENTERPRISE-5000 TRANSACTIONS MONTH
- PS ENTERPRISE-50000 TRANSACTIONS MONTH
- PS ENTERPRISE-500000 TRANSACTIONS MONTH
- PS ENTERPRISE-600000 TRANSACTIONS MONTH
- PS ENTERPRISE-700000 TRANSACTIONS MONTH
- PS ENTERPRISE-7500 TRANSACTIONS MONTH
- PS ENTERPRISE-AUDIT LOGGING SUBSCRIPTN
- PS ENTERPRISE-CARRIER MGMT SUBSCRIPTN
- PS ENTERPRISE-LOW CODE SUBSCRIPTN
- PS ENTERPRISE-REGION CARRIER SUBSCRIPTN
- PS PRO - 50 TRANSACTIONS PER MONTH
- PSE Single Sign On Services
- RUGGED BOOT TRACKING ASSISTANT
- SCRIPTPRO – SUBSCRIPTION AND SFTP
- SCRIPTPRO USAGE SUBSCRIPTION
- SPE LTL SUB - CUSTOM CARRIER




	<b>Contract Amendment</b>		<b>Arizona Department of Administration State Procurement Office Phoenix, AZ 85007</b>
	Contract #: <b>CTR058808</b>	Contract Amendment: <b>Five (5)</b>	
	Effective Date: <b>5/15/2024</b>		

- SPE LTL SUB - FEDEX FREIGHT
- SPE LTL SUB - OTHER SUPPORTED
- SPE LTL SUB - UPS FREIGHT
- SPE LTL SUBSCRIPTION
- TA TRIGGER, REQUIRES BOOT
- USPS NEGOTIATED RATE LVL 01
- USPS NEGOTIATED RATE LVL 01
- USPS NEGOTIATED RATE LVL 01
- USPS NEGOTIATED RATE LVL 02
- USPS NEGOTIATED RATE LVL 02
- USPS NEGOTIATED RATE LVL 02
- USPS NEGOTIATED RATE LVL 03
- USPS NEGOTIATED RATE LVL 03
- USPS NEGOTIATED RATE LVL 03
- XD5-40 SST LOW VOLUME LABEL PRINTER
- ZD621 SST MID VOLUME LABEL PRINTER

Deleted from Price Book:

- ACTIVATION FOR MOLS
- ACTIVATION FOR TOLS
- CROSSGRADE PP OFFICE - CONNECT PERPETUAL
- CROSSGRADE PP PRODUCTION TO CONNECT
- ENHANCED RECEIVE AND DELIVER
- HIGH VOLUME 4IN. LABEL PRINTER
- HIGH VOLUME 4IN. LABEL PRINTER
- HOSTING LEVEL 1
- HOSTING LEVEL 2
- HOSTING LEVEL 3
- OL CONNECT SEND MAX 5000 USERS BACKUP
- OL CONNECT SEND-MAX 1000 USERS BACKUP
- OL CONNECT SEND-MAX 1000 USERS DEV/TEST
- OL CONNECT SEND-MAX 1000 USERS
- OL CONNECT SEND-MAX 2000 USERS
- OL CONNECT SEND-MAX 2000 USERS BACKUP
- OL CONNECT SEND-MAX 2000 USERS DEV/TEST
- OL CONNECT SEND-MAX 5000 USERS
- OL CONNECT SEND-MAX 5000 USERS DEV/TEST
- PERFORMANCE PACK
- PERFORMANCE PACK BACK-UP
- PERFORMANCE PACK DEV/TEST
- PITNEYANALYTICS SOLUTION
- PLANETPRESS CONNECT
- PLANETPRESS SEND UP TO 100 USER DEV/TEST
- PLANETPRESS SEND UP TO 100 USERS
- PLANETPRESS SEND UP TO 100 USERS BACK-UP

	<b>Contract Amendment</b>		<b>Arizona Department of Administration State Procurement Office Phoenix, AZ 85007</b>
	Contract #: <b>CTR058808</b>	Contract Amendment: <b>Five (5)</b>	
	Effective Date: <b>5/15/2024</b>		

- PP CONNECT BACKUP LICENSE
- PP CONNECT DEVELOPMENT & TEST LICENSE
- PP CONNECT IMAGING
- PP IMAGING BACKUP LICENSE
- PP IMAGING DEVELOPMENT & TEST LICENSE
- PP OPTIMIZED OUTPUT
- PP OPTIMIZED OUTPUT BACKUP LICENSE
- PP OPTIMIZED OUTPUT DEV & TEST LICENSE
- PP PCL INPUT
- PP PCL INPUT BACKUP LICENSE
- PP PCL INPUT DEVELOPMENT & TEST LICENSE
- PRES
- PRES BACK-UP
- PRES PCL INPUT
- PRES PCL INPUT BACK-UP
- PRES DEV/TEST
- PRES PCL INPUT DEV/TEST
- PRES PERF PACK
- PRES PERF PACK BACK-UP
- PRES PERF PACK DEV/TEST
- RECEIVE
- RECEIVE AND DELIVER
- RECEIVING - ENHANCED (50 RECIPIENTS)
- RECEIVING - STANDARD (5 RECIPIENTS)
- RECEIVING - WITH NOTIFY (150 RECIPIENTS)
- RUGGED BOOT T764/5, T6MD/E
- SNAP-ON TRIGGER HANDLE T764/5, T6MD/E

**Bill Walter**

Digitally signed by Bill Walter  
Date: 2023.12.19 13:59:02 -07'00'

Signature

VP, Government and GPOs

Title

12-19-2023

Date

*Francine Whittington*

Signature

Statewide Procurement Manager

Title

12/18/2023

Date

**ALL OTHER REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS REMAIN UNCHANGED**

	<b>Contract Amendment</b>		<b>Arizona Department of Administration State Procurement Office 100 N. 15<sup>th</sup> Avenue Phoenix, AZ 85007</b>
	Contract #: CTR058808	Contract Amendment: Four (4)	
	Effective Date: 5/15/2022		

**NASPO Mailing Equipment, Supplies, and Maintenance**  
***Pitney Bowes Inc.***

In accordance with the NASPO Valuepoint Master Agreement Terms and Conditions, Section 2.2, Amendment Limitations, this contract is amended as follows:

II. Term of Master Agreement, Section 2.1, Initial Term has been revised as follows:

*The initial term of this Master Agreement is for **two (2) years**. The term of this Master Agreement may be amended beyond the initial term for **three (3)** additional years at the Lead State's discretion and by mutual agreement and upon review of requirements of Participating Entities, current market conditions, and Contractor performance.*

**Bill Walter**

Digitally signed by Bill Walter  
Date: 2023.10.19 07:38:55 -05'00'

Signature

VP, Government and GPOs

Title

10/19/2023

Date

*Francine Whittington*

Signature

LEAD Contract Administrator

Title

10/13/2023

Date



COMMONWEALTH OF VIRGINIA  
DIVISION OF PURCHASES & SUPPLY (DPS)  
1111 East Broad Street, Richmond, Virginia 23219

MODIFICATION #1  
CONTRACT # CTR008900  
FORMERLY NASPO PARTICIPATING ADDENDUM/CONTRACT # CTR058808  
BETWEEN THE  
COMMONWEALTH OF VIRGINIA  
AND  
PITNEY BOWES INC.

This MODIFICATION #1 is an Agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth," and Pitney Bowes Inc., a Delaware Corporation, hereinafter referred to as the "Contractor" or "Pitney Bowes", relating to the modification of Participating Addendum or Contract CTR058808 which was effective November 14, 2022, as amended, hereinafter referred to as the "Contract" or "Addendum." This Modification is hereby incorporated into and made an integral part of the Participating Addendum.

The purpose of this modification is to document both parties' agreement to A.) Add Cloud Terms and Conditions for FedRamp-authorized Send Pro 360 usage under the Participating Addendum, B.) Update Participating Entity Modifications and Additions to the Master Agreement (General and Special Terms and Conditions), C.) Add instructions for compliance with Virginia Information Technologies Agency (VITA) mandatory steps for use of the Pitney Bowes FedRAMP-authorized SendPro 360 Cloud module, and D.) Update the Contract Number. All changes are effective upon full execution of this document, unless otherwise noted, and shall be included in any subsequent modifications.

**A. Reference:** Contract CTR058808, "CHANGES TO THE ADDENDUM."

Both parties hereby agree to add Cloud Terms and Conditions for the FedRAMP-authorized version of Send Pro 360 usage under the Participating Addendum. Details are contained in Exhibit A attached to this Modification. This Modification is limited to the use of the FedRAMP-authorized version of SendPro 360 services.

**B. Reference:** Contract CTR058808, "Participating Entity Modifications and Additions to the Master Agreement."

Both parties hereby agree to add the following updated **General and Special Terms and Conditions** to the Participating Addendum:

**GENERAL TERMS AND CONDITIONS**

- 1. VENDORS MANUAL:** This Modification to the Addendum is subject to the provisions of the Commonwealth of Virginia Vendors Manual (November 2022 version) and any changes or revisions thereto, which are hereby incorporated into this Addendum in their entirety. The process for filing a complaint about this Addendum is in section 7.13 of the Vendors Manual. (Note section 7.13 does not apply to protests of awards or formal contractual claims.) The procedure for filing contractual claims is in section 7.19

of the Vendors Manual. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at [eva.virginia.gov](http://eva.virginia.gov) under "I Sell To Virginia."

2. **DEFAULT:** Notwithstanding anything to the contrary contained in Chapter 7, Sections 7.14, 7.15, and Appendix A of the Vendor's Manual, in case of failure to deliver goods or services in accordance with the Master Agreement or Addendum terms and conditions, and Contractor's failure to cure such breach within a thirty (30) day cure period or such other cure period as may be mutually agreed upon in writing, the Commonwealth may terminate this agreement after verbal or written notice without penalty. Upon termination the Commonwealth may procure the goods or services (other than SendPro 360 FedRAMP) contracted for from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have with respect to Default.
3. **eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS:** The eVA Internet electronic procurement solution, web site portal [eva.virginia.gov](http://eva.virginia.gov), streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution by completing the free eVA Vendor Registration. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the bid/proposal being rejected.

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

- a. For orders issued July 1, 2014, and after, the Vendor Transaction Fee is:
  - (i) DSBSD-certified Small Businesses: 1%, capped at \$500 per order.
  - (ii) Businesses that are not DSBSD-certified Small Businesses: 1%, capped at \$1,500 per order.
- b. Refer to Special Term and Condition "eVA Orders and Contracts" to identify the number of purchase orders that will be issued as a result of this solicitation/contract with the eVA transaction fee specified above assessed for each order.

For orders issued prior to July 1, 2014, the vendor transaction fees can be found at [eva.virginia.gov](http://eva.virginia.gov).

The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, typically within 60 days of the order issue date. Any adjustments (increases/decreases) will be handled through purchase order changes.

## **SPECIAL TERMS AND CONDITIONS**

- 4. EMPLOYMENT SERVICES ORGANIZATIONS (ESO):** Where it is practicable for any portion of the awarded contract to be subcontracted, the contractor is encouraged to offer such business to employment services organizations. A list of employment services organizations can be found at [www.vadars.org](http://www.vadars.org) or [eva.virginia.gov](http://eva.virginia.gov).
- 5. eVA ORDERS AND CONTRACTS:** It is anticipated that the contract will result in multiple purchase orders with the applicable eVA transaction fee assessed for each order.

**C. Reference:** Contract CTR058808, “CHANGES TO THE ADDENDUM”

Compliance with the following steps are mandatory when agencies under the governance authority of VITA procure the Pitney Bowes FedRAMP-authorized SendPro 360 Cloud module of this Participating Addendum:

**Step 1:** The Authorized User's information security officer/agency information technology resource (ISO/AITR) or designee requests the *confidential* security exceptions for the FedRAMP-authorized version of SendPro 360 from [enterpriseservices@vita.virginia.gov](mailto:enterpriseservices@vita.virginia.gov).

These are highly *confidential* and may NOT be publicly disclosed.

**Step 2:** The Authorized User's ISO/AITR or designee requests the required security exceptions' approvals from VITA Security through Archer.

If you do not have access to Archer, please contact [enterpriseservices@vita.virginia.gov](mailto:enterpriseservices@vita.virginia.gov).

The “Exception Request Form – COV IT Security Policy and Standard” is found

here: [https://www.vita.virginia.gov/media/vitavirginiagov/it-governance/psgs/docs/Blank\\_Exception\\_form.doc](https://www.vita.virginia.gov/media/vitavirginiagov/it-governance/psgs/docs/Blank_Exception_form.doc)

The Archer User Guide for AITRs is found

here: <https://www.vita.virginia.gov/media/vitavirginiagov/commonwealth-security/pdf/Archer-User-Manual-2021.pdf>

**Step 3:** The Authorized User's ISO/AITR or designee submits a service request through the VITA service portal for ECOS oversight.

Go to VITA service portal: <https://vccc.vita.virginia.gov/vita>

Search “*ECOS Oversight*” and select “Cloud Sourcing Specialist” for cloud terms review and negotiation assistance (FY24 hourly rate: \$112.46) and/or cloud service oversight (FY24 monthly rate: \$320.00). The Authorized User pays these fees. Because the Cloud Terms have been negotiated for use under the Participating Addendum, your agency will not need to renegotiate these. As a result, there will likely be no fees billed for the Cloud Sourcing Specialist.

Scroll down and complete the relevant form.

**D. Reference:** Contract CTR058808, “CHANGES TO THE ADDENDUM”

Due to the new Commonwealth of Virginia e-procurement system, the Participating Addendum number has changed from CTR058808 to CTR008900.



The foregoing is the complete and final expression of the parties' agreement to modify Contract CTR058808 and cannot be modified, except by a writing signed by the duly authorized representatives of both parties. All other terms and conditions remain unchanged.

**PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.**

**PITNEY BOWES INC.**

BY: Arthur E. Adams Jr., Director,  
Government Contract Compliance Digitally signed by Arthur E. Adams Jr.,  
Director, Government Contract Compliance  
Date: 2023.09.28 16:03:17 -04'00'

NAME: Arthur E. Adams Jr.  
Printed Name

TITLE: Director, Government Contract  
Compliance

DATE: September 28, 2023

**COMMONWEALTH OF VIRGINIA**

BY: *Sylvester Williams*

NAME: Sylvester Williams, MSGC, CPPB, VCO  
Printed Name

TITLE: Statewide Sourcing & Contracting  
Officer

DATE: September 29, 2023

*S*

**EXHIBIT A - CLOUD SERVICES  
ADDITIONAL CONTRACT TERMS AND CONDITIONS**

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## **EXHIBIT A - CLOUD SERVICES**

### **ADDITIONAL CONTRACT TERMS AND CONDITIONS**

These additional terms and conditions for provision of Software as a Service, as part of Supplier's contractual obligations for an overall solution provided by the Supplier are in support of and incorporated herewith the Commonwealth of Virginia PA which is issued under NASPO Contract No. CTR058808 ("Contract"). This Exhibit ("**Exhibit**") sets forth additional terms and conditions under which Supplier shall provide such Licensed Services ("**Licensed Services**") to the Commonwealth of Virginia. The terms set forth in this Exhibit shall only apply to Supplier's SendPro 360 ECOS-approved FedRAMP-authorized solution acquired under the Commonwealth of Virginia Participating Addendum. In the event of a conflict between the terms and conditions in this Exhibit and the terms and conditions in either the Commonwealth of Virginia PA or the Contract, the terms and conditions in this Exhibit shall be controlling.

#### **1. DEFINITIONS**

##### **A. Acceptance**

Successful delivery and performance by the Supplier of its contractual commitments at the location(s) designated in the Contract, including completed and successful Acceptance testing in conformance with the requirements of the Contract.

##### **B. Application**

The software programs in object code and other related data, including intellectual data, proprietary information and Documentation contained and applicable to Licensed Services hosted and supported by Supplier under the Contract, called SendPro 360 as described in the Contract, including any Updates, enhancements, and replacements to the Application. The only Authorized Version of the Application provided by Supplier to VADOC/AUTHORIZED USERS shall be the FedRAMP Authorized Version.

##### **C. Application Users**

Application User(s) include employees of VADOC/AUTHORIZED USERS, independent contractors engaged by VADOC/AUTHORIZED USERS, or entities contracting with VADOC/AUTHORIZED USERS for services. Application User(s) also include customers, suppliers, members of the general public, and other entities with whom VADOC/AUTHORIZED USERS may find it necessary or desirable to process or communicate electronically in pursuit of its business

##### **D. Content**

Any data, including the selection, arrangement and organization of such data, entered, uploaded to the Application, or otherwise provided to Supplier by VADOC/AUTHORIZED USERS or by any Application User, and any software and related documentation, from whatever source, provided by VADOC/AUTHORIZED USERS or Application User to Supplier in connection with this Contract.

##### **E. Licensed Services**

The operation of the Application and the necessary operating system software, hardware and utilities on Supplier's host computer system, furnishing Supplier Product to Application Users, storing Content and making the Application, Content, and Supplier Product available to Application User(s) via the Web Site, as more fully described in the Contract.

## **F. Supplier Product**

Supplier's proprietary reports, information and data made available to VADOC/AUTHORIZED USERS and its Application Users as part of the Licensed Services.

## **G. Update**

As applicable, any update, modification or new release of the Application, documentation or Supplier Product that Supplier makes generally available to its customers at no additional cost. Software Updates include patches, fixes, upgrades, enhancements, improvements, or access mode, including without limitation additional capabilities to or otherwise improve the functionality, increase the speed, efficiency, or base operation of the Application and Licensed Services.

## **H. VITA**

Virginia Information Technologies Agency.

## **I. Web Site**

The Internet site operated by Supplier to provide access to the Application, with the Uniform Resource Locator (URL) specified in Exhibit A (or any successor URL(s)).

# **2. TERM AND TERMINATION**

## **A. Scalability**

VADOC/AUTHORIZED USERS may make a written request to increase or decrease the scope (e.g., number of USERIDs) of Licensed Services ("revised usage") under a change order to the Purchase Order. The revised usage shall be effective upon issuance of a revised VADOC/AUTHORIZED USERS Purchase Order. Pricing for the revised usage of Licensed Services shall be calculated as provided in the Pricing Schedule of the Contract.

# **3. DESCRIPTION OF LICENSED SERVICES**

During the term of this Contract, Supplier hereby agrees to host the Application(s) listed and described and specified in the Contract on servers owned, operated, housed, and maintained by Supplier and shall make such Application(s) available to VADOC/AUTHORIZED USERS's designated Application Users through the Internet. Supplier has acquired any and all license rights in the Application(s) necessary and appropriate for Supplier to provide the Licensed Services as obligated by the Contract.

Supplier hereby grants to VADOC/AUTHORIZED USERS and its Application Users a non-exclusive, transferable, worldwide license to access and use by any method the Application during the term of the Contract. The license fee for the rights shall be as set forth in the Pricing Schedule of the Contract, and shall apply regardless of access mode.

VADOC/AUTHORIZED USERS is an agency, as defined by §2.2-2006 of the Code of Virginia, and as such, the license shall be held by the Commonwealth.

Notwithstanding any other provision or other unilateral license terms which may be issued by Supplier after the Effective Date of the Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of this Contract for Licensed Services, including access to the Application(s), or the fact that such other agreement may be presented to VADOC/AUTHORIZED USERS or its Application Users at the time of accessing the Application(s) ("click wrap"), the terms and conditions set forth in this Contract and any amendments or modifications thereto shall supersede and govern licensing and use of all products and services hereunder.

#### 4. SUPPLIER RESPONSIBILITIES

##### A. Standard Application Responsibilities

Unless otherwise indicated in the requirements section of the Contract, Supplier shall acquire and maintain, at no charge to VADOC/AUTHORIZED USERS, the hardware and software required to host the Application(s). The hardware and software on which the Application(s) is hosted will be maintained in good operating condition, consistent with or exceeding generally accepted industry practices and procedures. In addition:

- i). Supplier shall maintain sufficient hardware capacity to satisfy the technical requirements and the bandwidth and required storage capacity indicated in the requirements section of the Contract.
- ii). Supplier shall be responsible for all telecommunication connections from the server hosting the Application to the Internet.
- iii). Supplier may collect user-specific data only as necessary to provide the Licensed Services authorized under the Contract. No information regarding VADOC/AUTHORIZED USERS or any Application User shall be disclosed, provided, rented or sold to any third party for any reason unless required by law or regulation or by an order of a court of competent jurisdiction. This obligation shall extend beyond the term of the Contract.
- iv). The Application will be made available to VADOC/AUTHORIZED USERS and its designated Application Users twenty-four (24) hours a day, seven (7) days a week ("**Uptime**") less Excusable Downtime. For the purposes of this Contract, "**Excusable Downtime**" is defined as that period of time when the Licensed Services are not available to VADOC/AUTHORIZED USERS or its Application Users due to scheduled network, hardware or service maintenance and/or upgrades. Except in cases of emergency, VADOC/AUTHORIZED USERS shall be provided a two (2) business day advance notification of such maintenance and/or upgrade. In cases of emergency, Supplier will use its best efforts to notify of a planned Downtime as soon as practicable. Maintenance or upgrades are not to exceed thirty-six (36) hours in duration in a single month and cannot occur Monday through Friday, between the hours of 6:00 a.m. and 8:00 p.m. Eastern Time.
- v). Excusable Downtime shall not include (i) an electronic hardware failure, (ii) a failure in the Supplier's Application, (iii) an electric utility failure at Supplier's facility where the Application is hosted, or (iv) a network failure up to, but not including, the interconnection point of Supplier's network to the public switched telephone network.
- vi). Supplier guarantees the Application will be available for use at least ninety-nine percent (99%) of the total time during each month, excluding Excusable Downtime.
- vii). If non-Excusable Downtime exceeds the parameters listed above, Supplier will credit to VADOC/AUTHORIZED USERS the total recurring fees that would otherwise be owed by VADOC/AUTHORIZED USERS under this Contract during the month of such failure. Such credit will be issued in the month immediately following the failure.
- viii). Supplier shall be required to notify VADOC/AUTHORIZED USERS in writing at least forty-five (45) days prior to any planned material change in the security of the Licensed Services; which may include Content storage/ backup/disaster recovery, including physical location; security architecture, terminations and/or replacement of any Supplier subcontractor. The planned changes or Updates include any change(s) that would potentially impact the secure and efficient use of the Application, as understood and agreed to between Supplier and VADOC/AUTHORIZED USERS at Contract award and reflected in their mutually agreed ECOS assessment which formed part of the due diligence by VADOC/AUTHORIZED USERS prior to



entering into this Exhibit with the Supplier. The purpose of this notice is to allow sufficient time for Supplier and VADOC/AUTHORIZED USERS to discuss any technical/functional considerations and/or changes that would require action by the Commonwealth.

ix) Intentionally omitted.

x). Supplier agrees to work with VADOC/AUTHORIZED USERS to ensure compliance with any approved security exceptions or other identified gaps or requirements provided to VADOC/AUTHORIZED USERS in writing by VITA as of the date of this Agreement.

xi). Supplier shall not use any software, hardware or services which have been prohibited pursuant to § 2.2-5514 of the Code of Virginia.

xii. The Supplier shall comply with the following requirements:

1. Application to be configured to meet SEC 525 AC-2; integration with SSO SAML 2.0 Solution prior to project onset.
2. Supplier agrees to provide (i) proof of FedRAMP Certification; or (ii) a security gap analysis, using SEC 525 as the framework, conducted by an accredited third party, which must be completed and results provided to VITA within 90 days of contract award. To the extent permitted by law, this type of information shall be kept confidential and not disclosed to any third party pursuant to a FOIA request.

In addition, and at no additional cost to VADOC/AUTHORIZED USERS, Supplier shall provide access to additional Updates, features, and functionalities of the Application as are provided by Supplier to other customers of Supplier who require functionality similar to that of the Application provided to VADOC/AUTHORIZED USERS. All such additional features and functionality, where reasonably necessary, shall be accompanied by updated Documentation, whether in hard copy format or distributed electronically via email or the Supplier website. Notwithstanding the provisions of this Section and except as agreed to in writing by VADOC/AUTHORIZED USERS and Supplier, nothing in the Contract shall oblige Supplier to undertake any modifications to the Application, and all such modifications are at Supplier's sole discretion whether suggested by an VADOC/AUTHORIZED USERS or another party.

## **B. Ancillary Responsibilities**

Supplier shall, throughout the term of this Contract, make available such resources, including Supplier personnel, as are reasonably required to: (i) train designated VADOC/AUTHORIZED USERS personnel in the use of the Application; (ii) develop modifications to the Application as agreed by VADOC/AUTHORIZED USERS and Supplier in the Contract or any exhibit hereto or as agreed to by Supplier and VADOC/AUTHORIZED USERS; and (iii) otherwise support the Application as provided under this Contract and any exhibits hereto or as agreed to between Supplier and VADOC/AUTHORIZED USERS. Initial training (1 session) is included in the quote. Additional training sessions may be requested and would be at an additional cost.

## **C. Subcontractors**

It is understood that Supplier may utilize subcontractors to provide integral components of the Licensed Services and Application; however, except for those so named at time of Contract award, Supplier shall not use new or replacement subcontractors to perform or provide integral components of the Licensed Services or Application during performance of this Contract without advance written notification to VADOC/AUTHORIZED USERS.

Supplier is responsible for the performance of its subcontractors used in providing any portion of the Licensed Services or Application. Additionally, Supplier is responsible for its subcontractors' compliance with the terms and conditions of this Contract.

If any part of this Contract is supported in whole or in part with federal funds, Supplier shall not subcontract any Services to any subcontractor that is a party excluded from Federal Procurement and Nonprocurement Programs. In no event shall Supplier subcontract with any subcontractor which is debarred by the VADOC/AUTHORIZED USERS or which owes back taxes to the Commonwealth and has not made arrangements with the Commonwealth for payment of such back taxes.

## **5. VADOC/AUTHORIZED USERS RESPONSIBILITIES**

Unless otherwise agreed and as applicable, VADOC/AUTHORIZED USERS or its Agent, or an Application User, will be responsible for input of Content into Supplier's Application and VADOC/AUTHORIZED USERS or its Agent will be responsible for keeping said Content current and accurate. Supplier will have no responsibility for assisting VADOC/AUTHORIZED USERS in creating, modifying or inputting the Content, unless specified in this Contract.

If Supplier issues unique USERIDs and passwords to an Application User:

- i). VADOC/AUTHORIZED USERS is responsible for protecting said passwords and for any authorized and unauthorized use made of the passwords. VADOC/AUTHORIZED USERS will fully cooperate with law enforcement authorities in the detection and prosecution of illegal activity related to unauthorized use of the Licensed Services.
- ii). VADOC/AUTHORIZED USERS shall have the right to add, activate, change access for, or disable USERIDs at its sole discretion. VADOC/AUTHORIZED USERS shall designate administrators who will be authorized to add, activate, change access for or disable USERIDs.
- iii). Upon notification by VADOC/AUTHORIZED USERS of an Application User's disabled access, VADOC/AUTHORIZED USERS shall remove access authorization by said Application User from the Application within one (1) hour of receipt of such notification, ensuring that historical access audit details of such Application User shall not be deleted or lost. If VADOC/AUTHORIZED USERS fails to make such a removal of access, Supplier shall not be held liable for any charges or damages incurred due to use of the unauthorized USERID.
- iv). VADOC/AUTHORIZED USERS and Application Users of this Contract agree to notify Supplier of any degradation, potential breach, or breach of the Content and Application privacy or security within one (1) hour after discovery. VADOC/AUTHORIZED USERS further agrees to provide Supplier the opportunity to participate in the investigation of the reported situation.
- v). VADOC/AUTHORIZED USERS agrees to submit any required Security exceptions to [Commonwealthsecurity@vita.virginia.gov](mailto:Commonwealthsecurity@vita.virginia.gov) within five (5) days of VITA notification to VADOC/AUTHORIZED USERS.

## **6. CONTENT PRIVACY AND SECURITY**

Supplier shall provide a secure environment for Content and any hardware and software, including servers, network and data components provided by Supplier as part of its performance under this Contract. Supplier shall provide a secure environment for Content and any hardware and software in accordance with Commonwealth's security standards located at: <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/> in order to prevent unauthorized access to and use or modification of, and to protect, the Application and Content. Supplier agrees that all Content of VADOC/AUTHORIZED USERS is intended solely for the business of VADOC/AUTHORIZED USERS and is considered private data. Therefore, Supplier shall, at a minimum, implement the following procedures designed to protect the privacy and security of Content:

- a) User identification and access controls designed to limit access to Content to Application Users in accordance with the principles of least privilege.
- b) Supplier shall ensure that all personnel with physical or logical access to Content will receive industry standard annual security awareness training and all other training as required by Content owner, Commonwealth security standards, regulation, and law.
- c) Supplier shall ensure that the Application and/or Licensed Services are capable of auditing the following events. Successful and unsuccessful account logon events, account management events, object access, policy change, privilege functions, process tracking, and system events.
- d) Supplier shall ensure that the Application and/or Licensed Services are capable of auditing the following events, for Web applications, all administrator activity, authentication checks, authorization checks, data deletions, data access, data changes, and permission changes. In the event of a conflict between the COV Security Standards and the contract, the COV Security Standards take precedence.
- e) Supplier shall ensure that the Application and/or Licensed Services employs automated mechanisms to centrally review, analyze and correlate audit and log records from multiple components of the Application and/or Licensed Services to support organizational processes for investigation, alerting and response to suspicious activities.
- f) Supplier shall ensure that the Application and/or Licensed Services support exporting of application activity at the web application level.
- g) Supplier shall ensure that the Application and/or Licensed Services are capable of maintaining all audit records in accordance with Commonwealth record retention policies found at the following URL: <http://www.lva.virginia.gov/agencies/records/> except to the extent such requirement are in conflict with FedRAMP requirements, in which case FedRAMP requirements shall apply.
- h) Provide evidence of a comprehensive continuous monitoring program encompassing all systems with access to Content.
- i) Provide evidence that the Application and/or Licensed Services adhere to a security baseline, which is based on least functionality. In the event of a conflict between the COV Security Standards and the contract, the COV Security Standards take precedence.
- j) Supplier shall ensure that all changes to proposed Application and/or Licensed Services are authorized according to change management policies.
- k) Supplier agrees to maintain all metadata associated with any original Content submitted into the Application and/or Licensed Services by VADOC/AUTHORIZED USERS for easy retrieval and access, using secure industry standard protocols, within a predefined period as specified in the Contract.
- l) Supplier agrees to provide a secure method of exporting Content when requested.
- m) Supplier shall ensure that the Content exported from the supplier's Application or infrastructure is in an industry standard format that provides for interoperability and portability.

- n) Supplier shall ensure that the Application and/or Licensed Services provides and maintains a backup of Content that can be recovered in an orderly and timely manner within a predefined frequency consistent with recovery time and recovery point objectives, as specified in the Contract.
- o) Supplier shall ensure that the Application and/or Licensed Services can store a backup of Content, at least daily, in an off-site “hardened” facility, located within the continental United States, maintaining the security of the Content.
- p) Implement a contingency plan designed to maintain the access to the Application and/or Licensed Services and to prevent the unintended destruction or loss of Content. This plan should provide a predefined frequency, consistent with recovery time and recovery point objectives, as specified in the Contract, for disaster recovery and archival purposes of Content at a secure facility located within the continental United States.
- q) Supplier shall partition, in aggregate for this contract, all Content submitted into the Application and/or Licensed Services by VADOC/AUTHORIZED USERS in such a manner that it will not be impacted or forfeited due to E-discovery, search and seizure or other actions by third parties obtaining or attempting to obtain records, information or Content for reasons or activities that are not directly related to the business of VADOC/AUTHORIZED USERS. Record requests are limited to specific client data and time periods. Logical separation of data in the solution allows Supplier to provide the data requested and avoid confidentiality impact to data that is not requested as part of E-discovery. In the case of a major event/search and seizure, data confidentiality cannot be guaranteed. In all cases involving E-discovery, Supplier will inform our Client to the extent allowed regarding any E-discovery activities that impact their data.
- r) Service must support multi-factor authentication for access to any administrative portal and/or any remote administrative interface.
- s) Supplier shall fully cooperate with Commonwealth incident response resources and all required law enforcement personnel for assistance in the handling and reporting of security incidents.
- t) Supplier shall maintain an incident response program that implements incident handling for security incidents that includes preparation, detection and analysis, containment, eradication, and recovery processes.
- u) Incident response must have the capability to support automated mechanisms for supporting incident handling processes.
- v) Supplier shall provide the capability to document incidents and investigations.
- w) Supplier shall make quarterly summary reports of Intrusion Detection System (IDS) and Intrusion Prevention System (IPS) events available to VADOC/AUTHORIZED USERS and [enterpriseservices@vita.virginia.gov](mailto:enterpriseservices@vita.virginia.gov).
- x) Supplier ensures that all Content is removed or destroyed in accordance with and/or exceeding the requirements of the NIST 800-88 standard.

- y) Supplier shall support physical security measures, including securing all Content on a secure server, in locked data cabinets within a secure facility located within the continental United States.
- z) Supplier shall ensure that access to facilities housing Content or supporting applications are restricted to only allow access to Supplier's personnel and agents who have a need to know in connection with operation and support of the Application and/or Licensed Services.
- aa) Supplier shall ensure that notification is sent to VADOC/AUTHORIZED USERS in writing thirty (30) days prior to its intention to replace or add any third-party that will be provided access to Content whether that access is provided by Supplier or Supplier's subcontractors. In the event VADOC/AUTHORIZED USERS is not comfortable with such new third-party, then VADOC/AUTHORIZED USERS may terminate the applicable Order for its convenience.
- bb) Supplier shall ensure that the Application and/or Licensed Services operating systems, middleware, applications, and interfaces will be scanned for vulnerabilities every 30 days and scanning reports be provided to VADOC/AUTHORIZED USERS as required by Commonwealth security standards.
- cc) Supplier shall provide monthly vulnerability scans against all public-facing interfaces in accordance with FedRAMP requirements.
- dd) Supplier shall ensure that all Content is stored, processed and maintained within the continental United States at all times.
- ee) Supplier shall report the United States regional location of all Commonwealth data at all times if that Content is not stored in a Commonwealth facility. Supplier shall provide a report to confirm the United States regional location of any Content not stored in a Commonwealth facility every 30 days.
- ff) Supplier shall, at all times, remain compliant with the privacy and security requirements mandated by federal, state and local laws and regulations.
- gg) Supplier shall provide a non-redacted copy of the FedRAMP Security Assessment Report (SAR) on an annual basis.
- hh) Supplier understands that VADOC/AUTHORIZED USERS/VITA or a third-party audit organization is responsible for performing a security audit within 90 days after contract award to determine control gaps between the supplied audit and the Hosted Environment Information Security Standard (SEC525). If no audit is supplied, a complete security controls audit utilizing SEC525 must be performed. Failure to do so may result in remedies being levied as provided in the terms and conditions of the contract VADOC/AUTHORIZED USERS/VITA acknowledges that they have completed an ECOS assessment to their satisfaction.
- ii) Supplier shall ensure that external connections incorporated into the Application and/or Licensed Services have appropriate security controls including industry standard intrusion detection and countermeasures consistent with FedRAMP Moderate that will detect and terminate any unauthorized activity prior to entering the firewall maintained by Supplier.

- jj) Supplier shall ensure that the Application and/or Licensed Services will utilize industry standard firewalls regulating all data entering the internal data network from any external source which will enforce secure connections between internal and external systems and will permit only authorized data to pass through.
- kk) Supplier shall ensure that the Application and/or Licensed Services will use industry standard encryption techniques to protect Content that is transmitted or stored on behalf of the Commonwealth. Supplier shall ensure that the Application will provide for the Commonwealth to maintain exclusive control of all encryption keying material.
- ll) Supplier shall ensure that they will apply all security updates to their systems as required by Commonwealth security standards. For third-party hosted systems, updates should be installed in compliance with SEC 525 in effect as of the date of this Agreement. Please refer to the following link for the above mentioned Commonwealth security standards: <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>.
- mm) Supplier shall ensure that they will utilize industry standard malware protection, incorporating both signature and non-signature-based detection mechanisms, on all systems with access to Content.
- nn) Supplier shall ensure that malware protection will be centrally managed and receive regular automatic updates to malicious code protection mechanisms and data files from the software vendor.
- oo) Upon formal written request from VADOC/AUTHORIZED USERS, Supplier will, within thirty (30) business days after the expiration or termination of this Contract, confirm in writing to VADOC/AUTHORIZED USERS that all Content has been removed from all systems where the Content resided during performance of this Contract in a manner that complies with and/or exceeds the Commonwealth Data Removal standard located at the following URL: <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>. The written confirmation shall include (i) sufficient detail describing the processes and procedures used in removing the Content, (ii) information about the locations of where it was removed from within the Application and storage and other locations, and (ii) the date the removals were performed. All metadata, in its original form, shall be returned to VADOC/AUTHORIZED USERS.
- pp) Supplier shall provide training for Supplier personnel regarding the security and data recovery programs referenced in this Section as prescribed in Pitney Bowes' FedRAMP Moderate package.
- qq) Regular testing of the systems and procedures outlined in this Section.
- rr) Supplier agrees to provide written notice within 24 hours to VADOC/AUTHORIZED USERS of all incidents that threaten or could potentially threaten the security of VADOC/AUTHORIZED USERS's Content and/or VADOC/AUTHORIZED USERS's use of the Licensed Services. This notice is required to allow the Commonwealth to commence any necessary internal actions to remediate such incident, which may include a temporary suspension of use of the Licensed Service by VADOC/AUTHORIZED USERS, as directed by the CIO. If a suspension of use becomes necessary, the Supplier further agrees not to impose any penalty on VADOC/AUTHORIZED USERS or the Commonwealth; and



ss) Audit controls that record and monitor Application and Licensed Services activity continuously.

tt) Should Supplier fail to perform in compliance with any provision of this Section, VADOC/AUTHORIZED USERS may provide Supplier with a written notice to cure. Supplier shall have thirty (30) days to cure its noncompliance, or with agreement from VADOC/AUTHORIZED USERS and VITA, in its governance role, may request a reasonable extension for time to cure providing VADOC/AUTHORIZED USERS, and a copy to VITA at: [enterpriseservices@vita.virginia.gov](mailto:enterpriseservices@vita.virginia.gov), with a written plan of action to cure. If Supplier fails to cure, VADOC/AUTHORIZED USERS may deem Supplier in breach and/or default of the Contract and may immediately terminate the Contract, in whole or in part. Upon such termination, neither the Commonwealth, nor VADOC/AUTHORIZED USERS, nor VITA shall have any future liability except VADOC/AUTHORIZED USERS will be responsible for deliverables accepted by VADOC/AUTHORIZED USERS and Licensed Services rendered to VADOC/AUTHORIZED USERS by Supplier. In the event of such termination, Supplier shall accept return of any deliverable that was not accepted by VADOC/AUTHORIZED USERS, and Supplier shall refund any monies paid by VADOC/AUTHORIZED USERS for such deliverable and for any unused, remaining term paid for in advance by VADOC/AUTHORIZED USERS for the Licensed Services up to the date of such termination. Supplier agrees that VADOC/AUTHORIZED USERS may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including repurchase or transition costs or injunctive or other equitable relief.

## **7. PROPRIETARY RIGHTS**

### **D. Supplier's Proprietary Rights**

Except as otherwise stated herein, the Licensed Services (including without limitation, the Application and Updates, and Supplier Product, except to the extent that Supplier Product contains Content) and Documentation are the sole and exclusive property of Supplier and its licensors. All modifications, enhancements, Updates, and translations of the Licensed Services shall be deemed a part thereof.

### **E. VADOC/AUTHORIZED USERS Requirements and License Restrictions**

Except as otherwise provided in this Contract or as provided by law:

i). VADOC/AUTHORIZED USERS will use commercially reasonable efforts to ensure that Application Users comply with all of the terms and conditions hereof;

ii). VADOC/AUTHORIZED USERS shall not reverse engineer, decompile, disassemble, or otherwise attempt to derive source code or other trade secrets from any of the software comprising or in any way making up a part of the Application;

iii). VADOC/AUTHORIZED USERS shall not directly or indirectly copy or reproduce all or any part of the Application, whether electronically, mechanically or otherwise, in any form including, but not limited to, the copying of presentation, style or organization, without prior written permission from Supplier; provided, however, VADOC/AUTHORIZED USERS may reproduce and distribute any Application output generated from the VADOC/AUTHORIZED USERS's Content, and an Application User may reproduce and distribute any Application output generated pursuant to the permissions set forth in the Contract;

iv). VADOC/AUTHORIZED USERS shall not rent, lease, sublicense, resell for profit, loan, distribute, network or modify the Application or Supplier Product or any component thereof, provided as part of the Licensed Services, except as otherwise authorized by Supplier. However, VADOC/AUTHORIZED USERS may reproduce and distribute any Application output (e.g., reports) generated by VADOC/AUTHORIZED USERS using the Application, and an Application

User may reproduce and distribute any reports or output generated by the Application User using the Application and pursuant to the permissions in the Contract;

v). VADOC/AUTHORIZED USERS shall only use the Application and Supplier Product in the normal course of business, in connection with, and as part of, the Licensed Services;

vi). VADOC/AUTHORIZED USERS shall not attempt to gain unauthorized access to the Application or Licensed Services, other user accounts, computer systems or networks connected to the Licensed Services;

vii). VADOC/AUTHORIZED USERS shall not remove, obscure or alter Supplier's proprietary notices, disclaimers, trademarks, or other proprietary rights notices of any kind affixed or contained in the Application or Licensed Services or any written or electronic report, output or result generated in connection with the Licensed Services;

viii). VADOC/AUTHORIZED USERS shall take reasonable care not to, and shall not intentionally or knowingly, use the Application to post, transmit, distribute, store or destroy any information: (i) in violation of any applicable law, statute, ordinance or regulation; (ii) in a manner that shall infringe the intellectual property rights of others; (iii) that is defamatory or trade libelous, or (iv) that contains any Computer Viruses;

ix). VADOC/AUTHORIZED USERS shall not use the Application or Licensed Services for any illegal, obscene, offensive or immoral purpose.

#### **F. VADOC/AUTHORIZED USERS Proprietary Rights**

Except as otherwise stated herein and with the exception of any applicable third-party rights, Content shall remain the sole and exclusive property of VADOC/AUTHORIZED USERS. Additionally, all right, title and interest in and to any Content shall remain the property of VADOC/AUTHORIZED USERS, whether or not supplied to Supplier or uploaded into the Application. Nothing in this Contract shall be construed as conveying any rights or interest in Content to Supplier. Upon termination of the Contract, Supplier agrees to either provide the Content to VADOC/AUTHORIZED USERS or, at VADOC/AUTHORIZED USERS's request, certify in writing that said Content in all formats, have been destroyed.

#### **8. CLOUD EXIT ASSISTANCE**

Upon execution of this Contract, Supplier and VADOC/AUTHORIZED USERS will develop an exit plan ("**Exit Plan**") detailing each party's respective tasks for the orderly transition and migration of all Content stored by Supplier pursuant to the Contract to VADOC/AUTHORIZED USERS's archive and/or to a system or application maintained by VADOC/AUTHORIZED USERS.

At a minimum, the Exit Plan must provide that within 30 days of the expiration or termination of this Contract for any reason, Supplier shall return all Content in its possession provided to Supplier by VADOC/AUTHORIZED USERS and/or its Application Users and stored by the Application on behalf of VADOC/AUTHORIZED USERS to the VADOC/AUTHORIZED USERS in a format accessible without the use of Supplier's Application. Supplier's failure to do so will constitute a material breach of this Contract and VADOC/AUTHORIZED USERS may exercise all available rights and remedies under law and equity, in addition to any remedies set forth in this Contract.

In addition, at VADOC/AUTHORIZED USERS's option, Supplier shall continue to provide Licensed Services for up to six (6) months after the date of expiration or termination of the Contract in order to facilitate VADOC/AUTHORIZED USERS's transition to another service model or provider. Supplier shall also provide such reasonable assistance as may be requested by VADOC/AUTHORIZED USERS and agrees such assistance will not be unreasonably withheld. Supplier shall perform such assistance at the hourly rate or a charge agreed upon by Supplier and VADOC/AUTHORIZED

USERS. In the event of a termination for breach by Supplier, Supplier shall provide the transition assistance at no charge or fee to VADOC/AUTHORIZED USERS.

## **9. COMMENCEMENT AND ACCEPTANCE OF LICENSED SERVICES**

### **G. Licensed Services Commencement Date**

The Supplier shall begin delivery of Licensed Services on the date requested by VADOC/AUTHORIZED USERS and agreed to by the Supplier in the Contract. VADOC/AUTHORIZED USERS may delay the Licensed Services commencement date by notifying the Supplier at least ten (10) days before the scheduled Licensed Services commencement date.

### **H. Acceptance**

The Application shall be deemed accepted when VADOC/AUTHORIZED USERS reasonably determines that VADOC/AUTHORIZED USERS and its Application Users can successfully access and use all functionalities of the Application which Supplier is required to provide to such Users. VADOC/AUTHORIZED USERS agrees to complete Acceptance testing within 5 days after receiving written notice from Supplier of the ability of VADOC/AUTHORIZED USERS and its Application Users to access the Application. Supplier agrees to provide to VADOC/AUTHORIZED USERS such assistance and advice as VADOC/AUTHORIZED USERS may reasonably require, at no additional cost, during such Acceptance testing, other than pre-approved travel expenses incurred which will be reimbursable by VADOC/AUTHORIZED USERS at the then current per diem amounts set forth by the Virginia Department of Accounts and published at: <http://www.doa.virginia.gov/> or a successor URL(s). VADOC/AUTHORIZED USERS shall provide to Supplier written notice of Acceptance upon completion of successful Acceptance testing. Should VADOC/AUTHORIZED USERS fail to provide Supplier written notice of successful or unsuccessful Acceptance testing within five (5) business days following the Acceptance testing period, the Service shall be deemed Accepted.

### **I. Cure Period**

If during the Acceptance test period, VADOC/AUTHORIZED USERS is unable to access the licensed functionalities of the Application, Supplier shall provide VADOC/AUTHORIZED USERS with such access, and VADOC/AUTHORIZED USERS's Application Users with their required access, within fifteen (15) days of written notice of inability to access, or as otherwise agreed between VADOC/AUTHORIZED USERS and Supplier in the Contract. Should Supplier fail to provide access to the licensed functionalities of the Application, VADOC/AUTHORIZED USERS may, in its sole discretion reject the Application in its entirety and recover amounts previously paid hereunder

If VADOC/AUTHORIZED USERS and its Application Users are unable to access the licensed functionalities of the Application after a second set of acceptance tests, Supplier shall be deemed in default of the Contract. In the event of such default, VADOC/AUTHORIZED USERS may, at its sole discretion, terminate the Contract in whole for the Licensed Services to be provided thereunder by Supplier.

## **10. RECORDS AND AUDIT**

Supplier shall maintain accurate records related to the invoices for the Licensed Services performed/delivered under this Contract. In addition, Supplier shall maintain accurate records of the Licensed Services, including but not limited to, the "Uptime" and "Downtime" as set forth in the Supplier Responsibilities Section. VADOC/AUTHORIZED USERS shall have the right to inspect and

audit the records applicable to the Contract. Supplier shall preserve such records for three (3) years after termination/completion of the Licensed Services agreed to under this Contract.

## **11. APPLICATION AND LICENSED SERVICES SUPPORT**

At any time during the term of this Contract, Supplier shall provide the following Application Services (including unlimited telephonic support) without additional charge to VADOC/AUTHORIZED USERS in order to ensure VADOC/AUTHORIZED USERS and its Application Users are able to access and use the Application in accordance with the requirements of the Contract.

### **J. Coverage**

Twenty-four (24) hours per day, seven (7) days a week, Supplier provide to VADOC/AUTHORIZED USERS all reasonably necessary telephone or written consultation requested by VADOC/AUTHORIZED USERS in connection with use, problems and operation of the Application.

### **K. Service Levels**

Upon reasonable request, from VADOC/AUTHORIZED USERS or VITA, in its governance role, Supplier will respond to such request for support of Licensed Services regarding the Application and Licensed Services, including Application, Supplier Product and documentation in accordance with the procedures identified in Attachment B, Table of Service Levels, Response and Resolution Times and Escalation Procedures for Licensed Services. In each case, VADOC/AUTHORIZED USERS may describe the problem by telephone or electronic mail or via a web site provided by Supplier. Supplier shall use commercially reasonable efforts to meet Response Time and Resolution Time and other obligations under this Contract.

The level of severity (e.g., 1, 2, 3), shall be defined by VADOC/AUTHORIZED USERS.

### **L. Application Evolution**

Should Supplier merge or splinter the Application previously provided to VADOC/AUTHORIZED USERS, such action on the part of Supplier shall not in any way result in VADOC/AUTHORIZED USERS being charged additional license or support fees in order to access the Application, to enable its Application Users to access the Application, or to receive enhancements, releases, upgrades or support for the Application.

## **12. SERVICE LEVELS AND REMEDIES**

### **M. Availability**

Supplier's failure to make the Licensed Services Available to VADOC/AUTHORIZED USERS and its Application Users at least 99% of the time in any given month during the term of the Contract, excluding scheduled maintenance or excusable downtime, shall be deemed a service level default ("**Service Level Default**") and VADOC/AUTHORIZED USERS may obtain the remedies set forth in Attachment A, Table of Service Levels and Remedies for Licensed Services. For purposes of this Contract, "Available" means that VADOC/AUTHORIZED USERS and its Application Users are able to access all features and functions of the Application and Licensed Services required by VADOC/AUTHORIZED USERS, including but not limited to the Application and Supplier Product"). Excusable downtime includes but is not limited to emergency maintenance activities and downtime outside of Supplier's direct control, for example carrier's APIs or third-party cloud infrastructure. For purposes of this Contract, Licensed Services is considered "Not Available" if a primary functionality of the SaaS product, that directly impacts the organization, is lost and there is no temporary workaround available.

In the event the Service Level falls below 93% during any month of the term of the Contract, VADOC/AUTHORIZED USERS may terminate the Contract without penalty upon written notice to Supplier. Such notice shall be provided to Contractor within thirty (30) days of the Service Level in Exhibit A falling below 93% in a given month.

Credits shall be applied against the next invoice. In the event a Service Level Default occurs after VADOC/AUTHORIZED USERS has given notice of termination pursuant to the Term and Termination section of this Contract or due to non-appropriation of funds, or VADOC/AUTHORIZED USERS has made final payment to Supplier for the Application and Licensed Services and no further invoices shall issue as a result, Supplier shall refund to VADOC/AUTHORIZED USERS the amount of the appropriate Service Level Credit due for the period of default.

## **B. Provisioning**

Incremental adds, access authorizations for application users, moves or reductions, including disabled access updates, in the scope of the Licensed Service (e.g., USERIDs), shall be completed by VADOC/AUTHORIZED USERS. PB will add the Administrators upon written request from VADOC/AUTHORIZED USERS and changes to users would be managed by the VADOC/AUTHORIZED USERS Administrator.

## **C. Reporting Requirements**

### (i) Monthly Reports:

By the first Tuesday of each calendar month during the term of this Contract, Supplier shall provide VADOC/AUTHORIZED USERS with the following written monthly reports:

(a) System/Application Patching Compliance Report – a report that illustrates that the supplier has installed security relevant software and firmware updates within 30 days of the release of the updates.

(b) Scanning Reports (OS, Middleware, Applications and Interfaces) Report – a report that illustrates vulnerability scanning of Cloud Service Providers Operating Systems/infrastructure, databases and web applications(d) Geographic Locations of Data Being Hosted Report – a report that illustrates the location of Commonwealth data.

(c) Provide monthly activity logs related to the operation of the service. At a minimum, the activity review must include successful and unsuccessful account logon events, account management events, object access, policy change, privilege functions, process tracking, and system events.

### (ii) Quarterly Reports:

By the first Tuesday of the first month of a calendar quarter, during the term of this Contract, Supplier shall provide the Virginia Information Technologies Agency (VITA) with the following written quarterly report. Independent Vuln scans have to be conducted every 90 days.

(a) Summary Report of Intrusion Detection Scans and Intrusion Prevention Scans – a report that demonstrates that supplier protects Commonwealth data with intrusion monitoring tools from unauthorized access, modification and deletion.

Representatives of Supplier and VADOC/AUTHORIZED USERS, and VITA at its option, shall meet as often as may be reasonably requested by either party, but no less often than once each calendar quarter during the term of this Contract, to review Supplier's performance of Licensed Services and the performance of the Application and to discuss technical plans, financial matters, system performance, service levels and any other matters related to the above required reports

and to this Contract in general that may be reasonably requested by either Supplier or VADOC/AUTHORIZED USERS or VITA. Supplier shall notify VITA of such meetings by email to: [enterpriseservices@vita.virginia.gov](mailto:enterpriseservices@vita.virginia.gov). VADOC/AUTHORIZED USERS or VITA may independently audit the report at its expense no more than two (2) times annually.

**A. Failure to Meet Service Level Commitments**

In the event that such Application fails to meet the Service Levels specified herein, Supplier will: (i) repair the Application, at Supplier's expense, so that it conforms to this Contract and such specifications; or (ii) pay to VADOC/AUTHORIZED USERS the applicable amounts shown in Attachment A. In the event Supplier fails to comply with these remedies, VADOC/AUTHORIZED USERS may exercise all available rights and remedies under law and equity. In the event of system failure, notification shall immediately be sent to: CMDCIquiries@VADOC/Authorized Users.virginia.gov..

**E. Escalation Procedures**

See Attachment B

**13. CYBER SECURITY LIABILITY INSURANCE**

In addition to other insurance coverage requirements in the Contract, Supplier shall carry Cyber Security Liability insurance coverage in the amount of \$5,000,000 per occurrence.

**14. ESCROW AGREEMENT**

**A. Application Escrow Agreement**

Supplier is providing a General Use or COTS Application and no custom built source code is authorized under this Contract. Therefore, Application Escrow is not required.

**B. VADOC/AUTHORIZED USERS Content**

Should Supplier cease to do business, file bankruptcy or fail to support VADOC/AUTHORIZED USERS, Supplier shall promptly make all VADOC/AUTHORIZED USERS Content available to VADOC/AUTHORIZED USERS as a native database export provided through Supplier's FTP server.

**15. CLOUD SERVICES WARRANTY**

Supplier warrants and represents to VADOC/AUTHORIZED USERS that Supplier will fulfill its contractual obligations and meet all needed requirements as described in the Contract as follows:

**A. Licensed Services, Application and Documentation**

Supplier warrants the following with respect to the Licensed Services and the Application:

i). Supplier represents and warrants (i) that it shall perform the Licensed Services in conformity to the specifications set forth in the requirements of this Contract in a professional and workmanlike manner and (ii) that the Licensed Services shall not infringe any third party proprietary rights including (without limitation) any trademark, trade name, trade secret, copyright, moral rights, patents or similar intellectual property rights.

ii). Supplier warrants that the Application and Licensed Services will conform in all material respects to the requirements set forth in this Contract. Supplier warrants that the Application and Licensed Services will conform to the applicable specifications and documentation, not including any mutually agreed upon post-Acceptance modifications or alterations to the documentation which represent a material diminishment of the functionality of the Application, Licensed Services or Supplier Product. Supplier also warrants that such Application and Licensed Services are



compatible with and will operate successfully when used on the equipment provided by Supplier in accordance with the documentation and all of the terms and conditions hereof.

iii). The Application provided hereunder is at the current release level unless VADOC/AUTHORIZED USERS has specified an older version in the Contract;

iv). No corrections, work arounds or future Application releases provided by Supplier shall materially degrade the Application, cause any other warranty to be breached, or require VADOC/AUTHORIZED USERS to acquire additional hardware equipment, software, or licensed services;

v). Supplier warrants that all post-Acceptance Updates, changes, alterations or modifications to the Application, Licensed Services and documentation by Supplier will be compatible with, and will not materially diminish the features or functionality of the Application, Licensed Services and/or Supplier Product when used on the equipment provided by Supplier in accordance with the documentation and all of the terms and conditions hereof.

vi). Supplier warrants that the Documentation and all modifications or amendments thereto which Supplier is required to provide under this Contract shall be sufficient in detail and content to allow a user to understand and utilize fully the Application without reference to any other materials or information.

#### **B. Privacy and Security**

Supplier warrants that Supplier and its employees, subcontractors, partners and third-party providers have taken reasonable measures to ensure that the Application, Licensed Services, Supplier Product, and any related deliverables do not include any degradation or known security vulnerabilities. Supplier agrees to notify VADOC/AUTHORIZED USERS of any occurrence of such as soon as possible after discovery and provide VADOC/AUTHORIZED USERS with fixes or upgrades for security vulnerabilities within 90 days of discovery.

#### **C. Operating System and Software Supportability**

Supplier warrants that Supplier and its employees, subcontractors, partners and third-party providers have taken all necessary and reasonable measures to ensure that the Application, Licensed Services, Supplier Product, and any deliverables do not have dependencies on other operating systems or software that are no longer supported by Supplier, or its Subcontractors, partners and third-party providers.

#### **D. Access to Product and Passwords**

Supplier warrants that the Application and Licensed Services do not contain disabling code or any program device or other undisclosed feature, including but not limited to, viruses, worms, trojan horses, or other code which is designed to permit unauthorized access, delete, disable, deactivate, interfere with or otherwise harm the Application, Licensed Services or the hardware or software of VADOC/AUTHORIZED USERS or its Application Users. In addition, Supplier warrants that VADOC/AUTHORIZED USERS and its Application Users will be provided commercially reasonable uninterrupted access to the Application. Supplier also warrants that it will not cancel or otherwise terminate access to the Application by disabling passwords, keys or tokens that enable continuous use of the Application by VADOC/AUTHORIZED USERS and its Application Users during the term of this Contract. Supplier further warrants that the Application and Licensed Services are compatible with and will operate successfully on the Supplier Equipment.

## 16. ACCEPTABLE USE POLICY THIRD PARTY TERMS AND CONDITIONS

Should Supplier's provision of the Licensed Services or any performance obligations under the Contract include third-party terms and conditions, FedRAMP, shall take precedence over such third-party terms and conditions. For the purposes of statutory law as referenced and incorporated in the Contract, if there is any conflict with any third-party terms, such statutory law shall govern.

## 17. LIABILITY

### A. Supplier Liability

Except for liability arising from any combination of:

- i. any intentional or willful misconduct, fraud, or recklessness of Supplier or any Supplier personnel; or
  - ii. any act or omission of Supplier or any Supplier personnel that results in claims for bodily injury, including death, and damage to tangible property resulting from the negligence of a Supplier or any Supplier personnel; or
  - iii. Supplier's indemnification, confidentiality or data privacy obligations as specified in this Contract,
- Supplier's indemnification obligations and liability shall not exceed, in aggregate, twice the value of the applicable Order giving rise to the indemnification claim.

### B. Limitation of Liability

Supplier will be liable for damages caused by its employees, agents, or subcontractors. Except for liability arising out of a Party's negligence or willful misconduct, neither Party will be liable to the other Party for any indirect, incidental, consequential, or punitive damages, including (without limitation) loss of profit, income, or savings, even if advised of the possibility of these damages.

## ATTACHMENT A

### TABLE OF SERVICE LEVELS AND REMEDIES FOR ECOS APPROVED LICENSED SERVICES

Uptime Service Level (Monthly)	Service Level Credit for SaaS ECOS Approved Licensed Services only (Prorated Fees – Monthly)
Above 99%	0
98.99 – 93%	5%
Below 93%	100% and, at VADOC/AUTHORIZED USERS's sole discretion, termination of the Contract

## ATTACHMENT B


### TABLE OF SERVICE LEVELS, RESPONSE AND RESOLUTION TIMES AND ESCALATION PROCEDURES FOR ECOS APPROVED LICENSED SERVICES

<b>Severity</b>	<b>Response Time</b>	<b>Resolution Time (Fix/work-around within)</b>	<b>Internal Escalation Procedure</b>
1 (Application down)	<b>Two (2) hours</b>	six (6) hours	<b>PB will follow Outage Response Team Procedures for applications that are down</b>
2 (certain processing interrupted or malfunctioning but Application is able to process)	<b>Two (2) hours</b>	twenty-four (24) hours	<b>PB will follow ERT Procedures for applications exhibition diminished functionality</b>
3 (minor intermittent malfunctioning, Application able to process data)	<b>Twenty-four (24) hours</b>	three (3) days	<b>Log ticket with Pitney Bowes Support Team</b>

PROVIDER: PITNEY BOWES INC.

PURCHASING AGENCY: COMMONWEALTH OF VIRGINIA

By: Arthur E. Adams Jr., Director, Government Contract Compliance	Digitally signed by Arthur E. Adams Jr., Director, Government Contract Compliance Date: 2023.09.28 16:02:22 -04'00'	By: <i>Sylvester Williams</i>
Name (print) Arthur E. Adams Jr.		Name: Sylvester Williams, MSGC, CPPB, VCO
Title: Director, Government Contract Compliance		Title: Statewide Sourcing and Contracting Officer
Date: September 28, 2023		Date: September 29, 2023

	<b>Contract Amendment</b>		Arizona Department of Administration State Procurement Office 100 N. 15 <sup>th</sup> Avenue Phoenix, AZ 85007
	Contract: <b>CTR058808</b>	Contract Amendment: <b>Three (3)</b>	
	Effective Date: July 12, 2023		

**Mailing Equipment, Supplies, and Maintenance**  
***Pitney Bowes, Inc.***

This Addendum 3 modifies the Master Agreement (“Master Agreement”) awarded to Pitney Bowes Inc. (“Contractor”) by the Lead State in connection with Solicitation No. BPM003137. All terms of the Master Agreement not modified in this Addendum remain in full force and effect.

**Amendment Purpose:**

The purpose of this amendment is to amend Pitney Bowes’ Price Book


**Modification of Master Agreement:**

The “NASPO Price Book - Updated July 2023” has been added to the Master Agreement and incorporated herein.


**RECITALS**

The State and Supplier entered into that certain agreement title Master Service Agreement effective as of May 15, 2022 pursuant to which Supplier is to provide NASPO Mailing Equipment, Supplies, and Maintenance.

Thereafter, Amendment Number 1 & 2 to extend the contract term from May 16, 2022 to May 15, 2023, and to attach updated price list and on-demand terms for NASPO.

	<b>Contract Amendment</b>		Arizona Department of Administration State Procurement Office 100 N. 15 <sup>th</sup> Avenue Phoenix, AZ 85007
	Contract: <b>CTR058808</b>	Contract Amendment: <b>Three (3)</b>	
	Effective Date: July 12, 2023		

**ALL OTHER REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS REMAIN  
UNCHANGED**

	<b>Contract Amendment</b>		<b>Arizona Department of Administration State Procurement Office 100 N. 15<sup>th</sup> Avenue, Suite 402 Phoenix, AZ 85007</b>
	CTR058808	Amendment # 2	
	Effective Date: November 30, 2022		

## **Mailing Equipment, Supplies, and Maintenance**

### ***Pitney Bowes***

This Contract Amendment Number 1 is to extend the contract term. 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

Add the following documents

NASPO Price Book – Submitted – November 2022 (1)  
 NASPO Supply Price List Eff 05.15.2022\_Rev 10.24.2022\_DMK (1)  
 On-Demand terms for NASPO – PB 10-28-22  
 Option A – NASPO State Local Lease to Own Terms and Conditions NOV 2022 10.27.22 v2  
 Option B - NASPO Fair Market Value Rental Terms and Conditions NOV 2022 10.27.22 v2 (002)  
 Option C - NASPO Fair Market Value Lease Terms and Conditions NOV 2022 10.27.22 v2  
 SendTech U.S. Sales-Lease Internet Terms for NASPO NOV 2022 10.27.22 (002)

### **RECITALS**

The State and Supplier entered into that certain agreement title Master Service Agreement effective as of May 15, 2022 pursuant to which Supplier is to provide NASPO Mailing Equipment, Supplies, and Maintenance.

**ALL OTHER REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS REMAIN UNCHANGED**

**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.**

## **MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

Led by the **State of Arizona**

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Master Agreement #: **CTR058808**

Contractor: **PITNEY BOWES INC.**

Participating Entity: **COMMONWEALTH OF VIRGINIA**

This Participating Addendum is entered into by Contractor and Participating Entity (collectively, the "Parties").

### **Scope and Participation:**

1. Scope:

- ☒ This Participating Addendum includes the entire scope of the products and services available through the Master Agreement referenced above.
- ☐ This Participating Addendum includes the entire scope of the products and services available through the Master Agreement referenced above, except the following:

Any scope exclusions specified herein apply only to this Participating Addendum and shall not amend or affect other participating addendums or the Master Agreement itself.

2. Participation: This Participating Addendum covers participation of Participating Entity in the above-referenced Master Agreement between the State of Arizona and Contractor for Mailing Equipment, Supplies and Maintenance. This Participating Addendum may be used Commonwealth agencies, institutions of higher education, political subdivisions and other entities authorized to use state contracts in the Commonwealth of Virginia. 501(C)3 organizations and/or private schools and institutions are eligible to use pricing under this contract with the vendor's commercial lease agreement. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

3. Term:

- ☒ This Participating Addendum shall become effective as of the date of the last signature below and shall terminate upon the expiration or termination of the Master Agreement, as amended, unless the Participating Addendum is terminated sooner in accordance with the terms set forth herein.
- ☐ This Participating Addendum shall become effective as of the date of the last signature below and shall terminate on [date], unless terminated sooner or otherwise amended in accordance with the terms set forth herein. Notwithstanding the previous, in no event shall the term of the Participating Addendum exceed the term of the Master Agreement, as amended.

## **MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

Led by the **State of Arizona**

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4. Primary Contacts: The following (or their named successors) are the primary contact individuals for this Participating Addendum:

### **CONTRACTOR:**

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

### **CONTRACTOR – Government Sales Channel Director – (Southeast) Region**

<u>Name</u>	<u>Clay Rushing</u>
<u>Address</u>	Pitney Bowes, Inc. 3001 Summer Street, Stamford, CT 06926
<u>Telephone</u>	(251) 644-3404
<u>E-mail</u>	<a href="mailto:clay.rushing@pb.com">clay.rushing@pb.com</a>

### **PARTICIPATING ENTITY:**

Name:	Sylvester K. Williams, MSGC, CPPB, VCO
Address:	1111 East Broad Street, Richmond, VA 23218-1199
Telephone:	804-225-4035
Fax:	804-786-5712
Email:	<a href="mailto:sylvester.williams@dgs.virginia.gov">sylvester.williams@dgs.virginia.gov</a>

## **Participating Entity Modifications and Additions to the Master Agreement**

- ☐ This Participating Addendum incorporates all terms and conditions of the Master Agreement as applied to the Participating Entity and Contractor.
- ☒ This Participating Addendum incorporates all terms and conditions of the Master Agreement as applied to the Participating Entity and Contractor, **subject to the following limitations, modifications, and additions:**



## **MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

Led by the **State of Arizona**

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- A. VIRGINIA PUBLIC PROCUREMENT ACT:** The Virginia Public Procurement Act (“VPPA”, §2.2-4300 et seq. of the Code of Virginia), including Article 6 (Ethics in Public Contracting), shall apply to any Addendum entered into between the Contractor and a Virginia public entity under the Master Agreement.
- B. VENDORS MANUAL:** This Addendum is subject to the provisions of the Commonwealth of Virginia Vendors Manual July 2022 version (“Vendor’s Manual”) and any changes or revisions thereto, which are hereby incorporated into this Addendum in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at [www.eva.virginia.gov](http://www.eva.virginia.gov) under “Vendors Manual” on the vendors tab.
- C. APPLICABLE LAWS AND COURTS:** This Addendum shall be governed by the laws of the Commonwealth of Virginia, without regard to its choice of law provisions, and any litigation with respect thereto shall be brought in the circuit courts of the Commonwealth. The agency and the Contractor are encouraged to resolve any issues in controversy arising from the order of the Agreement or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- D. ANTI-DISCRIMINATION:** The Contractor certifies that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the Addendum is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the Addendum on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every Addendum over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this Addendum, the Contractor agrees as follows:
  - A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
  - B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity

## **MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

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- employer.
- C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
  - D. If the Contractor employs more than five employees, the contractor shall (i) provide annual training on the contractor's sexual harassment policy to all supervisors and employees providing services in the Commonwealth, except such supervisors or employees that are required to complete sexual harassment training provided by the Department of Human Resource Management, and (ii) post the Contractor's sexual harassment policy in (a) a conspicuous public place in each building located in the Commonwealth that the Contractor owns or leases for business purposes and (b) the contractor's employee handbook.
  - E. The requirements of these provisions A. and B. are a material part of the Addendum. If the Contractor violates one of these provisions, the Commonwealth may terminate the affected part of this Addendum for breach, or at its option, the whole Addendum. Violation of one of these provisions may also result in debarment from State contracting regardless of whether the specific Addendum is terminated.
  - F. In accordance with Executive Order 61 (2017), a prohibition on discrimination by the Contractor, in its employment practices, subcontracting practices, and delivery of goods or services, on the basis of race, sex, color, national origin, religion, sexual orientation, gender identity, age, political affiliation, disability, or veteran status, is hereby incorporated in this Addendum.
2. The Contractor will include the provisions of A. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- E. ETHICS IN PUBLIC CONTRACTING:** The Contractor certifies that they have not engaged in collusion or fraud in relation to any aspect of this Addendum, or its Master Agreement with the lead state or other entity that conducted the procurement upon which this Addendum is based, and that it has not offered or received any kickbacks or inducements from any other bidder, offeror, supplier, manufacturer or subcontractor in connection with this Addendum or procurement. The Contractor also certifies it has not conferred on any public employee having responsibility for this Addendum any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- F. IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By entering into a written Addendum with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the Addendum for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986
- G. DEBARMENT STATUS:** By participating in this Addendum, the Contractor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by the Master Agreement or

## **MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

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Addendum. The Contractor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia. If a vendor is created or used for the purpose of circumventing a debarment decision against another vendor, the non-debarred vendor will be debarred for the same time period as the debarred vendor. For the avoidance of doubt, Vendor was not created or used for the purpose of circumventing a debarment decision against another vendor.

Notwithstanding anything to the contrary in the Vendor's Manual, Section 7.20 Debarment of the Vendor's Manual is hereby deleted in its entirety and replaced with the following: Debarment as used in this section means action taken by the Director of the Division of Purchases and Supply (DPS) to exclude individuals or firms from contracting with state agencies for particular types of goods or nonprofessional services for specified periods of time. Debarment does not relieve the contractor of responsibility for existing obligations.

The purpose of debarment is to protect the Commonwealth from risks associated with awarding contracts to persons or firms having exhibited an inability or unwillingness to fulfill contractual requirements, and to protect state interests and the integrity of the state's procurement process by preventing individuals or firms who have displayed improper conduct from participating on Commonwealth requirements for specific periods of time.

Causes for Debarment. An individual or firm may be debarred for any of the following reasons:

- a. Breach of contract with a state agency. As examples of Breach, failure of the vendor to comply with provisions 1 or 2 of the Commonwealth's "ANTI- DISCRIMINATION" clause, or failure to comply with a Most Favored Customer Clause included in its contract. For default action see 7.14.
- b. Sale or attempted sale to a state agency of the same or similar goods or services which are available under an existing mandatory DGS/DPS state contract, when the contractor knew or had reason to know that the goods or services are required to be purchased under the contract, unless such sale or attempted sale occurs in response to an IFB, RFP, or unsealed solicitation that specifies such goods or services.
- c. Stating an unwillingness or inability to honor a binding bid. A mere request to withdraw a bid, which does not otherwise state an unwillingness or inability to perform, is not a cause for debarment.
- d. Falsifying or misrepresenting manufacturer's specifications in order to appear responsive to a solicitation.

Asserting facts related to procurement matters without having reasonable grounds at that time to believe that the facts are true. Examples include but are not limited to: falsifying or misrepresenting manufacturer's specifications in order to appear responsive to a solicitation; or asserting, without reasonable belief in its accuracy, information in support of an invoice, claim, protest, contract amendment, qualification application, or administrative or judicial appeal document. It is not

## **MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

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- necessary for the presentation to actually affect a decision, and it is not a defense that the recipient of the communication knew or should have known the true facts.
- e. Conferring or offering to confer any gift, gratuity, favor, or advantage, present or future, upon any employee of a state agency who exercises any “official responsibility” for a “procurement transaction” as those terms are defined in the Code of Virginia, § 2.2-4368. It is not necessary that the offer be accepted by the employee, or that the offer is made with intent to influence the employee in an official act. Extending to any state employee exercising official responsibility for a procurement transaction any discount or privilege not available to all state employees is considered to be offering an advantage.
  - f. Failing to disclose a condition constituting a conflict of interest by any officer, director, owner, or partner of the vendor in a contract or purchase order awarded by DPS or any other agency of the state (Code of Virginia, § 2.2-3106).
  - g. Any cause indicating that the firm is not a responsible vendor.
  - h. Reserved.
  - i. Sale, under nonemergency conditions, of building materials, supplies, or equipment for any building or structure constructed by or for the Commonwealth by an independent contractor employed to furnish architectural or engineering services, but not construction for such building or structure or from any partnership, association or corporation in which such architect or engineer has a personal interest (Code of Virginia, § 2.2-3101 and § 2.2- 4374).
  - j. Sale, under nonemergency conditions, of building materials, supplies or equipment for any building or structure constructed by or for the Commonwealth by any person who has provided or is currently providing design services specifying a sole source for such materials, supplies or equipment to be used in such building or structure to the independent contractor employed by the Commonwealth to furnish architectural or engineering services in which such person has a personal interest as defined in Code of Virginia, § 2.2-3101.
  - k. Sale of goods or services to the Commonwealth when such sale is prohibited by any debarment then in effect.
  - l. Consent of the firm or individual being debarred.
  - m. Conviction of any criminal offense involving public contracting. Examples include, but are not limited to, bribery (Code of Virginia, § 18.2-447) and knowingly making a false statement in regard to collusion on a solicitation (Code of Virginia, § 18.2-498.4). Conviction for any of the above of any officer, director, or owner of a vendor shall constitute grounds for the removal of the vendor.
  - n. Court judgment finding a violation of either federal or state antitrust laws.
  - o. Conviction of any offenses indicating a lack of moral or business integrity.
  - p. Failure to pay reprocurement costs pursuant to a contract termination for default.
  - q. Failure to comply with the provisions of the E-Verify program (Code of Virginia, §2.2-

## **MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

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4308.2).

- r. Failure to pay Vendor Transaction Fees invoiced by the Commonwealth of Virginia Department of General Services.
- s. Creating or using an entity for the purpose of circumventing a debarment decision against another individual or firm.
- t. Effective January 1, 2021; failure of an employer, or any officer or agent of the employer, to properly classify an individual as an employee in accordance with §58.1-1900 of the Code of Virginia.

It is not necessary that there be a judicial determination of violations contained in subparagraphs a. through l. and p. for debarment to occur.

If the debarring official finds that the cause for debarment reflects on the contractor's traits or tendencies only with regard to certain goods or services, the debarment may apply only to such goods or services. Otherwise the debarment shall apply to all goods and services within the purview of the debarring agency (DPS).

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

**I. PAYMENT**

1. To Prime Contractor:

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



## **MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

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4363 and -4364. Upon determining that invoiced charges are not reasonable, the Commonwealth shall notify the Contractor of defects or improprieties in invoices within fifteen (15) days as required in *Code of Virginia*, § 2.2-4351. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

### **2. To Subcontractors:**

- a. Within seven (7) days of the Contractor's receipt of payment from the Commonwealth, a Contractor under this Addendum is hereby obligated:
  - (1) To pay the subcontractor(s) for the proportionate share of the payment received for work performed by the subcontractor(s) under this Addendum; or
  - (2) To notify the Commonwealth and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
- b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the Addendum) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (b) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the Addendum. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
- c. The Commonwealth of Virginia encourages Contractors and subcontractors to accept electronic and credit card payments.

**J. PRECEDENCE OF TERMS:** The following Terms and Conditions shall apply in all instances: *VENDORS MANUAL (except to the extent a provision in the Vendor's Manual has been amended in this Participating Addendum)*, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST and PAYMENT.

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

**L. TESTING AND INSPECTION:** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications in accordance with the terms of the Master Agreement.

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

**N. CHANGES TO THE ADDENDUM:** Changes can be made to the Addendum in any of the following ways:

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

**O. TERMINATION FOR DEFAULT**

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

**P. TERMINATION FOR CONVENIENCE**

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

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

If sales or deliveries against the contract are not exempt, the contractor shall be responsible for the payment of such taxes unless the tax law specifically imposes the tax upon the buying entity and prohibits the contractor from offering a tax-included price.

**R. INSURANCE:** The Contractor certifies that it will have the following insurance coverage at the time the Addendum is executed. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Contractor further certifies

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that the Contractor and any subcontractors will maintain these insurance coverage during the entire term of the Addendum and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

### MINIMUM INSURANCE COVERAGES AND LIMITS:

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

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

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

- T. NONDISCRIMINATION OF CONTRACTORS:** A Contractor shall not be discriminated against in this Addendum because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Contractor employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific Addendum is not in its best



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interest. If the Addendum is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Addendum objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

- U. AVAILABILITY OF FUNDS:** Notwithstanding anything to the contrary in Appendix B, Section II Y of the Vendor's Manual, it is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent that the legislature has appropriated funds that are legally available or may hereafter become legally available for the purpose of this Addendum.

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

- V. PRICE CURRENCY:** All prices shall be in US dollars.

- W. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH:** A Contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into an Addendum with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the Addendum. A public body may void any Addendum with a business entity if the business entity fails to remain in compliance with the provisions of this section.

- X. AUDIT:** The Contractor shall retain all books, records, and other documents relative to invoicing under this Addendum for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Commonwealth, its Authorized Users, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

- Y. LOBBYING AND INTEGRITY:** The Contractor is cautioned that communications with individuals other than the DPS Contract Manager may result in incorrect and/or insufficient information being provided. In addition, the Contractor shall not, in connection with this or any other contract or agreement with the Commonwealth, directly or indirectly (1) offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for any

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Commonwealth of Virginia officer's or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give anyone any gratuity for the benefit of or at the direction or request of any state or public officer or employee.

Upon request of the Commonwealth, the Contractor shall provide any reasonable information the Commonwealth deems relevant to the Contractor's integrity or responsibility to provide the services or goods, described herein.

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

**AA. EXCLUSIVITY OF TERMS AND CONDITIONS:** No employee or agent of the Commonwealth or Authorized User shall be required to sign or execute any additional contract, license or other agreement containing contractual terms and conditions. No contractor shall be required to sign, from any employee or agent of the Commonwealth or Authorized Users, any additional agreements, contracts, or other documents that were not part of the original contract. Any documents signed by persons other than the Director of DPS or their authorized designee shall have no validity or effect upon the Contract.

**AA. DELIVERY/SERVICE TO CORRECTIONAL INSTITUTIONS:** The Contractor shall be responsible for adherence to the following guidelines as they pertain to delivering goods and/or providing services to correctional institutions, especially if the location is within the secured perimeter:

- a. The Contractor shall be responsible for ensuring that all personnel connected with the work comply with the rules and regulations of each ordering institution, which may reach beyond the scope of this specification.
- b. The Contractor shall maintain proper security and control over all personnel, equipment, tools, and materials at all times. The Contractor's equipment and personnel shall be subject to security checks and associated delays therefrom.
- c. There shall be no verbal discussion or physical contact between the Contractor's employees and offenders.
- d. Anyone bringing any offender any item, such as (but not limited to) weapons, tools, food, drink, clothing, cigarettes, matches, correspondence, printed or electronic media, or assisting offenders to escape is in violation of Commonwealth law and may be prosecuted to the fullest extent of the law.
- e. No weapons, alcohol, drugs, or medication of any type will be allowed on

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Commonwealth property.

- f. Keys shall be removed from all vehicles and other mobile equipment when not in operation. Vehicle doors and tool compartments shall be locked at all times when not in use. Ladders left on vehicles shall be chained and locked at all times.
- g. Any tools, especially cutting tools, if left unattended, will be confiscated.
- h. All security regulations shall be observed at all times. These will be made known to the Contractor and his representatives by the Institutional Security Chief, or his designee, at the point of entrance to the institution.
- i. All persons entering the prison complex are subject to search.
- j. Contractors and their representatives are limited to movement to and from, and within, the immediate area of their work.
- k. An institutional employee may be designated as a liaison between the Contractor and institution. Unless otherwise stated this person will be the Department Superintendent for whom the Contractor is performing the service or delivering the goods.
- l. Vehicles may not be permitted to leave the facility until after the daily or routine security check has been performed.
- m. All Contractor employees shall have valid identification with photograph at all times for identification. Validity of identification is determined solely at the discretion of the institution. A valid government-issued driver's license is generally acceptable. No persons will be permitted to enter the institution without valid identification.

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

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

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

**Checks shall be mailed to:**

*DGS/Division of Purchases and Supply*

*ATTN: SCA Coordinator*

*PO Box 1199*

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*Richmond, VA 23218-1199*

If the full amount of the SCA fee is not paid within thirty (30) calendar days of due date, it shall constitute a debt that the Contractor is obligated contractually to pay to the Commonwealth of Virginia, and the Commonwealth may exercise all rights and remedies available under law. Failure to submit sales reports, falsification of sales reports, and or failure to pay the SCA fee in a timely manner may result in termination or cancellation of this contract.

### **Schedules:**

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

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

**CC. FEDERALLY IMPOSED TARIFFS:** In the event that the President of the United States, the United States Congress, Customs and Border Protection, or any other federal entity authorized by law, imposes an import duty or tariff (a “tariff”), on an imported good that results in an increase in contractor’s costs to a level that renders performance under the Agreement impracticable, the Commonwealth may agree to an increase to the purchase price for the affected good. No increase in purchase price may exceed 25% of the additional tariff imposed on the goods imported or purchased by the contractor that are provided to the Commonwealth under this Agreement.

Prior to the Commonwealth agreeing to a price increase pursuant to this Section, the contractor must provide to the Commonwealth, the following documentation, all of which must be satisfactory to the Commonwealth:

- evidence demonstrating: (i) the unit price paid by contractor as of the date of award for the good or raw material used to furnish the goods to the Commonwealth under this Agreement, (ii) the applicability of the tariff to the specific good or raw material, and (iii) contractor’s payment of the increased import duty or tariff (either directly or through an increase to the cost paid for the good or raw material). The evidence submitted shall be sufficient in detail and content to allow the Commonwealth to verify that the tariff is the cause of the price change.
- a certification signed by contractor that it has made all reasonable efforts to obtain the good or the raw materials comprising the good procured by the Commonwealth at a lower cost from a different source located outside of the country against which the tariff has been imposed.
- a certification signed by contractor that the documentation, statements, and any other

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evidence it submits in support of its request for a price increase under this Section are true and correct, and that the contractor would otherwise be unable to perform under this Agreement without such price increase.

- as requested by the Commonwealth, written instructions authorizing the Commonwealth to request additional documentation from individuals or entities that provide the good or the raw materials to verify the information submitted by contractor.

If the Commonwealth agrees to a price increase pursuant to this Section, the parties further agree to add the following terms to this Agreement:

-During the Term and for five (5) years after the termination of this Agreement, contractor shall retain, and the Commonwealth and its authorized representatives shall have the right to audit, examine, and make copies of, all of contractor's books, accounts, and other records related to this Agreement and contractor's costs for providing goods to the Commonwealth, including, but not limited to those kept by the contractor's agents, assigns, successors, and subcontractors.

- Notwithstanding anything to the contrary in this Agreement, the Commonwealth shall have the right to terminate this Agreement for the Commonwealth's convenience upon 15 days' written notice to contractor.

In the event the import duty or tariff is repealed or reduced prior to termination of this Agreement, the increase in the Commonwealth's contract price shall be reduced by the same amount and adjusted accordingly.

- Any material misrepresentation of fact by contractor relating in any way to the Commonwealth's payment of additional sums due to tariffs shall be fraud against the taxpayer's of the Commonwealth and subject contractor to treble damages pursuant to the Virginia Fraud Against Taxpayers Act.

Any limitations, modifications, or additions specified herein apply only to the agreement and relationship between Participating Entity and Contractor and shall not amend or affect other participating addendums or the Master Agreement itself.

5. Lease Agreements: Equipment Lease and Rental Agreements are authorized to be entered into by Authorized Users of the PA in accordance with the NASPO ValuePoint Master Price Agreement number CTR058808. Notwithstanding anything to the contrary in Chapter 7, Section 7.14, 7.15, 7.18, Appendix A, or Appendix B Section II Y of the Vendors' Manual, any underlying leases to this agreement will remain in full force and effect throughout the stated lease term of such lease agreement, subject to termination provisions stipulated within such lease. Any underlying leases to this PA will remain in full force and effect throughout the stated lease term of such lease agreements and subject to termination provisions stipulated with such lease.

Attachment B reflects the lease and/or rental options Participating State/Entity has agreed to use.

Subcontractors: All contractors, dealers, and resellers authorized to provide sales and service support in the Commonwealth of Virginia, as shown on Contractor's NASPO ValuePoint-specific webpage, may provide sales and service support to users of this Participating



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Addendum. Participation of Contractor's contractors, dealers, and resellers will be in accordance with the terms and conditions set forth in the Master Agreement.

6. Purchase Order Instructions: Authorized Users must order goods and/or services available from the Contract by issuing an eVA purchase order through the Commonwealth's electronic procurement website portal <http://www.eva.virginia.gov>. All orders under this PA are to be made out to and processed by Pitney Bowes and should contain the following (1) Mandatory Language "PO is subject to NASPO ValuePoint Master Agreement number CTR058808: (2) Your Name, Address, Contact & phone- number.

Orders: Any order placed by Participating Entity or a Purchasing Entity for a product or service offered through this Participating Addendum shall be deemed to be a sale under, and subject to the pricing and other terms and conditions of, the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to the order.

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

All purchasing entities requiring the use of a Postage Meter will comply with all United States Postal Service regulations and meter terms and conditions applicable to the rental and use of postage meters supplied under this Participating Addendum.

7. Order of Precedence, Incorporated Documents, Conflict and Conformity:

1. Documents: each of the documents listed below is, by this reference, incorporated into this Addendum as though fully set forth herein.
  - A. The State of Arizona's Solicitation document # BPM003137 with all attachments and exhibits, and all amendments thereto
  - B. Contractor's response to the State of Arizona's Solicitation # BPM003137 together with all attachments and exhibits;
  - C. The State of Arizona's Master Agreement # CTR058808.
  - D. This Participating Addendum ("PA") by the Commonwealth of Virginia
  - E. The terms and conditions contained on eVA Purchaser Order documents
  - F. Manufacturer's brochures
2. Order of Precedence: in the event of a conflict in such terms, or between the terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:
  - A. Applicable Federal statutes and regulations
  - B. Applicable Commonwealth statutes and regulations, except to the extent a provision in the Vendor's Manual has been modified in this Participating Addendum, in which the Participating Addendum shall take precedence
  - C. This mutually agreed Participating Addendum
  - D. Mutually agreed written amendments to the Arizona's Master Agreement # CTR058808.
  - E. The State of Arizona's Master Agreement # CTR058808.
  - F. The State of Arizona's solicitation document, with all attachments, exhibits, and amendments thereto

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- G. The Contractor's response to the State of Arizona's solicitation document
  - H. Any other provision, term, or materials incorporated by reference

### **Individual Customer:**

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

### **REFURBISHED METER EQUIPMENT:**

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

### **ENTIRE AGREEMENT**

This Participating Addendum and the Master Price Agreement number CTR058808 (administered by the State of Arizona) together with its exhibits and those documents identified in Section 7(1) A-F herein, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State/Entity.

IN WITNESS WHEREOF, the Parties have executed this Participating Addendum.

**COMMONWEALTH OF VIRGINIA**

**CONTRACTOR**

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Signature:  <i>Sylvester Williams</i>	Signature: Arthur E. Adams Jr., PBI Director Government Contract Compliance  <small>Digitally signed by Arthur E. Adams Jr., PBI Director Government Contract Compliance Date: 2022.11.11 16:07:28 -05'00'</small>
Name: Sylvester Williams	Name: Arthur E. Adams Jr.
Title: Statewide Sourcing and Contracting Officer	Title: Director, Government Contract Compliance
Date: November 14, 2022	Date:  November 11, 2022

For questions regarding NASPO ValuePoint Participating Addendums, please contact the Cooperative Contract Coordinator team at [info@naspovaluepoint.org](mailto:info@naspovaluepoint.org).

Fully executed NASPO ValuePoint Participating Addendums must be submitted via email in PDF format to [pa@naspovaluepoint.org](mailto:pa@naspovaluepoint.org).



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### **ATTACHMENT B**

#### **SUMMARY OF LEASING/RENTAL PROGRAMS UNDER SOLICITATION # CTR058808**

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. Notwithstanding the foregoing, only Options A and C below may be used for the DI2000 and Lockers.

#### **LEASE TO OWN - Option A**

This program provides a 24, 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 - Option B** This program provides you with 24, 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 24, 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 enter into a new Lease, 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
24	0.0464	0.0514	0.0466
36	0.0326	0.0377	0.0329
48	0.0257	0.0309	0.0261
60	0.0216	0.0270	0.0221

MONTHLY LEASE PAYMENT BASED ON \$10,000 TRANSACTION*				
TERM	OPTION A	OPTION B	OPTION C	
24	\$ 464.00	\$ 514.00	\$ 466.00	
36	\$ 326.00	\$ 377.00	\$ 329.00	
48	\$ 257.00	\$ 309.00	\$ 261.00	
60	\$ 216.00	\$ 270.00	\$ 221.00	

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

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Led by the **State of Arizona**

### SPECIAL COTERMINOUS LEASE RATES

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 CTR058808 Financing Option A, Option B, and Option C. Please note that in no event shall the lease term for a DM Infinity meter go beyond 6/30/2024.

<b>Co-Term Rates</b>				
TERM	OPTION A	OPTION B	OPTION C	
12	0.0883	0.0931	0.08842	
15	0.0715	0.0764	0.07170	
18	0.0604	0.0653	0.06056	
21	0.0524	0.0573	0.05261	
24	0.0464	0.0514	0.04660	
27	0.0419	0.0468	0.04214	
30	0.0382	0.0431	0.03844	
33	0.0351	0.0402	0.03542	
36	0.0326	0.0377	0.03290	
39	0.0305	0.0356	0.03089	
42	0.0287	0.0338	0.02907	
45	0.0271	0.0323	0.02750	
48	0.0257	0.0309	0.02610	
51	0.0245	0.0298	0.02499	
54	0.0234	0.0288	0.02392	
57	0.0225	0.0279	0.02296	



**MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE**

Led by the **State of Arizona**

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ATTACHMENT D

SOFTWARE

On-Demand Subscription Services Agreement

On-Premise Software License Agreement

Hosting Addendum

DI2000 Terms

## PITNEY BOWES TERMS

Thank you for choosing Pitney Bowes products and services. These Terms and the executed order (the “**Order**”) make up your agreement with Pitney Bowes (this “**Agreement**”). Please read this Agreement carefully.

Let’s start with a few definitions that should help you better understand your agreement. “**PBI**” means Pitney Bowes Inc. “**Pitney Bowes**” means PBI and its subsidiaries. “**We**”, “**our**” or “**us**” refers to the Pitney Bowes companies with whom you’ve entered into the Order. “**You**” or “**your**” refers to the entity identified on the Order. “**Meter**” means any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+®, a SendPro® P series or a SendPro C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed (“PSD”), and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine. “**Meter Services**” means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations (“**CFR**”); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in Section 26; and the Soft-Guard Program outlined in Section 28. “**Equipment**” means the equipment listed on the Order, excluding any Meter or standalone software. “**Lease**” means Lease terms and conditions set out in Sections 10 through 17.

The provisions included in these Terms consist of: (i) General Terms; (ii) Lease Terms; (iii) a Service Level Agreement; (iv) Equipment Rental and Meter Services Terms; (v) an Acknowledgement of Deposit required by the United States Postal Service in any transaction involving a Meter; (vi) Purchase Power® Terms for a limited purpose credit line that may be available to you; and (vii) provisions relating to specific products.

### GENERAL TERMS

#### 1. Warranties

We warrant that all PBI-branded equipment (“**PBI Equipment**”) will be free from defects in material and workmanship and will perform according to the operator guides for a period of ninety days from the date (i) the PBI Equipment is installed at your location when PBI installs the PBI Equipment for you or (ii) the PBI Equipment is delivered to you when you can install it yourself. The DI2000™ inserting system has its own unique warranty that you can see at [pitneybowes.com/us/di2000-terms.html](http://pitneybowes.com/us/di2000-terms.html).

- (a) A defect doesn’t include the failure of rates within a rate update to conform to published rates.
- (b) We warrant that any service (“**Service**”) we perform under the Service Level Agreement set out in Sections 18 through 23 (the “**SLA**”) will be performed in a professional and workmanlike manner.
- (c) **YOUR SOLE REMEDY FOR A WARRANTY CLAIM IS TO HAVE US REPAIR OR REPLACE THE PBI EQUIPMENT OR, IN THE CASE OF DEFECTIVE SERVICE, REPERFORM THE SERVICE.**
- (d) There is no warranty for PBI Equipment that needs to be repaired or replaced because of any Excluded Circumstance. “**Excluded Circumstance**” is a circumstance outside of PBI’s control, including an accident, your negligent or reckless use of the equipment, use of the equipment which exceeds our recommendations or in a way not authorized by this Agreement or any operator guide, use of the equipment in an environment with unsuitable humidity, line voltage, damage in transit, software virus, loss of data, loss or fluctuation of power, fire, flood or other natural causes, and other external forces beyond our control, servicing of the equipment by someone other than us, failure to use required software updates, use of the equipment with any system where we have told you that we will no longer provide support or that 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 equipment (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images.

- (e) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with or within the PBI Equipment may be reclaimed, reconditioned or remanufactured. These items are warranted to perform according to the same standards as the equivalent new item.
- (f) The warranty doesn't cover ink, integrated printhead/ink cartridges, ink rollers, toner and drum cartridges, ribbons and similar items ("**Consumable Supplies**").
- (g) **EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, WE (ON BEHALF OF OURSELF AND OUR SUPPLIERS) MAKE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE EQUIPMENT OR SERVICES. WE MAKE NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.**

## 1. Limitation of Liability

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

## 2. Default and Remedies

- (a) If you don't make any payment within three days after the due date shown on our invoice, you breach any other obligation under this Agreement or under any other agreement with Pitney Bowes and such breach continues for thirty days after we give you notice or you become insolvent or file for bankruptcy, you will be in default and we may:
  - (i) cancel this Agreement and any other agreements Pitney Bowes has with you;
  - (ii) require you to pay to us immediately all amounts payable under the Lease or other agreements, whether then due or payable in the future;
  - (iii) disable the Meter;
  - (iv) require you to return the Equipment and Meter, and delete or remove software; and deny you access to software;
  - (v) if you don't return the Equipment, require you to immediately pay to us an amount equal to the value of the Equipment, as determined by us;
  - (vi) charge you a late charge for each month that your payment is late;
  - (vii) charge you a check return fee for payments made by you with insufficient funds; and
  - (viii) pursue any other remedy, including repossessing the Equipment and Meter without notice to you. To the extent permitted by law, you waive any notice of our repossession or disposition of the Equipment or Meter. By repossessing the Equipment or Meter, we aren't waiving our right to collect the balance due.
- (b) You agree to pay all our costs, including attorneys' fees, incurred in enforcing our rights.
- (c) We may suspend any services during any period that your account is more than thirty days past due.

## 4. Taxes

You agree to pay us for all applicable sales, use, property or other taxes (excluding taxes on net income) related to the Lease or Equipment rental agreement or Meter Services agreement based on or measured by your payments, the Equipment, Equipment location, Meter and Meter location. We will determine the amount of all property and similar taxes to be charged to you based on our reasonable valuation of the Equipment or of the Meter, taking into consideration tax rates and depreciation. If any of these taxes are applicable, you agree to pay a tax administrative charge set by us without reference to the tax charged or services performed; such fee and charge won't exceed a total of \$35 per year for each Lease schedule or Equipment rental agreement or Meter Services agreement.

## 5. Embedded Software; Applications

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

(b) Certain products and services may provide you an opportunity to access applications provided by us or a third party. Each application you access will have its own terms and conditions applicable to your use of that application located within it, and by using the application you agree to those terms and conditions.

## **6. Internet Access Point**

The internet connectivity for the Equipment or Meter may use an internet access point provided by us. You may only use this access point for connectivity between the Equipment or Meter and the internet and for no other purpose. You agree to pay all costs resulting from the use of the access point in violation of this restriction.

## **7. Security Interest**

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

## **8. Analog Connectivity**

**IF YOU USE AN ANALOG CONNECTION FOR YOUR MAILING SYSTEM, YOU ACKNOWLEDGE THAT THE ANALOG CONNECTIVITY IS PROVIDED BY A THIRD PARTY SUPPLIER. NEITHER WE NOR OUR SUPPLIERS PROVIDE ANY WARRANTY WITH RESPECT TO THE FUNCTIONALITY OR QUALITY OF THE ANALOG CONNECTION. IF THE THIRD PARTY SUPPLIER NO LONGER PROVIDES ANALOG CONNECTION CAPABILITY, WE WON'T BE RESPONSIBLE FOR PROCURING AN ALTERNATIVE SUPPLIER AND YOU WILL HAVE TO USE A DIGITAL CONNECTION.**

## **9. Miscellaneous**

- (a) We will use your information in accordance with our [Privacy Statement](#).
- (b) You agree to use the Equipment and Meter only for business or commercial purposes, and not for personal, family, or household purposes.
- (c) We aren't responsible for any delay or failure to perform resulting from causes outside of our control.
- (d) You may not assign this Agreement without our prior written consent. Any assignment without our consent is void.
- (e) Payments aren't subject to setoff or reduction.
- (f) **ANY LEGAL ACTION YOU FILE AGAINST US MUST BE STARTED WITHIN ONE YEAR AFTER THE EVENT GIVING RISE TO YOUR CLAIM. YOU WAIVE ANY RIGHT TO TRIAL JURY IN ANY ACTION RELATED TO THIS AGREEMENT.**
- (g) We can only change this Agreement if we both agree to do so in writing. You may use a purchase order to offer to obtain equipment or services but none of its provisions will modify or

supersede these provisions unless we expressly agree in writing. If any provision in this Agreement is found to be invalid or unenforceable, the remaining provisions won't be affected.

- (h) Our respective rights and obligations under Sections 2 (Limitation of Liability), 3 (Default and Remedies) and 4 (Taxes) will survive termination of this Agreement.
- (i) We may deliver any notice and other communication to you under this Agreement by email to the email address that we have on file for you. You agree to the delivery of these notices and other communications by email. We may call you at any number you give to us.
- (j) This Agreement is governed by the laws of the State of Delaware.
- (k) You agree that we can use your name in a client list and identify you as a client when communicating with prospective clients, in each case along with our product or service that you are using. You agree that we can use your name and logo in marketing content, including in an advertising campaign, with your prior consent.
- (l) You agree to comply with all applicable export control laws and regulations.

## LEASE TERMS

### 10. Lease of Equipment; Provider of Leasing Services

If you are leasing Equipment, these Lease terms apply. PBI is the manufacturer of the Equipment. Pitney Bowes Global Financial Services LLC, a wholly-owned subsidiary of PBI, or one of its subsidiaries ("PBGFS"), provides you with the leasing services. The term of this Lease is the number of months stated on the Order (the "**Lease Term**"). **You may not cancel this Lease for any reason and all payment obligations under this Lease are unconditional.** You understand that we own the Equipment. PBI owns any Meter as USPS regulations require. Except as stated in Section 13, you don't have the right to become the owner of the Equipment at the end of the Lease Term.

### 11. Lease Commencement Date

If none of the Equipment on your Order includes installation, the Lease Term commences on the date as of which all of the Equipment has shipped. If your Order includes installation of any Equipment (the "**Install Equipment**"), then your Lease Term will commence on the date as of which all Equipment has shipped and all of the Install Equipment has been installed; provided, however, that if (i) PBI has been ready, willing and able to install all of the Install Equipment and (ii) 90 days have passed since the Install Equipment has shipped (the "**Install Period**") but PBI has been unable to install the Install Equipment as a result of any action or inaction by you, then the Lease Term shall commence on the last day of the Install Period. You agree that the Install Period provides you with an adequate amount of time to be able to allow PBI to install the Install Equipment and that you will take any and all actions necessary to enable the installation.

### 12. Payment Terms

We will invoice you quarterly in advance for all payments on the Order, unless the Order says otherwise (each such payment is a "**Periodic Payment**"). You will make each Periodic Payment by the due date shown on our invoice. Your Periodic Payment may include a one-time origination fee, amounts carried over from a previous lease, software license and maintenance fees and other charges. Any Meter Services fees, SLA fees and subscription fees (collectively "**PBI Payments**") will be included with your Periodic Payment and begin with the start of the Lease Term. After the Lease Term, your Periodic Payment will increase if your PBI Payments increase.

### 13. End of Lease Options

During the 90 days before your Lease ends, you may, unless you are in default: (i) enter into a new lease or an amended lease with us; (ii) purchase the Equipment "as is, where is" for its fair market value; or (iii) return the Equipment and Meter in their original condition, reasonable wear and tear excepted, and pay



us our then applicable processing fee (including any equipment return fee). If you return the Equipment and Meter, you will, as specified by us, either properly pack and return them to us in the return box and with the shipping label provided by us or furnish them to a service carrier specified by us to pick up and ship them to us. If you don't do one of the things listed in clause (i), (ii) or (iii) above, you will be deemed to have agreed to enter into successive month to month extensions of the term of this Lease. You may choose to cancel the automatic extensions at any time by giving us 30 days' written notice by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case"). Upon cancellation, you agree to either return all items as provided in this Section 13 or purchase the Equipment.

#### **14. WARRANTY AND LIMITATION OF LIABILITY**

**PBI PROVIDES YOU WITH THE LIMITED WARRANTIES IN SECTION 1. PBGFS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT, AND PBGFS ISN'T LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.**

#### **15. Equipment Obligations**

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

#### **16. Risk of Loss and ValueMAX® Program**

- (a) You bear the entire risk of loss, theft, damage or destruction to the Equipment from the date of shipment by us until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("**Loss**"). No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss. To protect the Equipment from loss, you will either: (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement that is reasonably satisfactory to us ("**Insurance**"); or (ii) be enrolled in PBGFS' ValueMAX program described in paragraph (b) below.
- (b) YOU MUST CALL US AT 1-800-732-7222 OR GO TO [pitneybowes.com/us/valuemaxoptout](https://pitneybowes.com/us/valuemaxoptout) AND PROVIDE US WITH EVIDENCE OF INSURANCE IF YOU DO NOT WISH TO BE ENROLLED IN THE VALUEMAX PROGRAM. If you don't provide evidence of Insurance and haven't 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. We will provide written notice reminding you of your Insurance obligations described in paragraph (a) above. If the Equipment is included in the ValueMAX program and any Loss 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. We aren't liable to you if we terminate the ValueMAX program. By providing the ValueMAX program, we aren't offering or selling you insurance; accordingly, regulatory agencies haven't reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

#### **17. Other Lease Terms**

- (a) If more than one lessee is named in this Lease, liability is joint and several. You, and any guarantor signing the Order or any documents executed in connection with this Lease, agree to furnish us financial information upon request. Each of these persons authorizes us to obtain credit reports on them now and in the future.
- (b) You may not assign or sublet the Equipment, the Meter or this Agreement without our prior written consent. Any assignment without our consent is void. We may sell or assign all or part of this Lease or the Equipment but it will not affect your rights or obligations.



- (c) We will provide you with a welcome letter by email.

## SERVICE LEVEL AGREEMENT

### 18. Applicability of SLA

This SLA section applies to you if we have entered into an agreement to provide service for any Equipment we lease, rent or sell on the Order, excluding any DI2000 (the covered equipment is called “**Covered Equipment**”).

### 19. Service Level Options

- (a) (i) If you sign up for **Standard SLA** on the Order, PBI will provide at its option either repair or replacement services for the Covered Equipment during the Initial Service Term or any Renewal Service Term (each term as defined in Section 20) (the “**Service Term**”). You are also entitled to: (x) replacement printheads for Covered Equipment without additional charge, except for printheads which need to be replaced as a result of any Excluded Circumstance, and except for integrated printhead/ink cartridges; and (y) two preventative maintenance service calls per calendar year. PBI will notify you when preventative maintenance is due or you can request preventative maintenance service. If your Covered Equipment needs repair, PBI may provide repair by remote access, diagnostics and service and/or by on-site repair service. Repair service is provided only for damage resulting from normal wear and tear. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies. PBI will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available. If PBI deems it necessary, PBI will dispatch a service technician to arrive at your location for on-site service. You won’t incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent. “**Normal Working Hours**” means 8 a.m. – 5 p.m., Monday – Friday, excluding PBI- observed U.S. holidays, in the time zone where the Equipment or other items are located.
- (ii) If PBI determines that replacement of Covered Equipment is necessary, PBI will, at no additional cost to you, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment. Unless PBI instructs you otherwise, within five days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBI. You are responsible for the Covered Equipment until PBI receives it.
- (b) If you are eligible to receive **Performance SLA** under our policies and you sign up for Performance SLA on the Order, you will be entitled to receive: (i) all coverage provided under Standard SLA; and (ii) one two-hour application consultation for your mailing and shipping needs. If PBI determines that on-site service is necessary, PBI will use commercially reasonable efforts to have a service technician on-site (during Normal Working Hours only) within 4 hours or 8 hours, as specified on the Order, after PBI has determined that it can’t resolve the issue remotely (the “**Response Time Commitment**”). The Response Time Commitment relates solely to the arrival of a technician at your location. It isn’t a guaranteed resolution of the problem within the Response Time Commitment period, and it doesn’t guarantee that all parts necessary to make a repair will be on-site within this time frame. The Response Time Commitment does not apply to Service designated as service by replacement, relocation services, software maintenance, preventative maintenance, operator training, or other services not essential to repair the Covered Equipment. If the Covered Equipment is moved from its original location, PBI may, at its option, remove the Response Time Commitment. If this happens, you will receive Standard SLA and we will adjust the SLA charges payable by you appropriately. If we don’t meet the Response Time Commitment, we will provide you with a credit equal to the difference between the cost of Standard SLA and Performance SLA for three months. In order to receive this credit, you must use a credit request form which you can obtain from your service technician or by calling the Customer Care Center. The credits are limited to credits for four failures to meet the Response Time Commitment in any twelve-month period during the Service Term. **These remedies are your sole remedy for PBI’s failure to meet the Response Time Commitment.**

## 20. Service Term

PBI will provide you with Service for twelve months, if you don't have a Lease, or for the Lease Term, if you are leasing Equipment (the "**Initial Service Term**"). **SERVICE AUTOMATICALLY RENEWS FOR CONSECUTIVE ONE YEAR TERMS (EACH A "RENEWAL SERVICE TERM") UNLESS YOU TERMINATE YOUR SERVICE AS PROVIDED BELOW OR THE LEASE EXPIRES OR IS TERMINATED OR THE RENEWAL IS PROHIBITED BY LAW.** If you don't wish to renew Service, you must deliver a written notice (the "**Termination Notice**") at least 60 days (or 30 days if you are in Wisconsin) prior to the renewal of the term to us at 2225 American Drive, Neenah, WI 54956 or you may notify us by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case"). Your Termination Notice must include your customer account number and lease number (if applicable). PBI reserves the right not to renew your SLA for any reason.

## 21. SLA Fees

You will pay the SLA fees for the Initial Service Term and any Renewal Service Term(s). We may increase the SLA fees after the Initial Service Term, and any increases will be reflected on your invoice. If you receive service for repairs caused by any Excluded Circumstance, PBI will charge you for the service at PBI's current hourly rates and for any required parts. If you exceed the cycle volume of your Equipment specified on the Order, PBI may bill you for the additional cycles over the specified cycle volume (the additional cycles are called the "**Overage**"). The charge will be determined by reference to the rate in effect at the time that we determine that an Overage exists. Upon request, you will provide the cycle volume to us. If you do not provide the cycle volume to us, we will estimate the cycle volume and send an invoice to you for any Overage based on our estimate. If, in the prior quarter, we estimated cycle volume and later receive actual cycle volume, then we will make adjustments based on actual usage on your next invoice.

## 22. Service Changes

PBI may modify its Service by giving written notice to you (a "**Service Change Notice**"), which will state whether the change is material. After receiving a Service Change Notice, if the change is material, you may terminate Service by giving us a termination notice at the address indicated in Section 20 or you may create a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case").

## 23. Additional Service Terms

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

## EQUIPMENT RENTAL AND METER SERVICES TERMS

## 24. Equipment Rental and Meter Services

(a) If you aren't leasing the Equipment and paying for it in your lease payment to PBGFS, we will invoice you the Equipment rental ("rental") and Meter Services fees listed on the Order. After the period listed on the Order (the "**Initial Term**"), we may increase the rental and/or Meter Services fees upon at least 30 days' prior written notice. When you receive notice of an increase, you may terminate your rental or Meter Services only as of the date the increase becomes effective.

(b) At the end of the Initial Term, the rental term and Meter Services term will convert to successive month to month extensions. If you don't wish to renew the rental term or Meter Services term, you must deliver a written notice to us at least 30 days prior to the renewal of the rental term or Meter Services term, as applicable, to the address in Section 20 or create a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case"). Upon expiration of the term of the rental or Meter Services, you agree to return Equipment and Meters covered by the rental and Meter Services agreement in their original condition, reasonable wear and tear excepted.

## **25. Postage**

You may transfer funds to The Pitney Bowes Bank, Inc. (the "**Bank**") for deposit into your Reserve Account that you maintain with the Bank (your "**Reserve Account**") or you may transfer funds to the United States Postal Service (the "**USPS**") through a lockbox bank (a "**Lockbox Bank**"). See the "USPS Acknowledgment of Deposit" below for more information. Until the end of the Initial Term, we may charge you a fee of up to \$15.00 for refilling your postage. After the Initial Term, we may increase postage refill fees upon 30 days prior written notice. If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), we will advance payment on your behalf to the USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter Services fees.

## **26. Meter Repair or Replacement; Meter Care and Risk of Loss**

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

## **27. Terms of Use of Meter; Federal Regulations**

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

## **28. Rate Updates and Soft-Guard® Program**

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

## 29. Collection of Information

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

## 30. Value Based Services

Value based services are services the USPS provides, including e-Return Receipt and USPS Confirmation Services. Any fees the USPS charges for these services are your responsibility to pay for and are payable the same way that you pay for postage. The USPS is solely responsible for its services. We are not responsible for any malfunctions of any part of the communication link connecting the Meter with the USPS data system. We have the right to terminate the value-based services if the USPS discontinues offering the service or you breach your obligations under this Agreement and fail to cure the breach within thirty days after you have been notified in writing.

## USPS ACKNOWLEDGEMENT OF DEPOSIT

### 31. Acknowledgement of Deposit

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

- (a) In connection with your use of a Postage Evidencing System, you may transfer funds to the USPS through a Lockbox Bank for the purpose of prepayment of postage on Postage Evidencing Systems, generating evidence of postage (a "**Deposit**"), or you may transfer funds to the Bank for deposit into your Reserve Account.
- (b) 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.
- (c) Any deposit made by you in your Reserve Account is subject to the Reserve Account – Agreement and Disclosure Statement governing your Reserve Account.
- (d) Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment of 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) You acknowledge that the terms of this Acknowledgement may be changed, modified, or revoked by the USPS, with appropriate notice.

- (i) 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.

## **PURCHASE POWER TERMS**

### **32. Purchase Power Program**

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

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

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

(d) (i) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account 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. (ii) The Annual Percentage Rate applicable to the Account will be: the greater of (x) 22% and (y) the sum of the highest "Prime Rate" published in the "Money Rates" section of *The Wall Street Journal* on the last business day of the month and the margin set forth below (the sum of the margin and the Prime Rate is herein called the "Floating Rate"). The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Floating Rate, if applicable. 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. (iii) 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 December 31, 2019, the daily periodic rate would be .05342% and the corresponding annual percentage rate would be 19.50%). (iv) The Account balance that is subject to a finance charge each day will include (x) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (y) unpaid interest, fees, and other charges on the Account. (v) The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vi) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (vii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.

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

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

Bank may terminate the Program at any time and will notify you in the event of any termination. Any outstanding obligation will survive termination of the Program.

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

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

## **PRODUCT SPECIFIC TERMS**

### **33. Software**

If you are acquiring an on-premise software license or on-demand subscription services, additional terms apply which are available by clicking on the hyperlink for that software or subscription service located at [pitneybowes.com/us/license-terms-of-use/software-and-subscription-terms-and-conditions.html](https://pitneybowes.com/us/license-terms-of-use/software-and-subscription-terms-and-conditions.html). Those additional terms are incorporated by reference.

### **34. DI2000 Inserting System Terms**

Certain provisions which apply when you purchase, lease or rent a DI2000 inserting system and when you purchase a service plan for it are set forth at [pitneybowes.com/us/di2000-terms.html](https://pitneybowes.com/us/di2000-terms.html) and are incorporated by reference. Those provisions govern to the extent that they are inconsistent with the other terms of this Agreement.

### **35. PBBackup and PC-Backup Service Terms**

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

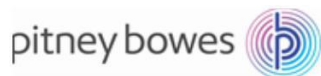
### **36. Pitney Bowes Intelligent Locker Solutions**

The Pitney Bowes Intelligent Locker Solutions may include a statement of work. Our ValueMAX program, described in Section 16 above, does not apply to Pitney Bowes Intelligent Locker Solutions. You must keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of Insurance.

### **37. AddressRight® Printers**

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





If you ordered any of the following products, your use of the product(s) will be governed by these terms below: Cost Accounting, INVIEW™, Locker Management, MyGraphics™ Designer System, SendPro® Analytics, SendPro® Enterprise (On-Demand), SendPro® Mailstation, SendPro® Online, SendPro® Online with Equipment Lease, SendSuite® Tracking Online and SendPro360.

## **ON-DEMAND SUBSCRIPTION SERVICES AGREEMENT**

### **For NASPO ValuePoint**

**(Last modified August, 2021)**

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 product-specific terms applicable to certain of the Services ("Product Terms") can be found in Attachment 1, attached hereto.

### **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, number of locations, transactions, or other volume metrics specified in the Order. If applicable, you may upgrade your plan for additional fees. 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.

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.

c) 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.

d) 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 until the Order terminates.

b) Unless the Product Terms state otherwise, you may terminate your account at any time and for any reason by giving thirty days' notice to us.

c) We may at any time without notice: i) refuse to accept or fulfill your Orders or any part of any Orders for the Sites and/or Services; or ii) move, suspend or terminate all or any part of the Sites and/or Services or terminate your account.

d) Once your use of a Service is terminated, (i) we may permanently delete your account and all the data associated with it, in accordance with our records management policies and as permitted by applicable law, (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; provided, however, that if the Order includes the lease of equipment, no change to the fees will be effective prior to the end of the term of the lease of such equipment. 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 our 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/legal/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. Product Support**

As part of your access to the Services, we will provide you with product support in accordance with the terms in Attachment 2 – Product Support Terms.

## **12. 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.**

## **13. 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 13 WILL SURVIVE ANY TERMINATION OF THIS AGREEMENT OR AN ORDER INDEFINITELY.**

#### **14. 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 TOTAKE.

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.

#### **15. Third Party Sites and Data**

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. If the Services perform an address validation function, license terms applicable to use of the USPS data related to such function are found at <http://www.pb.com/license-terms-of-use/usps-terms.shtml> and are incorporated in this Agreement by reference.

#### **16. 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.

#### **USPS Regulations.**

If you use the Service to print postage or send parcels, letters, and flats (“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 such 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.

## **17. 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.

## **18. 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 FAR 52.227-14 and/or DFAR 252.227-7013 et seq., as applicable. Use, duplication, or disclosure by the Government is subject to restrictions as set forth in these regulations.

## **19. 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 19 will survive any termination of this Agreement or an Order indefinitely.

## **20. 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.

## **21. 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](mailto:legalnotices@pb.com) or by overnight courier 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., EVP & President, Pitney Bowes Sending Technology Solutions, 3001 Summer Street, Stamford, CT 06926 or when you create a case at <https://www.pitneybowes.com/us/contact-us.html> (follow the instructions under “how to create a case”).

## **22. 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.

## **23. 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).

# Attachment 1 – Product Terms

## **Pitney Bowes MyGraphics™ Designer System Product Terms**

(Last modified October 30, 2017)

### **Submission of Content**

a) You'll submit materials, including but not limited to text, data, photos, images, graphics, or any of these elements in combination ("Content") in the format specified by Pitney Bowes.

b) You're solely responsible for the Content you submit. You represent and warrant that (i) you have the legal right to copy, display, distribute and/or make derivative works of the Content that you submit to Pitney Bowes, share or print; (ii) the Content you submit will be used for lawful purposes only and in a manner consistent with local, state and federal laws and regulations; (iii) the Content may be legally possessed and used in the state, province or territory where you reside or where you intend to use the Content; and (iv) that any individuals whose images you have included in the Content have given their permission for that use. You acknowledge, agree and warrant that you understand that the Content you submit is not provided, approved, or endorsed in any way by the postal service.

c) You won't submit Content that constitutes any of the following:

- Content, whether appearing individually or in combination with other content or images, that may cause the customized postage/graphics program to become a public forum, including but not limited to: content or images actively advocating or disparaging the religious, political, or legal agenda of any person or entity, including but not limited to content or images designed to influence a specific piece of legislation; partisan or political content or images, including but not limited to content or images supporting or opposing election of any candidate(s) to any federal/state/local governmental office or supporting or opposing any referendum conducted by federal/state/local government; or content or images related to human reproduction or sexuality, including but not limited to content or images related to services or counseling with regard to pregnancy, abortion, or other sexual matter;
- Any material for any unlawful purpose or that is obscene, offensive, cruel, blasphemous, pornographic, sexually suggestive, deceptive, profane, threatening, menacing, abusive, harmful, an invasion of privacy, supportive of unlawful action, patently offensive, defamatory, slanderous, libelous, vulgar, violent, discriminatory (for example, based on race, color, religion, gender, sexual orientation, age, national origin, ancestry, or physical/mental ability), negatively pertaining to any particular individual or otherwise objectionable, or that advocates any of the impermissible messaging mentioned above;
- Content containing non-incidental depictions of firearms, ammunition, or gambling;



- Content depicting: illegal activities, illegal substances, paraphernalia designed for use in connection with illegal substances or activities, or convicted criminals or anything related to the sale of alcoholic beverages, tobacco or tobacco-related products; profanity, nudity, or sexually explicit functions or materials; anything related to the sale of products designed for use in connection with sexual activity, or products, services, or entertainment directed to sexual stimulation;
- Material which might express or imply ideological, economic or other views not generally accepted as in the public interest;
- Any material that you do not have a right to transmit or communicate under any contractual or fiduciary relationship or which infringes or may infringe any copyright, trademark, publicity, privacy, patent or other intellectual property right or any moral right of any living or deceased person or entity;
- Any material which is likely to cause harm to any computer systems upon which the material will be run or processed, including but not limited to material which contains any virus, code, worm, 2 data or other files or programs designed to damage or allow unauthorized access to any computer system or which may cause any defect, error, malfunction or corruption to any computer system; or
- Any material that emulates any form of valid indicia or payment for postage, or resembles or could be confused with postal markings, or text required or recommended by postal regulation; and
- Any material that violates any postal service guidelines and rules in the location where the Content will be used.

d) You're solely responsible for confirming that any Content you submit meets all of the requirements described in these terms. By submitting Content, you represent and warrant to Pitney Bowes that the Content meets these requirements. You agree that while Pitney Bowes has the right to review the Content you submit to determine its suitability for use and compliance with these terms, nothing requires Pitney Bowes to perform a review. You understand and agree that if Pitney Bowes, in its sole discretion, determines that any Content or other material you submit is inappropriate, offensive or does not meet these terms, Pitney Bowes may reject your submission or if already accepted may subsequently terminate your use of any Content or other material at any time without explanation.

### **Violation of Terms**

If you violate any of these terms, Pitney Bowes may, in its sole discretion, terminate your use of the MyGraphics™ Designer System at any time. If you publicize the violation, you acknowledge that Pitney Bowes will suffer substantial damage to its reputation and goodwill and that you'll be liable for any resulting damage, including consequential and indirect damages, and that Pitney Bowes will be entitled to injunctive relief without having to post any bond.

### **Indemnification**

You remain solely liable for any Content submitted by you and agree to indemnify and hold Pitney Bowes harmless for any and all damages that occur or are threatened as a result of your failure to comply with or breach of any of these terms.



# SendPro® Online Product Terms

(Last modified August, 2021)

## Use of the Service

In order to use the Service, you must complete the registration process. You may use the Service on behalf of third parties. 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 Services.

## 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 letters or parcels through the United States Postal Service (the "USPS") or another carrier.

## Trial Period

If your subscription includes a free trial period and if you don't 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 the subscription once the trial period has expired.

## 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. Some charges for the sending of parcels may be billed directly by the Carrier. For all other charges for postage or for the sending of parcels through the Service, including, without limitation, any charges imposed by a Carrier for which the charges paid by you were insufficient (all such charges are called "Shipping Charges") and all fees for the use of the Service, we will charge your Reserve Account, if established, 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.

## 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 United Parcel Service are located at <https://www.ups.com/>.

# SendPro® Online with Equipment Lease Product Terms

(Last modified August, 2021)

## Use of the Service

In order to use the Service, you must complete the registration process. You may use the Service on behalf of third parties. 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 Services.

## Hardware

**As part of your subscription, we'll 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.

## Term and Termination

You are leasing the Equipment for the following term (the "Lease Term"): (i) two years if you're only leasing the Equipment; and (ii) the number of months stated on your Order if you're leasing equipment in addition to the Equipment. Except for any termination by you under this section or under Section 4 (Changes) of the Agreement: (i) you may not cancel the lease for any reason; and (ii) all payment obligations under these terms and the Agreement are unconditional. At the end of the Lease Term, your use of the Service will convert to a month to month service. If we make changes to the Agreement that 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.

## Servicing of Hardware

If the Equipment ceases to function properly during the Lease Term, we'll 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 won't 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.

## Fees

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 postage or labels and sending letters or parcels through the United States Postal Service ("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

2 at the time of registration and with each subsequent payment due on the due date specified in the invoice for the payment.

### **Trial Period**

If your subscription includes a free 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 the subscription once the trial period has expired.

### **Default and Remedies**

In the event you fail to comply with the Agreement or these terms and such failure continues for 30 days after we give you notice of such failure, we may: (i) terminate the Agreement, the lease of the Equipment and your account; (ii) require immediate payment of all amounts payable under the Agreement and these terms during the term of your use of the Services, including the fees provided for in the Fees section 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.

### **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. Some charges for the sending of parcels may be billed directly by the Carrier. For all other charges for postage or for the sending of parcels through the Service, including, without limitation, any charges imposed by a Carrier for which the charges paid by you were insufficient (all such charges are called “Shipping Charges”) and all fees for the use of the Service will be charged to your Reserve Account, if established, with any remaining unpaid balance being charged to your Purchase Power account, if established. 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.

### **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 United Parcel Service are located at <https://www.ups.com/>.

# Pitney Bowes SendPro® Enterprise (On-Demand) Subscription Product Terms

(Last modified September 4, 2019)

## 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 may 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.

#### 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.

# **SendSuite® Tracking Online Product Terms**

## **Your Responsibilities**

You represent and warrant that you have obtained and will maintain any and all certifications, licenses or other authorizations necessary or proper related to 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.

## **Our Responsibilities**

The Service may be inaccessible or inoperable during certain periods so that we can perform routine maintenance support services ("Scheduled Downtime"). Scheduled Downtime will be scheduled outside normal business hours, such as nights and weekends. We'll use reasonable commercial efforts to minimize any disruption, inaccessibility and/or inoperability of the Services in connection with Scheduled Downtime or other disruption of Service.

## **Disclaimers**

THE SERVICE MAY CONTAIN A DISABLING DEVICE OR DEVICE REQUIRING ENABLEMENT: (i) TO COMPLY WITH REQUIREMENTS OF REGULATORY AUTHORITIES; (ii) TO PREVENT USE OF THE SERVICE BEYOND THE TERM OF AN ORDER; AND/OR (iii) TO PREVENT USE OF THE SERVICE IN EXCESS OF THE NUMBER OF USERS, TRANSACTIONS, OR OTHER VOLUME METRICS SET OUT IN AN ORDER.

## SendPro 360 Sending Module Product Terms

### Defined Terms

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

**“Carrier”** means a third-party shipping vendor that you use within 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

In order to use the Service, you must complete the registration process. 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.

### Credit Cards – Accounts with The Pitney Bowes Bank, Inc.

Unless (i) you have established and maintain a Reserve Account with The Pitney Bowes Bank, Inc. (the “Bank”) and (ii) you have available funds in a Reserve 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. Some charges for the sending of parcels may be billed directly by the Carrier. For all other charges for the sending of parcels through the Service, including, without limitation, any charges imposed by a Carrier for parcels for which the charges paid by you were insufficient (all such charges are called “Shipping Charges”) and all fees for the use of the Service, we will charge your Reserve Account, if established. In the event that (i) you do not maintain a Reserve Account with the Bank or (ii) you do not have available funds in a Reserve 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.

### Using USPS

If you use the Service for shipping with the USPS, 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 may be entitled to receive discounted rates for Packages you Tender to the USPS for shipment. Rates are subject to change at any time.



**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. The terms governing the use of FedEx to send parcels are located at <https://www.fedex.com/> and the terms governing the use of United Parcel Service are located at <https://www.ups.com/>.

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**SendPro 360 Locker Management Module Product Terms**  
**and SendPro 360 Receiving Module Product Terms**

**Your Responsibilities**

You represent and warrant that you and any user of the Service have obtained and will maintain any and all certifications, licenses or other authorizations necessary or proper related to 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.

**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.

**Our Responsibilities**

The Service may be inaccessible or inoperable during certain periods so that we can perform routine maintenance support services ("Scheduled Downtime"). Scheduled Downtime will be scheduled outside normal business hours, such as nights and weekends. We'll use reasonable commercial efforts to minimize any disruption, inaccessibility and/or inoperability of the Services in connection with Scheduled Downtime or other disruption of Service.

**Disclaimers**

THE SERVICE MAY CONTAIN A DISABLING DEVICE OR DEVICE REQUIRING ENABLEMENT: (i) TO COMPLY WITH REQUIREMENTS OF REGULATORY AUTHORITIES; (ii) TO PREVENT USE OF THE SERVICE BEYOND THE TERM OF AN ORDER; AND/OR (iii) TO PREVENT USE OF THE SERVICE IN EXCESS OF THE NUMBER OF USERS, TRANSACTIONS, OR OTHER VOLUME METRICS SET OUT IN AN ORDER.

## **Attachment 2 – Product Support Terms**

### **On-Demand Subscription Services Product Support Terms**

**(Last modified: February 11, 2020)**

As part of your access to the Services, we will provide you with the following:

- a) SELF HELP. 24/7 access to web self-help and user and support articles.
- b) TECHNICAL SUPPORT. We provide technical support over the phone and via the Internet (“Remote Support”) unless otherwise specified. To receive Remote Support you must provide us access to your device. When submitting an issue, you will be requested to provide sufficient detail for us to reproduce the problem. Additional support, such as diagnosis of your IT environmental or infrastructure issues, may be available, subject to additional terms and fees.

(i) Telephone Support. PB product support is available from 7 am to 7 pm Central Time, Monday through Friday, excluding PB observed US holidays (“Normal Operating Hours”). You may contact PB Product Support toll-free by phone during Normal Operating Hours. Contact numbers are located at <https://www.pitneybowes.com/us/business-services/maintenance-support.html>.

(ii) Electronic Requests. You may submit a request to PB Product Support electronically by going to [www.pitneybowes.com](http://www.pitneybowes.com), signing in to Your Account, and submitting a ticket 24 hours a day, 7 days a week. Requests received outside Normal Operating Hours are processed the next business day.

(iii) If there are 50 or more users within your organization, then you must identify a limited number of staff who are responsible for escalating requests for support assistance to us (“Authorized Personnel”). We will provide remote technical support assistance to the Authorized Personnel for issue resolution with the Services. Authorized Personnel will then be responsible for providing technical support to other users within your organization. Any issue escalated to us for technical support must be related to Services provided by us (and not to your organization’s operating environment or other hardware or software). Additional fees will apply if your organization does not have Authorized Personnel available.

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

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor pursuant to the Master Agreement awarded under Solicitation BPM003137 and will be the Lessor under this Lease to Own 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 USPS regulations, only PBI can own a Meter.

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

### Monthly Rate Factors:

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

Thank you for choosing Pitney Bowes products and services. These Terms, the executed order (the “**Order**”), your State’s Participating Addendum and the NASPO ValuePoint Master Agreement, and any exhibits attached thereto, make up your agreement with Pitney Bowes (this “**Agreement**”). Please read this Agreement carefully.

Let’s start with a few definitions that should help you better understand your agreement. “**PBI**” means Pitney Bowes Inc. “**Pitney Bowes**” means PBI and its subsidiaries. “**We**”, “**our**” or “**us**” refers to the Pitney Bowes companies with whom you’ve entered into the Order. “**You**” or “**your**” refers to the entity identified on the Order. “**Master Agreement**” means NASPO ValuePoint Master Agreement awarded under Solicitation BPM003137 for Mailing Equipment, Supplies and Maintenance contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer. “**State Participating Addendum**” means the bilateral agreement executed by us and your participating state incorporating the Master Agreement. “**Meter**” means any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+®, a SendPro® P series or a SendPro C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed (“**PSD**”), and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine. “**Meter Services**” means access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations (“**CFR**”); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in Section 27; and the Soft-Guard Program outlined in Section 29. “**Equipment**” means the equipment listed on the Order, excluding any Meter or standalone software. “**Lease**” means Lease terms and conditions set out in Sections 1 through 9.

The provisions included in these Terms consist of: (i) Lease to Own Terms and Conditions; (ii) General Terms; (iii) a Service Level Agreement (“**SLA**”); (iv) Equipment Rental and Meter Services Terms; (v) an Acknowledgement of Deposit required by the United States Postal Service in any transaction involving a Meter; (vi) Purchase Power® Terms for a limited purpose credit line that may be available to you; and (vii) provisions relating to specific products.

## LEASE TO OWN TERMS AND CONDITIONS

### 1. Lease of Equipment; Provider of Leasing Services

Option A - NASPO ValuePoint Lease to Own Terms and Conditions (Version 8/21)

If you are leasing Equipment, these Lease terms apply. PBI is the manufacturer of the Equipment. Pitney Bowes Global Financial Services LLC, a wholly-owned subsidiary of PBI, or one of its subsidiaries ("PBGFS"), provides you with the leasing services. The term of this Lease is the number of months stated on the Order (the "**Lease Term**") and begins on the date the Equipment is shipped if we don't install the Equipment, and the date of installation if we install the Equipment and shall continue until the earlier of (i) termination at our option upon the occurrence of an event of default, provided that all payment obligations under this Lease survive termination of this Agreement, or (ii) termination under Section 8 below, or (iii) the expiration of the Term and your payment of all sums due and your fulfillment of all other obligations under this Agreement. **You may not cancel this Lease for any reason, except as expressly set forth in Section 8 below, and all payment obligations under this Lease are unconditional.** PBI owns any Meter as USPS regulations require.

## **2. Payment Terms**

We will invoice you quarterly in arrears for all payments on the Order, unless the Order says otherwise (each such payment is a "**Periodic Payment**"). You will make each Periodic Payment by the due date shown on our invoice. Your Periodic Payment may include a one-time origination fee, amounts carried over from a previous lease, software license and maintenance fees and other charges. Any Meter Services fees, SLA fees and subscription fees (collectively "**PBI Payments**") will be included with your Periodic Payment and begin with the start of the Lease Term. After the Lease Term, your Periodic Payment will increase if your PBI Payments increase. Your obligations, including your obligation to pay the Periodic 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 Periodic Payment due under this Agreement.

## **3. Equipment Ownership**

PBI owns any Meter. Title to the Equipment shall pass to you upon installation. However, you and we agree that title shall automatically revert to us in the event of default, or termination due to non-appropriation under Section 8. If you default, or terminate this Agreement by non-appropriation under Section 8, you, at your expense, shall return the Equipment and Meter. You will, as specified by us, either properly pack and return them to us in the return box and with the shipping label provided by us or furnish them to a service carrier specified by us to pick up and ship them to us in the same condition as when delivered to you, reasonable wear and tear excepted.

## **4. WARRANTY AND LIMITATION OF LIABILITY**

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

## **5. Equipment Obligations**

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

## **6. Risk of Loss**

- (a) You bear the entire risk of loss, theft, damage or destruction to the Equipment from the date of delivery (as described in the Master Agreement) 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 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.

## **7. Other Lease Terms**

- (a) If more than one lessee is named in this Lease, liability is joint and several.
- (b) You may not assign or sublet the Equipment, the Meter or this Agreement without our prior written consent. Any assignment without our consent is void. We may sell or assign all or part of this Lease or the Equipment, but it will not affect your rights or obligations.
- (c) We will provide you with a welcome letter by email.
- (d) All applicable taxes required to be collected by us will be shown on the invoice.

## **8. Non-Appropriation**

You warrant that you have funds available to pay all payments until the end of your current fiscal period, and shall use your best efforts to obtain funds to pay all payments in each subsequent fiscal period through the end of the Lease Term. If your appropriation request to your legislative body, or funding authority ("Governing Body") for funds to pay the payments is denied, you may terminate this Agreement on the last day of the fiscal period for which funds have been appropriated, upon (i) submission of documentation reasonably satisfactory to us evidencing the Governing Body's denial of an appropriation sufficient to continue this Agreement for the next succeeding fiscal period, and (ii) satisfaction of all charges and obligations under this Agreement incurred through the end of the fiscal period for which funds have been appropriated, including the return of the Equipment at your expense.

## **9. Representations**

You hereby represent and warrant that (a) you are a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code"); and (b) you have the power and authority under applicable law to enter into this Agreement and you have been duly authorized to execute and deliver this Agreement and carry out your obligations hereunder. You acknowledge that a portion of each Periodic Payment you shall pay includes interest and that this Agreement is entered into based on the assumption that the interest portion of each Periodic Payment is not includible in gross income of the owner thereof for Federal income tax purposes under Section 103(a) of the Code. You shall, at all times, do and perform all acts and things necessary and within your control in order to assure that such interest component shall be so excluded. If any interest is determined not to be excludible from gross income, your Periodic Payment shall be adjusted in an amount sufficient to maintain our original after tax yield utilizing our consolidated marginal tax rate, which adjusted Periodic Payments you agree to pay as provided in this Agreement, subject to Section 8. The rate at which the interest portion of Periodic Payments is calculated is not intended to exceed the maximum rate or amount of interest permitted by applicable law. If such interest portion exceeds such maximum, then 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.

## GENERAL TERMS

### 10. Warranties

We warrant that all PBI-branded equipment (“**PBI Equipment**”) will be free from defects in material and workmanship and will perform according to the operator guides for a period of one year from the date (i) the PBI Equipment is installed at your location when PBI installs the PBI Equipment for you or (ii) the PBI Equipment is delivered to you when you can install it yourself. The DI2000™ inserting system has its own unique warranty that you can see at [pitneybowes.com/us/state-and-local-government-solutions/states.html](http://pitneybowes.com/us/state-and-local-government-solutions/states.html).

- (a) A defect doesn’t include the failure of rates within a rate update to conform to published rates.
- (b) We warrant that any service (“**Service**”) we perform under the SLA set out in Sections 19 through 24 will be performed in a professional and workmanlike manner.
- (c) **YOUR SOLE REMEDY FOR A WARRANTY CLAIM IS TO HAVE US REPAIR OR REPLACE THE PBI EQUIPMENT OR, IN THE CASE OF DEFECTIVE SERVICES, REPERFORM THE SERVICE.**
- (d) There is no warranty for PBI Equipment that needs to be repaired or replaced because of any Excluded Circumstance. “**Excluded Circumstance**” is a circumstance outside of PBI’s control, including an accident, your negligent or reckless use of the equipment, use of the equipment which exceeds our recommendations or in a way not authorized by this Agreement or any operator guide, use of the equipment in an environment with unsuitable humidity, line voltage, damage in transit, software virus, loss of data, loss or fluctuation of power, fire, flood or other natural causes, and other external forces beyond our control, servicing of the equipment by someone other than us, failure to use required software updates, use of the equipment with any system where we have told you that we will no longer provide support or that 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 equipment (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images.
- (e) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with or within the PBI Equipment may be reclaimed, reconditioned or remanufactured. These items are warranted to perform according to the same standards as the equivalent new item.
- (f) The warranty doesn’t cover ink, integrated printhead/ink cartridges, ink rollers, toner and drum cartridges, ribbons and similar items (“**Consumable Supplies**”).
- (g) **EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, WE (ON BEHALF OF OURSELF AND OUR SUPPLIERS) MAKE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE EQUIPMENT OR SERVICES. WE MAKE NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.**



## **11. Limitation of Liability**

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

## **12. Default and Remedies**

- (a) If you don't make any payment within three days after the due date shown on our invoice, you breach any other obligation under this Agreement or under any other agreement with Pitney Bowes and such breach continues for thirty days after we give you notice or you become insolvent or file for bankruptcy, you will be in default and we may:
  - (i) cancel this Agreement and any other agreements Pitney Bowes has with you;
  - (ii) require you to pay to us immediately all amounts payable under the Lease or other agreements, whether then due or payable in the future;
  - (iii) disable the Meter;
  - (iv) require you to return the Equipment and Meter, and delete or remove software; and deny you access to software;
  - (v) if you don't return the Equipment, require you to immediately pay to us an amount equal to the value of the Equipment, as determined by us;
  - (vi) charge you a late charge, as allowed by law, for each month that your payment is late;
  - (vii) charge you a check return fee for payments made by you with insufficient funds; and
  - (viii) pursue any other remedy, including repossessing the Equipment and Meter without notice to you. To the extent permitted by law, you waive any notice of our repossession or disposition of the Equipment or Meter. By repossessing the Equipment or Meter, we aren't waiving our right to collect the balance due.
- (b) You agree to pay all our costs, including attorneys' fees, incurred in enforcing our rights.
- (c) We may suspend any services during any period that your account is more than thirty days past due.

## **13. Taxes**

You are responsible for paying any taxes on the Meter and Meter Services, including sales and use tax, unless a valid tax exemption certification acceptable to the applicable taxing authority is provided.

## **14. Embedded Software; Applications**

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

## **15. Internet Access Point**

The internet connectivity for the Equipment or Meter may use an internet access point provided by us. You may only use this access point for connectivity between the Equipment or Meter and the internet and for no other purpose. You agree to pay all costs resulting from the use of the access point in violation of this restriction.

## **16. Security Interest**

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

## **17. Analog Connectivity**

**IF YOU USE AN ANALOG CONNECTION FOR YOUR MAILING SYSTEM, YOU ACKNOWLEDGE THAT THE ANALOG CONNECTIVITY IS PROVIDED BY A THIRD PARTY SUPPLIER. NEITHER WE NOR OUR SUPPLIERS PROVIDE ANY WARRANTY WITH RESPECT TO THE FUNCTIONALITY OR QUALITY OF THE ANALOG CONNECTION. IF THE THIRD PARTY SUPPLIER NO LONGER PROVIDES ANALOG CONNECTION CAPABILITY, WE WON'T BE RESPONSIBLE FOR PROCURING AN ALTERNATIVE SUPPLIER AND YOU WILL HAVE TO USE A DIGITAL CONNECTION.**

## **18. Miscellaneous**

- (a) We will use your information in accordance with our [Privacy Statement](#).
- (b) You agree to use the Equipment and Meter only for business or commercial purposes, and not for personal, family, or household purposes.
- (c) We aren't responsible for any delay or failure to perform resulting from causes outside of our control.
- (d) You may not assign this Agreement without our prior written consent. Any assignment without our consent is void.
- (e) Payments aren't subject to setoff or reduction.
- (f) **ANY LEGAL ACTION YOU FILE AGAINST US MUST BE STARTED WITHIN ONE YEAR AFTER THE EVENT GIVING RISE TO YOUR CLAIM. YOU WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION RELATED TO THIS AGREEMENT.**
- (g) We can only change this Agreement if we both agree to do so in writing. You may use a purchase order to offer to obtain equipment or services but none of its provisions will modify or supersede these provisions unless we expressly agree in writing. If any provision in this Agreement is found to be invalid or unenforceable, the remaining provisions won't be affected.
- (h) Our respective rights and obligations under Sections 11 (Limitation of Liability), 12 (Default and Remedies) and 13 (Taxes) will survive termination of this Agreement.
- (i) We may deliver any notice and other communication to you under this Agreement by email to the email address that we have on file for you. You agree to the delivery of these notices and other communications by email. We may call you at any number you give to us.
- (j) This Agreement is governed by the laws of the State of Delaware.

- (k) You agree that we can use your name in a client list and identify you as a client when communicating with prospective clients, in each case along with our product or service that you are using. You agree that we can use your name and logo in marketing content, including in an advertising campaign, with your prior consent.
- (l) You agree to comply with all applicable export control laws and regulations.
- (m) If there is a conflict between any of these Terms, your State's Participating Addendum and the Master Agreement, these Terms shall prevail.

## SERVICE LEVEL AGREEMENT

### 19. Applicability of SLA

This SLA section applies to you if we have entered into an agreement to provide service for any Equipment we lease, rent or sell on the Order, excluding Equipment with charges based on volume of use ("**Usage-based Equipment**") and any DI2000™ (the covered equipment is called "**Covered Equipment**").

### 20. Service Level Options

- (a)
  - (i) If you sign up for **Standard SLA** on the Order, PBI will provide at its option either repair or replacement services for the Covered Equipment during the Initial Service Term or any Renewal Service Term (each term as defined in Section 21) (the "**Service Term**"). You are also entitled to: (x) replacement printheads for Covered Equipment without additional charge, except for printheads which need to be replaced as a result of any Excluded Circumstance, and except for integrated printhead/ink cartridges; and (y) two preventative maintenance service calls per calendar year. PBI will notify you when preventative maintenance is due or you can request preventative maintenance service. If your Covered Equipment needs repair, PBI may provide repair by remote access, diagnostics and service and/or by on-site repair service. Repair service is provided only for damage resulting from normal wear and tear. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies. PBI will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available. If PBI deems it necessary, PBI will dispatch a service technician to arrive at your location for on-site service. You won't incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent. "**Normal Working Hours**" means 8 a.m. – 5 p.m., Monday – Friday, excluding PBI-observed U.S. holidays, in the time zone where the Equipment or other items are located.
  - (ii) If PBI determines that replacement of Covered Equipment is necessary, PBI will, at no additional cost to you, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment. Unless PBI instructs you otherwise, within five days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBI. You are responsible for Covered Equipment until PBI receives it.
- (b) If you are eligible to receive **Performance SLA** under our policies and you sign up for Performance SLA on the Order, you will be entitled to receive: (i) all coverage provided under Standard SLA; and (ii) one two-hour application consultation for your mailing and shipping needs. If PBI determines that on-site service is necessary, PBI will use commercially reasonable efforts to have a service technician on-site (during Normal Working Hours only) within 4 hours or 8 hours, as specified on the Order, after PBI has determined that it can't resolve the issue remotely (the "**Response Time Commitment**"). The Response Time Commitment relates solely to the

arrival of a technician at your location. It isn't a guaranteed resolution of the problem within the Response Time Commitment period, and it doesn't guarantee that all parts necessary to make a repair will be on-site within this time frame. The Response Time Commitment does not apply to Service designated as service by replacement, relocation services, software maintenance, preventative maintenance, operator training, or other services not essential to repair the Covered Equipment. If the Covered Equipment is moved from its original location, PBI may, at its option, remove the Response Time Commitment. If this happens, you will receive Standard SLA and we will adjust the SLA charges payable by you appropriately. If we don't meet the Response Time Commitment, we will provide you with a credit equal to the difference between the cost of Standard SLA and Performance SLA for three months. In order to receive this credit, you must use a credit request form which you can obtain from your service technician or by calling the Customer Care Center. The credits are limited to credits for four failures to meet the Response Time Commitment in any twelve-month period during the Service Term. **These remedies are your sole remedy for PBI's failure to meet the Response Time Commitment.**

## **21. Service Term**

PBI will provide you with Service for twelve months, if you don't have a Lease, or the Lease Term, if you are leasing Equipment (the "Initial Service Term"). **SERVICE AUTOMATICALLY RENEWS FOR CONSECUTIVE ONE YEAR TERMS (EACH A "RENEWAL SERVICE TERM") UNLESS YOU TERMINATE YOUR SERVICE AS PROVIDED BELOW OR THE LEASE EXPIRES OR IS TERMINATED OR THE RENEWAL IS PROHIBITED BY LAW.** If you don't wish to renew Service, you must deliver a written notice (the "Termination Notice") at least 60 days (or 30 days if you are in Wisconsin) prior to the renewal of the term to us at 2225 American Drive, Neenah, WI 54956 or you may notify us by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case"). Your Termination Notice must include your customer account number or CAN and lease number (if applicable). PBI reserves the right not to renew your SLA for any reason.

## **22. SLA Fees**

You will pay the SLA fees for the Initial Service Term and any Renewal Service Term(s). We may increase the SLA fees after the Initial Service Term, and any increases will be reflected on your invoice. If you receive service for repairs caused by any Excluded Circumstance, PBI will charge you for the service at PBI's current hourly rates and for any required parts. If you exceed the cycle volume of your Equipment specified on the Order, PBI may bill you for the additional cycles over the specified cycle volume (the additional cycles are called the "Overage"). The charge will be determined by reference to the rate in effect at the time that we determine that an Overage exists. Upon request, you will provide the cycle volume to us. If you do not provide the cycle volume to us, we will estimate the cycle volume and send an invoice to you for any Overage based on our estimate. If, in the prior quarter, we estimated cycle volume and later receive actual cycle volume, then we will make adjustments based on actual usage on your next invoice.

## **23. Service Changes**

PBI may modify its Service by giving written notice to you (a "Service Change Notice"), which will state whether the change is material. After receiving a Service Change Notice, if the change is material, you may terminate Service by giving us a termination notice at the address indicated in Section 21 or you may create a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case").

## **24. Additional Service Terms**

You can't elect to have Service apply to some but not all of the items of Equipment. Service doesn't include services and repairs that are made necessary due to any Excluded Circumstance. Service excludes the supply of postal and carrier rate changes and Consumable Supplies. If you replace any of your Covered Equipment during the Service Term, and the replacement Equipment qualifies for Services,

PBI will automatically enroll you for maintenance coverage on the new Equipment at PBI's then current annual rates. If you acquire an attachment, or add a unit, to your Covered Equipment, PBI will provide coverage for each attachment or unit which we determine qualifies for coverage under the SLA and adjust your rate accordingly. If you choose not to continue coverage on the replacement Equipment, attachment or unit, you may cancel Service for the item within thirty days of the date of your initial invoice for the item from PBI. If you cancel, any further maintenance or repair services on the Equipment, attachment or unit will be subject to PBI's current rates. Standard SLA will apply to rented Equipment at no additional charge.

## **EQUIPMENT RENTAL AND METER SERVICES TERMS**

### **25. Equipment Rental and Meter Services**

This Equipment Rental and Meter Services Section applies to you whenever you rent Equipment and whenever you obtain Meter Services from us.

- (a) If you aren't leasing the Equipment and paying for it in your lease payment to PBGFS, we will invoice you the Equipment rental ("rental") and Meter Services fees listed on the Order. After the period listed on the Order (the "**Initial Term**"), we may increase the rental and/or Meter Services fees in accordance with the Master Agreement. When you receive notice of an increase, you may terminate your rental or Meter Services only as of the date the increase becomes effective.
- (b) At the end of the Initial Term, unless prohibited by law, the rental term and Meter Services term convert to successive month to month extensions. You may choose to cancel the month to month extensions at any time by giving us 30 days' prior written notice to the address in Section 21 or by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case"). Upon expiration of the term of the rental or Meter Services, you agree to return Equipment and Meters covered by the rental and Meter Services agreement in their original condition, reasonable wear and tear excepted. We reserve the right to recover or disable the Meter and terminate your use at any time if you are in violation of USPS regulations.

### **26. Postage**

You may transfer funds to The Pitney Bowes Bank, Inc. (the "**Bank**") for deposit into your Reserve Account that you maintain with the Bank (your "**Reserve Account**") or you may transfer funds to the United States Postal Service (the "**USPS**") through a lockbox bank (a "**Lockbox Bank**"). See the "USPS Acknowledgment of Deposit" below for more information. Until the end of the Initial Term, we may charge you a fee of up to \$15.00 for refilling your postage. After the Initial Term, we may increase postage refill fees upon 30 days prior written notice. If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power®), we will advance payment on your behalf to the USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter Services fees.

### **27. Meter Repair or Replacement; Meter Care and Risk of Loss**

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

### **28. Terms of Use of Meter; Federal Regulations**

You may use the Meter solely for the purpose of processing your mail, provided that you are authorized by the USPS to use the Meter, and that you comply with (i) this Agreement, (ii) any operator guide and (iii) all USPS regulations. You agree to use only attachments or printing devices authorized by us. You must receive our written consent before moving the Equipment or Meter to a different location. Federal regulations require that we own the Meter. Tampering with or misusing the Meter is a violation of federal

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

## **29. Rate Updates and Soft-Guard® Program**

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

## **30. Collection of Information**

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

## **31. Value Based Services**

Value based services are services the USPS provides, including e-Return Receipt and USPS Confirmation Services. Any fees the USPS charges for these services are your responsibility to pay for and are payable the same way that you pay for postage. The USPS is solely responsible for its services. We are not responsible for any malfunctions of any part of the communication link connecting the Meter with the USPS data system. 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. We have the right to terminate the value based services if the USPS discontinues offering the service or you breach your obligations under this Agreement and fail to cure the breach within thirty days after you have been notified in writing.

## **USPS ACKNOWLEDGEMENT OF DEPOSIT**

## **32. Acknowledgement of Deposit**

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

- (a) In connection with your use of a Postage Evidencing System, you may transfer funds to the USPS through a Lockbox Bank for the purpose of prepayment of postage on Postage Evidencing Systems, generating evidence of postage (a “**Deposit**”), or you may transfer funds to the Bank for deposit into your Reserve Account.
- (b) 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.
- (c) Any deposit made by you in your Reserve Account is subject to the Reserve Account – Agreement and Disclosure Statement governing your Reserve Account.
- (d) Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment of 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) You acknowledge that the terms of this Acknowledgement may be changed, modified, or revoked by the USPS, with appropriate notice.
- (i) 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.

## **PURCHASE POWER TERMS**

### **33. Purchase Power Program**

- (a) The Purchase Power credit line is a product of the Bank and is not available to individuals for personal, family, or household purposes. In order to participate in the Purchase Power program (the “**Program**”), you must provide the information described in paragraph (h) below. You will receive a set of more specific provisions for the Program within thirty days of the date of this Agreement.
- (b) Your Purchase Power account (the “**Account**”) will be charged for the amount of postage, products, and services requested and the related fees, if applicable. Unless prohibited by law, you agree to pay the fees and charges of which the Bank has given you notice, including those relating to: (i)



applicable transaction or overage fees (ii) your failure to pay in a timely manner; (iii) your exceeding your credit line; and (iv) fees attributable to the return of any checks.

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

(d) (i) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account 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. (ii) The Annual Percentage Rate applicable to the Account will be: the greater of (x) 22% and (y) the sum of the highest "Prime Rate" published in the "Money Rates" section of *The Wall Street Journal* on the last business day of the month and the margin set forth below (the sum of the margin and the Prime Rate is herein called the "Floating Rate"). The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Floating Rate, if applicable. 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. (iii) 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 December 31, 2019, the daily periodic rate would be .05342% and the corresponding annual percentage rate would be 19.50%). (iv) The Account balance that is subject to a finance charge each day will include (x) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (y) unpaid interest, fees, and other charges on the Account. (v) The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vi) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (vii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.

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

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

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

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

## **PRODUCT SPECIFIC TERMS**

**34. Software**

If you are acquiring an on-premise software license or on-demand subscription services, additional terms apply which are available by clicking on the hyperlink for that software or subscription service located at [pitneybowes.com/us/state-and-local-government-solutions/states.html](https://pitneybowes.com/us/state-and-local-government-solutions/states.html). Those additional terms are incorporated by reference.

**35. DI2000 Inserting System Terms**

Certain provisions which apply when you acquire a DI2000 inserting system and when you purchase a service plan for it are set forth at [pitneybowes.com/us/state-and-local-government-solutions/states.html](https://pitneybowes.com/us/state-and-local-government-solutions/states.html) and are incorporated by reference. Those provisions govern to the extent that they are inconsistent with the other terms of this Agreement.

**36. PBBackup and PC-Backup Service Terms**

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

**37. Pitney Bowes® Intelligent Locker Solutions**

The Pitney Bowes Intelligent Locker Solutions may include a statement of work. You must keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of Insurance.

**38. AddressRight® Printers**

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

**39. DM Infinity**

Support for the DM Infinity Meter may not go beyond June 30, 2024. The Initial Term/the Lease Term for a DM Infinity Meter may not go beyond June 30, 2024.

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

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor pursuant to the Master Agreement awarded under Solicitation BPM003137 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 USPS regulations, only PBI can own a Meter. This Option B may not be used for the DI2000 Inserting System or the Pitney Bowes Intelligent Locker Solutions.

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

### Monthly Rate Factors:

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

Thank you for choosing Pitney Bowes products and services. These Terms, the executed order (the “**Order**”), your State’s Participating Addendum and the NASPO ValuePoint Master Agreement and any exhibits attached thereto, make up your agreement with Pitney Bowes (this “**Agreement**”). Please read this Agreement carefully.

Let’s start with a few definitions that should help you better understand your agreement. “**PBI**” means Pitney Bowes Inc. “**Pitney Bowes**” means PBI and its subsidiaries. “**We**”, “**our**” or “**us**” refers to the Pitney Bowes companies with whom you’ve entered into the Order. “**You**” or “**your**” refers to the entity identified on the Order. “**Master Agreement**” means NASPO ValuePoint Master Agreement awarded under Solicitation BPM003137 for Mailing Equipment, Supplies and Maintenance contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer. “**State Participating Addendum**” means the bilateral agreement executed by us and your participating state incorporating the Master Agreement. “**Meter**” means any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+®, a SendPro® P series or a SendPro C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed (“**PSD**”), and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine. “**Meter Services**” means: access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations (“**CFR**”); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in Section 27; and the Soft-Guard Program outlined in Section 29. “**Equipment**” means the equipment listed on the Order, excluding any Meter or standalone software. “**Lease**” means Lease terms and conditions set out in Sections 1 through 9.

The provisions included in these Terms consist of: (i) Lease Terms; (ii) General Terms; (iii) a Service Level Agreement (“**SLA**”); (iv) Equipment Rental and Meter Services Terms; (v) an Acknowledgement of Deposit required by the United States Postal Service in any transaction involving a Meter; (vi) Purchase Power® Terms for a limited purpose credit line that may be available to you; and (vii) provisions relating to specific products.

## LEASE TERMS

### 1. Lease of Equipment; Provider of Leasing Services

If you are leasing Equipment, these Lease terms apply. PBI is the manufacturer of the Equipment. Pitney Bowes Global Financial Services LLC, a wholly-owned subsidiary of PBI, or one of its subsidiaries ("PBGFS"), provides you with the leasing services. The term of this Lease is the number of months stated on the Order (the "**Lease Term**") and begins on the date the Equipment is shipped if we don't install the Equipment, and the date of installation if we install the Equipment and shall continue until the earlier of (i) termination at our option upon the occurrence of an event of default, provided that all payment obligations under this Lease survive termination of this Agreement, or (ii) termination under Section 8 below, or (iii) the expiration of the Term and your payment of all sums due and your fulfillment of all other obligations under this Agreement. **You may not cancel this Lease for any reason, except as expressly set forth in Sections 8 and 9 below, and all payment obligations under this Lease are unconditional.** You understand that we own the Equipment. PBI owns any Meter as USPS regulations require.

### 2. Payment Terms

We will invoice you quarterly in arrears for all payments on the Order, unless the Order says otherwise (each such payment is a "**Periodic Payment**"). You will make each Periodic Payment by the due date shown on our invoice. Your Periodic Payment may include a one-time origination fee, amounts carried over from a previous lease, software license and maintenance fees and other charges. Any Meter Services fees, SLA fees and subscription fees (collectively "**PBI Payments**") will be included with your Periodic Payment and begin with the start of the Lease Term. After the Lease Term, your Periodic Payment will increase if your PBI Payments increase.

### 3. End of Lease Options

During the 90 days before your Lease ends, you may, unless you are in default: (i) enter into a new lease or an amended lease with us; (ii) purchase the Equipment "as is, where is" for its fair market value; or (iii) return the Equipment and Meter in their original condition, reasonable wear and tear excepted, and pay us our then applicable processing fee (including any equipment return fee). If you return the Equipment and Meter, you will, as specified by us, either properly pack and return them to us in the return box and with the shipping label provided by us or furnish them to a service carrier specified by us to pick up and ship them to us. If you don't do one of the things listed in clause (i), (ii) or (iii) above, you will be deemed to have agreed to enter into successive month to month extensions of the term of this Lease, unless prohibited by law. You may choose to cancel the automatic extensions at any time by giving us 120 days' written notice by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case"). Upon cancellation, you agree to either return all items as provided in this Section 3 or purchase the Equipment.

### 4. WARRANTY AND LIMITATION OF LIABILITY

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

### 5. Equipment Obligations

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

## **6. Risk of Loss**

- (a) You bear the entire risk of loss, theft, damage or destruction to the Equipment from the date of delivery (as described in the Master Agreement) 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 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.
- (d) YOU MUST CALL US AT 1-800-732-7222 AND PROVIDE US WITH EVIDENCE OF INSURANCE.

## **7. Other Lease Terms**

- (a) If more than one lessee is named in this Lease, liability is joint and several.
- (b) You may not assign or sublet the Equipment, the Meter or this Agreement without our prior written consent. Any assignment without our consent is void. We may sell or assign all or part of this Lease or the Equipment, but it will not affect your rights or obligations.
- (c) We will provide you with a welcome letter by email.
- (d) All applicable taxes required to be collected by us will be shown on the invoice.

## **8. NON-APPROPRIATION**

You warrant that you have funds available to pay all payments until the end of your current fiscal period, and shall use your best efforts to obtain funds to pay all payments in each subsequent fiscal period through the end of your Lease Term. If your appropriation request to your legislative body, or funding authority ("Governing Body") for funds to pay the payments is denied, you may terminate this Lease on the last day of the fiscal period for which funds have been appropriated upon (i) submission of documentation reasonably satisfactory to us evidencing the Governing Body's denial of an appropriation sufficient to continue this Lease for the next succeeding fiscal period, and (ii) satisfaction of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, including the return of the Equipment at your expense.

## **9. EARLY TERMINATION**

You further warrant that you intend to enter into this Lease for the entire Lease Term and you acknowledge that we have relied upon such representation when determining the applicable pricing plan. If you cancel or terminate this Lease prior to the expiration of the Lease Term (other than for non-appropriations) you shall pay a termination charge equal to three monthly rental payments. This paragraph shall supersede Section 12(a)(ii) of these Terms.

## **GENERAL TERMS**

### **10. Warranties**

We warrant that all PBI-branded equipment ("**PBI Equipment**") will be free from defects in material and workmanship and will perform according to the operator guides for a period of one year from the date (i)

the PBI Equipment is installed at your location when PBI installs the PBI Equipment for you or (ii) the PBI Equipment is delivered to you when you can install it yourself.

- (a) A defect doesn't include the failure of rates within a rate update to conform to published rates.
- (b) We warrant that any service ("**Service**") we perform under the SLA set out in Sections 19 through 24 will be performed in a professional and workmanlike manner.
- (c) **YOUR SOLE REMEDY FOR A WARRANTY CLAIM IS TO HAVE US REPAIR OR REPLACE THE PBI EQUIPMENT OR, IN THE CASE OF DEFECTIVE SERVICE, REPERFORM THE SERVICE.**
- (d) There is no warranty for PBI Equipment that needs to be repaired or replaced because of any Excluded Circumstance. "**Excluded Circumstance**" is a circumstance outside of PBI's control, including an accident, your negligent or reckless use of the equipment, use of the equipment which exceeds our recommendations or in a way not authorized by this Agreement or any operator guide, use of the equipment in an environment with unsuitable humidity, line voltage, damage in transit, software virus, loss of data, loss or fluctuation of power, fire, flood or other natural causes, and other external forces beyond our control, servicing of the equipment by someone other than us, failure to use required software updates, use of the equipment with any system where we have told you that we will no longer provide support or that 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 equipment (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images.
- (e) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with or within the PBI Equipment may be reclaimed, reconditioned or remanufactured. These items are warranted to perform according to the same standards as the equivalent new item.
- (f) The warranty doesn't cover ink, integrated printhead/ink cartridges, ink rollers, toner and drum cartridges, ribbons and similar items ("**Consumable Supplies**").
- (g) **EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, WE (ON BEHALF OF OURSELF AND OUR SUPPLIERS) MAKE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE EQUIPMENT OR SERVICES. WE MAKE NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.**

## **11. Limitation of Liability**

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

## **12. Default and Remedies**

- (a) If you don't make any payment within three days after the due date shown on our invoice, you breach any other obligation under this Agreement or under any other agreement with Pitney Bowes and such breach continues for thirty days after we give you notice or you become insolvent or file for bankruptcy, you will be in default and we may:

- (i) cancel this Agreement and any other agreements Pitney Bowes has with you;
  - (ii) require you to pay to us immediately all amounts payable under the Lease or other agreements, whether then due or payable in the future;
  - (iii) disable the Meter;
  - (iv) require you to return the Equipment and Meter, and delete or remove software; and deny you access to software;
  - (v) if you don't return the Equipment, require you to immediately pay to us an amount equal to the value of the Equipment, as determined by us;
  - (vi) charge you a late charge, as allowed by law, for each month that your payment is late;
  - (vii) charge you a check return fee for payments made by you with insufficient funds; and
  - (viii) pursue any other remedy, including repossessing the Equipment and Meter without notice to you. To the extent permitted by law, you waive any notice of our repossession or disposition of the Equipment or Meter. By repossessing the Equipment or Meter, we aren't waiving our right to collect the balance due.
- (b) You agree to pay all our costs, including attorneys' fees, incurred in enforcing our rights.
- (c) We may suspend any services during any period that your account is more than thirty days past due.

### **13. Taxes**

You are responsible for paying any taxes on the Meter and Meter Services, including sales and use tax, unless a valid tax exemption certification acceptable to the applicable taxing authority is provided.

### **14. Embedded Software; Applications**

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

(b) Certain products and services may provide you an opportunity to access applications provided by us or a third party. Each application you access will have its own terms and conditions applicable to your use of that application located within it, and by using the application you agree to those terms and conditions.

### **15. Internet Access Point**

The internet connectivity for the Equipment or Meter may use an internet access point provided by us. You may only use this access point for connectivity between the Equipment or Meter and the internet and for no other purpose. You agree to pay all costs resulting from the use of the access point in violation of this restriction.

### **16. Security Interest**

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



## 17. Analog Connectivity

**IF YOU USE AN ANALOG CONNECTION FOR YOUR MAILING SYSTEM, YOU ACKNOWLEDGE THAT THE ANALOG CONNECTIVITY IS PROVIDED BY A THIRD PARTY SUPPLIER. NEITHER WE NOR OUR SUPPLIERS PROVIDE ANY WARRANTY WITH RESPECT TO THE FUNCTIONALITY OR QUALITY OF THE ANALOG CONNECTION. IF THE THIRD PARTY SUPPLIER NO LONGER PROVIDES ANALOG CONNECTION CAPABILITY, WE WON'T BE RESPONSIBLE FOR PROCURING AN ALTERNATIVE SUPPLIER AND YOU WILL HAVE TO USE A DIGITAL CONNECTION.**

## 18. Miscellaneous

- (a) We will use your information in accordance with our [Privacy Statement](#).
- (b) You agree to use the Equipment and Meter only for business or commercial purposes, and not for personal, family, or household purposes.
- (c) We aren't responsible for any delay or failure to perform resulting from causes outside of our control.
- (d) You may not assign this Agreement without our prior written consent. Any assignment without our consent is void.
- (e) Payments aren't subject to setoff or reduction.
- (f) **ANY LEGAL ACTION YOU FILE AGAINST US MUST BE STARTED WITHIN ONE YEAR AFTER THE EVENT GIVING RISE TO YOUR CLAIM. YOU WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION RELATED TO THIS AGREEMENT.**
- (g) We can only change this Agreement if we both agree to do so in writing. You may use a purchase order to offer to obtain equipment or services but none of its provisions will modify or supersede these provisions unless we expressly agree in writing. If any provision in this Agreement is found to be invalid or unenforceable, the remaining provisions won't be affected.
- (h) Our respective rights and obligations under Sections 11 (Limitation of Liability), 12 (Default and Remedies) and 13 (Taxes) will survive termination of this Agreement.
- (i) We may deliver any notice and other communication to you under this Agreement by email to the email address that we have on file for you. You agree to the delivery of these notices and other communications by email. We may call you at any number you give to us.
- (j) This Agreement is governed by the laws of the State of Delaware.
- (k) You agree that we can use your name in a client list and identify you as a client when communicating with prospective clients, in each case along with our product or service that you are using. You agree that we can use your name and logo in marketing content, including in an advertising campaign, with your prior consent.
- (l) You agree to comply with all applicable export control laws and regulations.
- (m) If there is a conflict between any of these Terms, your State's Participating Addendum and the Master Agreement, these Terms shall prevail.

## SERVICE LEVEL AGREEMENT

### 19. Applicability of SLA

This SLA section applies to you if we have entered into an agreement to provide service for any Equipment we lease, rent or sell on the Order, excluding Equipment with charges based on volume of use (“**Usage-based Equipment**”) (the covered equipment is called “**Covered Equipment**”).

## 20. Service Level Options

- (a) (i) If you sign up for **Standard SLA** on the Order, PBI will provide at its option either repair or replacement services for the Covered Equipment during the Initial Service Term or any Renewal Service Term (each term as defined in Section 21) (the “**Service Term**”). You are also entitled to:
- (x) replacement printheads for Covered Equipment without additional charge, except for printheads which need to be replaced as a result of any Excluded Circumstance, and except for integrated printhead/ink cartridges; and
  - (y) two preventative maintenance service calls per calendar year. PBI will notify you when preventative maintenance is due or you can request preventative maintenance service. If your Covered Equipment needs repair, PBI may provide repair by remote access, diagnostics and service and/or by on-site repair service. Repair service is provided only for damage resulting from normal wear and tear. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies. PBI will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available. If PBI deems it necessary, PBI will dispatch a service technician to arrive at your location for on-site service. You won’t incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent. “**Normal Working Hours**” means 8 a.m. – 5 p.m., Monday – Friday, excluding PBI-observed U.S. holidays, in the time zone where the Equipment or other items are located.
- (ii) If PBI determines that replacement of Covered Equipment is necessary, PBI will, at no additional cost to you, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment. Unless PBI instructs you otherwise, within five days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBI. You are responsible for the Covered Equipment until PBI receives it.
- (b) If you are eligible to receive **Performance SLA** under our policies and you sign up for Performance SLA on the Order, you will be entitled to receive: (i) all coverage provided under Standard SLA; and (ii) one two-hour application consultation for your mailing and shipping needs. If PBI determines that on-site service is necessary, PBI will use commercially reasonable efforts to have a service technician on-site (during Normal Working Hours only) within 4 hours or 8 hours, as specified on the Order, after PBI has determined that it can’t resolve the issue remotely (the “**Response Time Commitment**”). The Response Time Commitment relates solely to the arrival of a technician at your location. It isn’t a guaranteed resolution of the problem within the Response Time Commitment period, and it doesn’t guarantee that all parts necessary to make a repair will be on-site within this time frame. The Response Time Commitment does not apply to Service designated as service by replacement, relocation services, software maintenance, preventative maintenance, operator training, or other services not essential to repair the Covered Equipment. If the Covered Equipment is moved from its original location, PBI may, at its option, remove the Response Time Commitment. If this happens, you will receive Standard SLA and we will adjust the SLA charges payable by you appropriately. If we don’t meet the Response Time Commitment, we will provide you with a credit equal to the difference between the cost of Standard SLA and Performance SLA for three months. In order to receive this credit, you must use a credit request form which you can obtain from your service technician or by calling the Customer Care Center. The credits are limited to credits for four failures to meet the Response Time Commitment in any twelve-month period during the Service Term. **These remedies are your sole remedy for PBI’s failure to meet the Response Time Commitment.**

## 21. Service Term

PBI will provide you with Service for twelve months, if you don't have a Lease, or for the Lease Term, if you are leasing Equipment (the "Initial Service Term"). **SERVICE AUTOMATICALLY RENEWS FOR CONSECUTIVE ONE YEAR TERMS (EACH A "RENEWAL SERVICE TERM") UNLESS YOU TERMINATE YOUR SERVICE AS PROVIDED BELOW OR THE LEASE EXPIRES OR IS TERMINATED OR THE RENEWAL IS PROHIBITED BY LAW.** If you don't wish to renew Service, you must deliver a written notice (the "Termination Notice") at least 60 days (or 30 days if you are in Wisconsin) prior to the renewal of the term to us at 2225 American Drive, Neenah, WI 54956 or you may notify us by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case"). Your Termination Notice must include your customer account number or CAN and lease number (if applicable). PBI reserves the right not to renew your SLA for any reason.

## **22. SLA Fees**

You will pay the SLA fees for the Initial Service Term and any Renewal Service Term(s). We may increase the SLA fees after the Initial Service Term, and any increases will be reflected on your invoice. If you receive service for repairs caused by any Excluded Circumstance, PBI will charge you for the service at PBI's current hourly rates and for any required parts. If you exceed the cycle volume of your Equipment specified on the Order, PBI may bill you for the additional cycles over the specified cycle volume (the additional cycles are called the "Overage"). The charge will be determined by reference to the rate in effect at the time that we determine that an Overage exists. Upon request, you will provide the cycle volume to us. If you do not provide the cycle volume to us, we will estimate the cycle volume and send an invoice to you for any Overage based on our estimate. If, in the prior quarter, we estimated cycle volume and later receive actual cycle volume, then we will make adjustments based on actual usage on your next invoice.

## **23. Service Changes**

PBI may modify its Service by giving written notice to you (a "Service Change Notice"), which will state whether the change is material. After receiving a Service Change Notice, if the change is material, you may terminate Service by giving us a termination notice at the address indicated in Section 21 or you may create a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case").

## **24. Additional Service Terms**

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

## **EQUIPMENT RENTAL AND METER SERVICES TERMS**

### **25. Equipment Rental and Meter Services**

This Equipment Rental and Meter Services Section applies to you whenever you rent Equipment and whenever you obtain Meter Services from us.

(a) If you aren't leasing the Equipment and paying for it in your lease payment to PBGFS, we will invoice you the Equipment rental ("rental") and Meter Services fees listed on the Order. After the period listed on the Order (the "**Initial Term**"), we may increase the rental and/or Meter Services fees in accordance with the Master Agreement. When you receive notice of an increase, you may terminate your rental or Meter Services only as of the date the increase becomes effective.

(b) At the end of the Initial Term, unless prohibited by law, the rental term and Meter Services term will convert to successive month to month extensions. You may choose to cancel the month to month extensions at any time by giving us 30 days' prior written notice, to the address in Section 21 or by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under "how to create a case"). Upon expiration of the term of the rental or Meter Services, you agree to return Equipment and Meters covered by the rental and Meter Services agreement in their original condition, reasonable wear and tear excepted. We reserve the right to recover or disable the Meter and terminate your use at any time if you are in violation of USPS regulations.

## **26. Postage**

You may transfer funds to The Pitney Bowes Bank, Inc. (the "Bank") for deposit into your Reserve Account that you maintain with the Bank (your "**Reserve Account**") or you may transfer funds to the United States Postal Service (the "**USPS**") through a lockbox bank (a "**Lockbox Bank**"). See the "USPS Acknowledgment of Deposit" below for more information. Until the end of the Initial Term, we may charge you a fee of up to \$15.00 for refilling your postage. After the Initial Term, we may increase postage refill fees upon 30 days prior written notice. If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), we will advance payment on your behalf to the USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter Services fees.

## **27. Meter Repair or Replacement; Meter Care and Risk of Loss**

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

## **28. Terms of Use of Meter; Federal Regulations**

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

Mail Manual may be updated from time to time by the USPS and it is your obligation to comply with any rules and regulations regarding its use.

## **29. Rate Updates and Soft-Guard® Program**

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

## **30. Collection of Information**

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

## **31. Value Based Services**

Value based services are services the USPS provides, including e-Return Receipt and USPS Confirmation Services. Any fees the USPS charges for these services are your responsibility to pay for and are payable the same way that you pay for postage. The USPS is solely responsible for its services. We are not responsible for any malfunctions of any part of the communication link connecting the Meter with the USPS data system. 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. We have the right to terminate the value based services if the USPS discontinues offering the service or you breach your obligations under this Agreement and fail to cure the breach within thirty days after you have been notified in writing.

## **USPS ACKNOWLEDGEMENT OF DEPOSIT**

### **32. Acknowledgement of Deposit**

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

- (a) In connection with your use of a Postage Evidencing System, you may transfer funds to the USPS through a Lockbox Bank for the purpose of prepayment of postage on Postage Evidencing Systems, generating evidence of postage (a "**Deposit**"), or you may transfer funds to the Bank for deposit into your Reserve Account.
- (b) 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.
- (c) Any deposit made by you in your Reserve Account is subject to the Reserve Account – Agreement and Disclosure Statement governing your Reserve Account.

- (d) Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment of 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) You acknowledge that the terms of this Acknowledgement may be changed, modified, or revoked by the USPS, with appropriate notice.
- (i) 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.

## **PURCHASE POWER TERMS**

### **33. Purchase Power Program**

- (a) The Purchase Power credit line is a product of the Bank and is not available to individuals for personal, family, or household purposes. In order to participate in the Purchase Power program (the “**Program**”), you must provide the information described in paragraph (h) below. You will receive a set of more specific provisions for the Program within thirty days of the date of this Agreement.
- (b) Your Purchase Power account (the “**Account**”) will be charged for the amount of postage, products, and services requested and the related fees, if applicable. Unless prohibited by law, you agree to pay the fees and charges of which the Bank has given you notice, including those relating to: (i) applicable transaction or overage fees; (ii) your failure to pay in a timely manner; (iii) your exceeding your credit line; and (iv) fees attributable to the return of any checks.
- (c) You will receive a billing statement for each billing cycle in which you have activity in the Account. The Bank may deliver any statement electronically to the email address that is on file for you. Payments are due by the due date shown on your billing statement. You may pay the entire balance due or a portion of the balance, provided that you pay at least the minimum payment shown on the statement. In the event of a partial payment, you will be responsible for the unpaid balance.
- (d) (i) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account 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. (ii) The Annual Percentage Rate applicable to the Account will be: the greater of (x) 22% and (y) the sum of the highest “Prime Rate” published in the “Money Rates” section of *The Wall Street Journal* on the last business day of the month and the margin set forth below (the sum of the margin and the Prime Rate is herein called the “Floating Rate”). The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Floating Rate, if applicable. 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. (iii)



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 December 31, 2019, the daily periodic rate would be .05342% and the corresponding annual percentage rate would be 19.50%). (iv) The Account balance that is subject to a finance charge each day will include (x) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (y) unpaid interest, fees, and other charges on the Account. (v) The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vi) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (vii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.

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

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

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

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

## **PRODUCT SPECIFIC TERMS**

### **34. Software**

If you are acquiring an on-premise software license or on-demand subscription services, additional terms apply which are available by clicking on the hyperlink for that software or subscription service located at [pitneybowes.com/us/state-and-local-government-solutions/states.html](https://pitneybowes.com/us/state-and-local-government-solutions/states.html). Those additional terms are incorporated by reference.

### **35. PBBackup and PC-Backup Service Terms**

Certain provisions which apply when you utilize the PBBackup or PC-Backup services are set forth at [pitneybowes.com/us/pbbbackup-service-and-pcbackup-service-terms.html](https://pitneybowes.com/us/pbbbackup-service-and-pcbackup-service-terms.html) and are incorporated by reference.

### **36. AddressRight® Printers**

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

### **37. DM Infinity**

Support for the DM Infinity Meter may not go beyond June 30, 2024. The Initial Term/the Lease Term for a DM Infinity Meter may not go beyond June 30, 2024.



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

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor pursuant to the Master Agreement awarded under Solicitation BPM003137 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 USPS regulations, only PBI can own a Meter.

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>
24	.0466
36	.0329
48	.0261
60	.0221

Thank you for choosing Pitney Bowes products and services. These Terms, the executed order (the “**Order**”), your State’s Participating Addendum and the NASPO ValuePoint Master Agreement and any exhibits attached thereto, make up your agreement with Pitney Bowes (this “**Agreement**”). Please read this Agreement carefully.

Let’s start with a few definitions that should help you better understand your agreement. “**PBI**” means Pitney Bowes Inc. “**Pitney Bowes**” means PBI and its subsidiaries. “**We**”, “**our**” or “**us**” refers to the Pitney Bowes companies with whom you’ve entered into the Order. “**You**” or “**your**” refers to the entity identified on the Order. “**Master Agreement**” means NASPO ValuePoint Master Agreement awarded under Solicitation BPM003137 for Mailing Equipment, Supplies and Maintenance contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer. “**State Participating Addendum**” means the bilateral agreement executed by us and your participating state incorporating the Master Agreement. “**Meter**” means any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+®, a SendPro® P series or a SendPro C series mailing system, the postal security device that accounts for and enables postage to be purchased and printed (“**PSD**”), and (ii) in the case of all other mailing systems, the PSD, the user interface or keyboard and display and the print engine. “**Meter Services**” means: access to the PSD to download, account for, and enable printing of postage within a PBI Postage Evidencing System as defined in Title 39, Part 501 of the Code of Federal Regulations (“**CFR**”); USPS mandated processes associated with the PSD, including registration, usage reporting and withdrawal; repair or replacement of the PSD as described in Section 27; and the Soft-Guard Program outlined in Section 29. “**Equipment**” means the equipment listed on the Order, excluding any Meter or standalone software. “**Lease**” means Lease terms and conditions set out in Sections 1 through 9.

The provisions included in these Terms consist of: (i) Lease Terms; (ii) General Terms; (iii) a Service Level Agreement (“**SLA**”); (iv) Equipment Rental and Meter Services Terms; (v) an Acknowledgement of Deposit required by the United States Postal Service in any transaction involving a Meter; (vi) Purchase Power® Terms for a limited purpose credit line that may be available to you; and (vii) provisions relating to specific products.

## LEASE TERMS

### 1. Lease of Equipment; Provider of Leasing Services

If you are leasing Equipment, these Lease terms apply. PBI is the manufacturer of the Equipment. Pitney Bowes Global Financial Services LLC, a wholly-owned subsidiary of PBI, or one of its subsidiaries (“**PBGFS**”), provides you with the leasing services. The term of this Lease is the number of months stated

on the Order (the “**Lease Term**”) and begins on the date the Equipment is shipped if we don’t install the Equipment, and the date of installation if we install the Equipment and shall continue until the earlier of (i) termination at our option upon the occurrence of an event of default, provided that all payment obligations under this Lease survive termination of this Agreement, or (ii) termination under Section 8 below, or (iii) the expiration of the Term and your payment of all sums due and your fulfillment of all other obligations under this Agreement. **You may not cancel this Lease for any reason, except as expressly set forth in Section 8 and 9 below and all payment obligations under this Lease are unconditional.** You understand that we own the Equipment. PBI owns any Meter as USPS regulations require. Except as stated in Section 3, you don’t have the right to become the owner of the Equipment at the end of the Lease Term.

## **2. Payment Terms**

We will invoice you quarterly in arrears for all payments on the Order, unless the Order says otherwise (each such payment is a “**Periodic Payment**”). You will make each Periodic Payment by the due date shown on our invoice. Your Periodic Payment may include a one-time origination fee, amounts carried over from a previous lease, software license and maintenance fees and other charges. Any Meter Services fees, SLA fees and subscription fees (collectively “**PBI Payments**”) will be included with your Periodic Payment and begin with the start of the Lease Term. After the Lease Term, your Periodic Payment will increase if your PBI Payments increase.

## **3. End of Lease Options**

During the 90 days before your Lease ends, you may, unless you are in default: (i) enter into a new lease or an amended lease with us; (ii) purchase the Equipment “as is, where is” for its fair market value; or (iii) return the Equipment and Meter in their original condition, reasonable wear and tear excepted, and pay us our then applicable processing fee (including any equipment return fee). If you return the Equipment and Meter, you will, as specified by us, either properly pack and return them to us in the return box and with the shipping label provided by us or furnish them to a service carrier specified by us to pick up and ship them to us. If you don’t do one of the things listed in clause (i), (ii) or (iii) above, you will be deemed to have agreed to enter into successive month to month extensions of the term of this Lease, unless prohibited by law. You may choose to cancel the automatic extensions at any time by giving us 120 days’ written notice by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under “how to create a case”). Upon cancellation, you agree to either return all items as provided in this Section 3 or purchase the Equipment.

## **4. WARRANTY AND LIMITATION OF LIABILITY**

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

## **5. Equipment Obligations**

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

## **6. Risk of Loss**

(a) You bear the entire risk of loss, theft, damage or destruction to the Equipment from the date of delivery (as described in the Master Agreement) 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 keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement that is reasonably satisfactory to us ("**Insurance**").
- (d) YOU MUST CALL US AT 1-800-732-7222 AND PROVIDE US WITH EVIDENCE OF INSURANCE.

## **7. Other Lease Terms**

- (a) If more than one lessee is named in this Lease, liability is joint and several.
- (b) You may not assign or sublet the Equipment, the Meter or this Agreement without our prior written consent. Any assignment without our consent is void. We may sell or assign all or part of this Lease or the Equipment, but it will not affect your rights or obligations.
- (c) We will provide you with a welcome letter by email.
- (d) All applicable taxes required to be collected by us will be shown on the invoice.

## **8. NON-APPROPRIATION**

You warrant that you have funds available to pay all payments until the end of your current fiscal period, and shall use your best efforts to obtain funds to pay all payments in each subsequent fiscal period through the end of your Lease Term. If your appropriation request to your legislative body, or funding authority ("Governing Body") for funds to pay the payments is denied, you may terminate this Lease on the last day of the fiscal period for which funds have been appropriated, upon (i) submission of documentation reasonably satisfactory to us evidencing the Governing Body's denial of an appropriation sufficient to continue this Lease for the next succeeding fiscal period, and (ii) satisfaction of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, including the return of the Equipment at your expense.

## **9. EARLY TERMINATION**

You further warrant that you intend to enter into this Lease for the entire Lease Term and you acknowledge that we have relied upon such representation when determining the applicable pricing plan. If you cancel or terminate this Lease prior to expiration of the Lease Term (other than for non-appropriations), you shall pay a termination charge equal to the net present value of the monthly payments remaining through the completion of the term, discounted to present value at a rate of 6% per year. The foregoing paragraph shall supersede Section 12(a)(ii) of these Terms.

## **GENERAL TERMS**

### **10. Warranties**

We warrant that all PBI-branded equipment ("**PBI Equipment**") will be free from defects in material and workmanship and will perform according to the operator guides for a period of one year from the date (i) the PBI Equipment is installed at your location when PBI installs the PBI Equipment for you or (ii) the PBI Equipment is delivered to you when you can install it yourself. The DI2000™ inserting system has its own unique warranty that you can see at [pitneybowes.com/us/state-and-local-government-solutions/states.html](http://pitneybowes.com/us/state-and-local-government-solutions/states.html).

- (a) A defect doesn't include the failure of rates within a rate update to conform to published rates.

(b) We warrant that any service ("**Service**") we perform under the SLA set out in Sections 19 through 24 will be performed in a professional and workmanlike manner.

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

(d) There is no warranty for PBI Equipment that needs to be repaired or replaced because of any Excluded Circumstance. "**Excluded Circumstance**" is a circumstance outside of PBI's control, including an accident, your negligent or reckless use of the equipment, use of the equipment which exceeds our recommendations or in a way not authorized by this Agreement or any operator guide, use of the equipment in an environment with unsuitable humidity, line voltage, damage in transit, software virus, loss of data, loss or fluctuation of power, fire, flood or other natural causes, and other external forces beyond our control, servicing of the equipment by someone other than us, failure to use required software updates, use of the equipment with any system where we have told you that we will no longer provide support or that 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 equipment (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images.

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

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

(g) **EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, WE (ON BEHALF OF OURSELF AND OUR SUPPLIERS) MAKE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE EQUIPMENT OR SERVICES. WE MAKE NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. WE AGREE TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.**

## **11. Limitation of Liability**

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

## **12. Default and Remedies**

(a) If you don't make any payment within three days after the due date shown on our invoice, you breach any other obligation under this Agreement or under any other agreement with Pitney Bowes and such breach continues for thirty days after we give you notice or you become insolvent or file for bankruptcy, you will be in default and we may:

- (i) cancel this Agreement and any other agreements Pitney Bowes has with you;
- (ii) require you to pay to us immediately all amounts payable under the Lease or other agreements, whether then due or payable in the future;
- (iii) disable the Meter;
- (iv) require you to return the Equipment and Meter, and delete or remove software; and deny you access to software;

- (v) if you don't return the Equipment, require you to immediately pay to us an amount equal to the value of the Equipment, as determined by us;
- (vi) charge you a late charge, as allowed by law, for each month that your payment is late;
- (vii) charge you a check return fee for payments made by you with insufficient funds; and
- (viii) pursue any other remedy, including repossessing the Equipment and Meter without notice to you. To the extent permitted by law, you waive any notice of our repossession or disposition of the Equipment or Meter. By repossessing the Equipment or Meter, we aren't waiving our right to collect the balance due.

(b) You agree to pay all our costs, including attorneys' fees, incurred in enforcing our rights.

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

### **13. Taxes**

You are responsible for paying any taxes on the Meter and Meter Services, including sales and use tax, unless a valid tax exemption certification acceptable to the applicable taxing authority is provided.

### **14. Embedded Software; Applications**

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

(b) Certain products and services may provide you an opportunity to access applications provided by us or a third party. Each application you access will have its own terms and conditions applicable to your use of that application located within it, and by using the application you agree to those terms and conditions.

### **15. Internet Access Point**

The internet connectivity for the Equipment or Meter may use an internet access point provided by us. You may only use this access point for connectivity between the Equipment or Meter and the internet and for no other purpose. You agree to pay all costs resulting from the use of the access point in violation of this restriction.

### **16. Security Interest**

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

### **17. Analog Connectivity**

**IF YOU USE AN ANALOG CONNECTION FOR YOUR MAILING SYSTEM, YOU ACKNOWLEDGE THAT THE ANALOG CONNECTIVITY IS PROVIDED BY A THIRD PARTY SUPPLIER. NEITHER WE NOR OUR SUPPLIERS PROVIDE ANY WARRANTY WITH RESPECT TO THE FUNCTIONALITY OR QUALITY OF THE ANALOG CONNECTION. IF THE THIRD PARTY SUPPLIER NO LONGER**

**PROVIDES ANALOG CONNECTION CAPABILITY, WE WON'T BE RESPONSIBLE FOR PROCURING AN ALTERNATIVE SUPPLIER AND YOU WILL HAVE TO USE A DIGITAL CONNECTION.**

**18. Miscellaneous**

- (a) We will use your information in accordance with our [Privacy Statement](#).
- (b) You agree to use the Equipment and Meter only for business or commercial purposes, and not for personal, family, or household purposes.
- (c) We aren't responsible for any delay or failure to perform resulting from causes outside of our control.
- (d) You may not assign this Agreement without our prior written consent. Any assignment without our consent is void.
- (e) Payments aren't subject to setoff or reduction.
- (f) **ANY LEGAL ACTION YOU FILE AGAINST US MUST BE STARTED WITHIN ONE YEAR AFTER THE EVENT GIVING RISE TO YOUR CLAIM. YOU WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION RELATED TO THIS AGREEMENT.**
- (g) We can only change this Agreement if we both agree to do so in writing. You may use a purchase order to offer to obtain equipment or services but none of its provisions will modify or supersede these provisions unless we expressly agree in writing. If any provision in this Agreement is found to be invalid or unenforceable, the remaining provisions won't be affected.
- (h) Our respective rights and obligations under Sections 11 (Limitation of Liability), 12 (Default and Remedies) and 13 (Taxes) will survive termination of this Agreement.
- (i) We may deliver any notice and other communication to you under this Agreement by email to the email address that we have on file for you. You agree to the delivery of these notices and other communications by email. We may call you at any number you give to us.
- (j) This Agreement is governed by the laws of the State of Delaware.
- (k) You agree that we can use your name in a client list and identify you as a client when communicating with prospective clients, in each case along with our product or service that you are using. You agree that we can use your name and logo in marketing content, including in an advertising campaign, with your prior consent.
- (l) You agree to comply with all applicable export control laws and regulations.
- (m) If there is a conflict between any of these Terms, your State's Participating Addendum and the Master Agreement, these Terms shall prevail.

**SERVICE LEVEL AGREEMENT**

**19. Applicability of SLA**

This SLA section applies to you if we have entered into an agreement to provide service for any Equipment we lease, rent or sell on the Order, excluding Equipment with charges based on volume of use ("**Usage-based Equipment**") and any DI2000™ (the covered equipment is called "**Covered Equipment**").

**20. Service Level Options**

- (a) (i) If you sign up for **Standard SLA** on the Order, PBI will provide at its option either repair or replacement services for the Covered Equipment during the Initial Service Term or any Renewal Service Term (each term as defined in Section 21) (the “**Service Term**”). You are also entitled to: (x) replacement printheads for Covered Equipment without additional charge, except for printheads which need to be replaced as a result of any Excluded Circumstance, and except for integrated printhead/ink cartridges; and (y) two preventative maintenance service calls per calendar year. PBI will notify you when preventative maintenance is due or you can request preventative maintenance service. If your Covered Equipment needs repair, PBI may provide repair by remote access, diagnostics and service and/or by on-site repair service. Repair service is provided only for damage resulting from normal wear and tear. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies. PBI will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available. If PBI deems it necessary, PBI will dispatch a service technician to arrive at your location for on-site service. You won’t incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent. “**Normal Working Hours**” means 8 a.m. – 5 p.m., Monday – Friday, excluding PBI-observed U.S. holidays, in the time zone where the Equipment or other items are located.
- (ii) If PBI determines that replacement of Covered Equipment is necessary, PBI will, at no additional cost to you, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment. Unless PBI instructs you otherwise, within five days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBI. You are responsible for the Covered Equipment until PBI receives it.
- (b) If you are eligible to receive **Performance SLA** under our policies and you sign up for Performance SLA on the Order, you will be entitled to receive: (i) all coverage provided under Standard SLA; and (ii) one two-hour application consultation for your mailing and shipping needs. If PBI determines that on-site service is necessary, PBI will use commercially reasonable efforts to have a service technician on-site (during Normal Working Hours only) within 4 hours or 8 hours, as specified on the Order, after PBI has determined that it can’t resolve the issue remotely (the “**Response Time Commitment**”). The Response Time Commitment relates solely to the arrival of a technician at your location. It isn’t a guaranteed resolution of the problem within the Response Time Commitment period, and it doesn’t guarantee that all parts necessary to make a repair will be on-site within this time frame. The Response Time Commitment does not apply to Service designated as service by replacement, relocation services, software maintenance, preventative maintenance, operator training, or other services not essential to repair the Covered Equipment. If the Covered Equipment is moved from its original location, PBI may, at its option, remove the Response Time Commitment. If this happens, you will receive Standard SLA and we will adjust the SLA charges payable by you appropriately. If we don’t meet the Response Time Commitment, we will provide you with a credit equal to the difference between the cost of Standard SLA and Performance SLA for three months. In order to receive this credit, you must use a credit request form which you can obtain from your service technician or by calling the Customer Care Center. The credits are limited to credits for four failures to meet the Response Time Commitment in any twelve-month period during the Service Term. **These remedies are your sole remedy for PBI’s failure to meet the Response Time Commitment.**

## 21. Service Term

PBI will provide you with Service for twelve months, if you don’t have a Lease, or for the Lease Term, if you are leasing Equipment (the “**Initial Service Term**”). **SERVICE AUTOMATICALLY RENEWS FOR CONSECUTIVE ONE YEAR TERMS (EACH A “RENEWAL SERVICE TERM”) UNLESS YOU TERMINATE YOUR SERVICE AS PROVIDED BELOW OR THE LEASE EXPIRES OR IS TERMINATED OR THE RENEWAL IS PROHIBITED BY LAW.** If you don’t wish to renew Service, you must deliver a written notice (the “**Termination Notice**”) at least 60 days (or 30 days if you are in Wisconsin) prior to the renewal of the term to us at 2225 American Drive, Neenah, WI 54956 or you may



notify us by creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under “how to create a case”). Your Termination Notice must include your customer account number or CAN and lease number (if applicable). PBI reserves the right not to renew your SLA for any reason.

## **22. SLA Fees**

You will pay the SLA fees for the Initial Service Term and any Renewal Service Term(s). We may increase the SLA fees after the Initial Service Term, and any increases will be reflected on your invoice. If you receive service for repairs caused by any Excluded Circumstance, PBI will charge you for the service at PBI's current hourly rates and for any required parts. If you exceed the cycle volume of your Equipment specified on the Order, PBI may bill you for the additional cycles over the specified cycle volume (the additional cycles are called the “Overage”). The charge will be determined by reference to the rate in effect at the time that we determine that an Overage exists. Upon request, you will provide the cycle volume to us. If you do not provide the cycle volume to us, we will estimate the cycle volume and send an invoice to you for any Overage based on our estimate. If, in the prior quarter, we estimated cycle volume and later receive actual cycle volume, then we will make adjustments based on actual usage on your next invoice.

## **23. Service Changes**

PBI may modify its Service by giving written notice to you (a “**Service Change Notice**”), which will state whether the change is material. After receiving a Service Change Notice, if the change is material, you may terminate Service by giving us a termination notice at the address indicated in Section 21 or you may create a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under “how to create a case”).

## **24. Additional Service Terms**

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

## **EQUIPMENT RENTAL AND METER SERVICES TERMS**

### **25. Equipment Rental and Meter Services**

This Equipment Rental and Meter Services Section applies to you whenever you rent Equipment and whenever you obtain Meter Services from us.

(a) If you aren't leasing the Equipment and paying for it in your lease payment to PBGFS, we will invoice you the Equipment rental (“rental”) and Meter Services fees listed on the Order. After the period listed on the Order (the “**Initial Term**”), we may increase the rental and/or Meter Services fees in accordance with the Master Agreement. When you receive notice of an increase, you may terminate your rental or Meter Services only as of the date the increase becomes effective.

(b) At the end of the Initial Term, unless prohibited by law, the rental term and Meter Services term will convert to successive month to month extensions. You may choose to cancel the month to month extensions at any time by giving us 30 days' prior written notice, to the address in Section 21 or by

creating a case at [pitneybowes.com/us/contact-us.html](https://pitneybowes.com/us/contact-us.html) (follow the instructions under “how to create a case”). Upon expiration of the term of the rental or Meter Services, you agree to return Equipment and Meters covered by the rental and Meter Services agreement in their original condition, reasonable wear and tear excepted. We reserve the right to recover or disable the Meter and terminate your use at any time if you are in violation of USPS regulations.

## **26. Postage**

You may transfer funds to The Pitney Bowes Bank, Inc. (the “Bank”) for deposit into your Reserve Account that you maintain with the Bank (your “**Reserve Account**”) or you may transfer funds to the United States Postal Service (the “**USPS**”) through a lockbox bank (a “**Lockbox Bank**”). See the “USPS Acknowledgment of Deposit” below for more information. Until the end of the Initial Term, we may charge you a fee of up to \$15.00 for refilling your postage. After the Initial Term, we may increase postage refill fees upon 30 days prior written notice. If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), we will advance payment on your behalf to the USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your Meter Services fees.

## **27. Meter Repair or Replacement; Meter Care and Risk of Loss**

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

## **28. Terms of Use of Meter; Federal Regulations**

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

## **29. Rate Updates and Soft-Guard® Program**

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

### **30. Collection of Information**

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

### **31. Value Based Services**

Value based services are services the USPS provides, including e-Return Receipt and USPS Confirmation Services. Any fees the USPS charges for these services are your responsibility to pay for and are payable the same way that you pay for postage. The USPS is solely responsible for its services. We are not responsible for any malfunctions of any part of the communication link connecting the Meter with the USPS data system. 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. We have the right to terminate the value based services if the USPS discontinues offering the service or you breach your obligations under this Agreement and fail to cure the breach within thirty days after you have been notified in writing.

### **USPS ACKNOWLEDGEMENT OF DEPOSIT**

### **32. Acknowledgement of Deposit**

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

- (a) In connection with your use of a Postage Evidencing System, you may transfer funds to the USPS through a Lockbox Bank for the purpose of prepayment of postage on Postage Evidencing Systems, generating evidence of postage (a "**Deposit**"), or you may transfer funds to the Bank for deposit into your Reserve Account.
- (b) 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.
- (c) Any deposit made by you in your Reserve Account is subject to the Reserve Account – Agreement and Disclosure Statement governing your Reserve Account.
- (d) Any Deposit made by you in the Lockbox Bank account shall be credited by the USPS only for the payment of 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.
- (e) 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.
- (f) 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.

(g) 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.

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

(i) 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.

## **PURCHASE POWER TERMS**

### **33. Purchase Power Program**

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

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

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

(d) (i) By using the Program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account 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. (ii) The Annual Percentage Rate applicable to the Account will be: the greater of (x) 22% and (y) the sum of the highest "Prime Rate" published in the "Money Rates" section of *The Wall Street Journal* on the last business day of the month and the margin set forth below (the sum of the margin and the Prime Rate is herein called the "Floating Rate"). The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Floating Rate, if applicable. 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. (iii) 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 December 31, 2019, the daily periodic rate would be .05342% and the corresponding annual percentage rate would be 19.50%). (iv) The Account balance that is subject to a finance charge each day will include (x) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (y) unpaid interest, fees, and other charges on the Account. (v) The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. (vi) Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. (vii) The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit limit.

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

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

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

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

## **PRODUCT SPECIFIC TERMS**

### **34. Software**

If you are acquiring an on-premise software license or on-demand subscription services, additional terms apply which are available by clicking on the hyperlink for that software or subscription service located at [pitneybowes.com/us/state-and-local-government-solutions/states.html](https://pitneybowes.com/us/state-and-local-government-solutions/states.html). Those additional terms are incorporated by reference.

### **35. DI2000 Inserting System Terms**

Certain provisions which apply when you purchase, lease or rent a DI2000 inserting system and when you purchase a service plan for it are set forth at [pitneybowes.com/us/state-and-local-government-solutions/states.html](https://pitneybowes.com/us/state-and-local-government-solutions/states.html).

and are incorporated by reference. Those provisions govern to the extent that they are inconsistent with the other terms of this Agreement.

### **36. PBBackup and PC-Backup Service Terms**

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

### **37. Pitney Bowes Intelligent Locker Solutions**

You must keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of Insurance. The Pitney Bowes Intelligent Locker Solutions may include a statement of work.

### **38. AddressRight® Printers**

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

### **39. DM Infinity**

Support for the DM Infinity Meter may not go beyond June 30, 2024. The Initial Term/the Lease Term for a DM Infinity Meter may not go beyond June 30, 2024.