ITEM: MAIL ROOM EQUIPMENT, SUPPLIES & MAINTENANCE (WSCA)
Rental Postage Meter • Ultra Low Volume Mailing Systems • Low Volume Mailing Systems • Medium Volume Mailing Systems • High Volume Mailing Systems • Integrated Postal Scales • High Volume Letter Folders • Inserter Productions • Low Volume Folder-Inserter • Medium Volume Folder-Inserter • High Volume Folder-Inserter • Production Folder-Inserter • Low Volume Ink Jet Envelope Mail Labeler • Medium Volume Ink Jet Envelope • High Volume Ink Jet Envelope Addressing System • Production Ink Jet Envelope Addressing System • Low Volume Tabbers • Medium Tabbers • High Tabbers • Pre-Sorting Equipment • Software License and Subscription • Mailroom Specific Furniture • Supplies and Consumables • Maintenance and Repair

ORDERING ADDRESS
VENDOR # 05583JB
PITNEY BOWES INC
23751 N. 23rd AVENUE STE #190
PHOENIX AZ 85085-1863

Via email: bill.walter@pb.com
Via Fax: (203) 460-5758
Via Phone: (480) 206-2984

INTERNET ADDRESS: www.pb.com

GENERAL CONTACT: BILL WALTER
TELEPHONE: (480) 206-2984
FAX NUMBER: (203) 460-5758
EMAIL ADDRESS: bill.walter@pb.com

USAGE REPORT CONTACT: BILL WALTER
TELEPHONE: (480) 206-2984
FAX NUMBER: (203) 460-5758
EMAIL ADDRESS: bill.walter@pb.com

REPORTING TYPE: LINE ITEM
BRAND: SEE ATTACHED PRICE SCHEDULE
PRICE: NET 30

EFFECTIVE DATES: 03/22/2012 THROUGH 10/11/2016
(Potential Contract Renewals through 10/11/2016)

DELIVERY & INSTALLATION: 20 BUSINESS DAYS, OR AS MUTUALLY AGREED UPON (per Sec 2.36 WSCA/NASPO SOW)
ORIGINATING SOLICITATION: WSCA/NASPO MAIL ROOM EQUIPMENT, SUPPLIES & MAINTENANCE

STATE AGENCIES - TO USE THIS CONTRACT, PRE-AUTHORIZATION IS REQUIRED.
TO USE THIS CONTRACT, PRE-AUTHORIZATION IS REQUIRED.

Per 63A-2-103 Utah Code
Any State Agency that wants to purchase any mail related items from this contract must first request in writing permission to do so. Your written request needs to be emailed to BRIAN JENSEN, State Mail Manager, at brianjensen@utah.gov.

PLEASE READ: All entities that may use this contract need to be warned that there are limitations of liability, and therefore they must continually monitor the equipment to make sure the equipment is working accurately. Also, please note that there is an Early Termination Charge listed in the Lease or Rental Terms and Conditions.

PLEASE NOTE:
ALL PURCHASE ORDERS MUST INCLUDE STATE CONTRACT #AR173 AND THE LEAD STATE PRICE AGREEMENT NUMBER ADSPO11-00000411-7.

Link to Official Price Book
as shown on the State of Arizona's ProcureAZ website.

If clicking the link below doesn't work, copy the following address into your browser:

FINET COMMODITY CODES:
60077 – POSTAGE METERS, INCLUDING SUPPLIES AND CONSUMABLES
98554 – MAILING EQUIPMENT INCLUDING POSTAGE METER RENTAL OR LEASE
60071 – MAILING MACHINES, INCLUDING SUPPLIES AND CONSUMABLES
93952 – MAILING MACHINES AND EQUIPMENT MAINTENANCE AND REPAIR

THIS CONTRACT COVERS ONLY THOSE ITEMS LISTED IN THE PRICE SCHEDULE. IT IS THE RESPONSIBILITY OF THE AGENCY TO ENSURE THAT OTHER ITEMS PURCHASED ARE INVOICED SEPARATELY. STATE AGENCIES WILL PLACE ORDERS DIRECTLY WITH THE VENDOR CREATING A PRC IN FINET AND MAKE PAYMENTS FOR THE SAME ON A PV REFERENCING THE ORIGINAL PG. AGENCIES WILL RETURN TO THE VENDOR ANY INVOICE WHICH REFLECTS INCORRECT
PRICING.

CONTRACT REVISION HISTORY:

BRAND NEW CONTRACT. THIS CONTRACT REPLACES AR1960.

REVISION #1: LINK TO OFFICIAL PRICE BOOK HAS BEEN UPDATED (12/21/12).
PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE and
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT
Administered by the State of Arizona (hereinafter "Lead State")

MASTER PRICE AGREEMENT
Pitney Bowes Inc.
ADSPO11-00000411-7
(hereinafter “Contractor”)

And

State of Utah
(hereinafter “Participating State”)  
State of Utah Contract # AR173

1. **Scope:** This addendum covers the WSCA/NAPSO Mail Room Equipment, Services and Support contract lead by the State of Arizona for use by state agencies and other entities located in the Participating State/Entity authorized by that state’s statutes to utilize state/entity contracts.

2. **Participation:** Use of specific WSCA/NASPO cooperative contracts by agencies, political subdivisions and other entities (including cooperatives) authorized by an individual state’s statutes to use state/entity contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

3. **Participating State/Contractor Modifications or Additions to Master Price Agreement:**
(These modifications or additions apply only to actions and relationships within the Participating Entity.)

**Modifications/Additions**

3.1 Software license terms and conditions shall be mutually agreed upon in writing by the purchasing entity’s authorized individual and Pitney Bowes Inc.

3.2 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 as provided by the Contractor.

3.3 WSCA-Utah Terms and Conditions. (Attachment A)

4. **Lease Agreements:** Equipment Lease and Rental Agreements are authorized in accordance with the terms of WSCA/NASPO Master Price Agreement number: ADSPO11-00000411-7. Attachment B reflects the lease and/or rental options Participating State has agreed to use.

5. **Primary Contacts:** The primary contact individuals for this participating addendum are as follows (or their named successors):

<table>
<thead>
<tr>
<th>Name</th>
<th>Kevin DeRosa, Procurement Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Arizona DOA-SPO, 100 N. 15th Ave, Suite 201, Phoenix, AZ 85007</td>
</tr>
<tr>
<td>Telephone</td>
<td>602-542-9127</td>
</tr>
</tbody>
</table>
PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE and
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT
Administered by the State of Arizona (hereinafter “Lead State”)

MASTER PRICE AGREEMENT
Pitney Bowes Inc.
ADSPO11-00000411-7
(hereinafter “Contractor”)

And

State of Utah
(hereinafter “Participating State”)
State of Utah Contract # AR173

<table>
<thead>
<tr>
<th>Fax</th>
<th>602-542-5508</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-mail</td>
<td><a href="mailto:Kevin.DeRosa@azdoa.gov">Kevin.DeRosa@azdoa.gov</a></td>
</tr>
</tbody>
</table>

**Contractor – Contract Terms and Conditions**

<table>
<thead>
<tr>
<th>Name</th>
<th>Arthur E. Adams, Jr., Director State and Local Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>1 Elmcroft Rd, Stamford, CT 06926</td>
</tr>
<tr>
<td>Telephone</td>
<td>203-351-7866</td>
</tr>
<tr>
<td>Fax</td>
<td>203-460-3827</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:art.adams@pb.com">art.adams@pb.com</a></td>
</tr>
</tbody>
</table>

**Contractor – Local Strategic State Account Manager**

<table>
<thead>
<tr>
<th>Name</th>
<th>Bill Walter, Government Account Manager – State of Utah</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>385 Inverness Pkwy, Ste #400, Centennial, CO, 80112</td>
</tr>
<tr>
<td>Telephone</td>
<td>303-641-9575</td>
</tr>
<tr>
<td>Fax</td>
<td>203-460-5758</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:bill.walter@pb.com">bill.walter@pb.com</a></td>
</tr>
</tbody>
</table>

**Participating Entity**

<table>
<thead>
<tr>
<th>Name</th>
<th>Brenda Veldevere</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>3150 State Office Building, Capitol Hill</td>
</tr>
<tr>
<td></td>
<td>SLC, UT 84114</td>
</tr>
<tr>
<td>Telephone</td>
<td>(801) 538-3142</td>
</tr>
<tr>
<td>Fax</td>
<td>(801) 538-3882</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:bveldevere@utah.gov">bveldevere@utah.gov</a></td>
</tr>
</tbody>
</table>

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

7. **Purchase Order Instructions:**
All orders should contain the following (1) Mandatory Language “PO is subject to WSCA/NASPO Contract # ADSPO11-00000411-7” (2) Your Name, Address, Contact, & Phone-Number.
PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE and
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT
Administered by the State of Arizona (hereinafter “Lead State”)

MASTER PRICE AGREEMENT
Pitney Bowes Inc.
ADSP011-00000411-7
(hereinafter “Contractor”)

And

State of Utah
(hereinafter “Participating State”)
State of Utah Contract # AR173

Orders can be made out to either (a) Pitney Bowes, or (b) to an AUTHORIZED reseller depending upon the preference of the Participating State or other participating legal entity.

8. Price Agreement Number:
All purchase orders issued by purchasing entities within the jurisdiction of this participating addendum shall include the Participating State contract number: AR173 and the Lead State price agreement number: ADSP011-00000411-7.

9. Compliance with reporting requirements of the “American Recovery and Reinvestment Act of 2009” (“ARRA”): If or when contractor is notified by ordering entity that a specific purchase or purchases are being made with ARRA funds, contractor agrees to comply with the data element and reporting requirements as currently defined in Federal Register Vol 74 #61, Pages 14824-14829 (or subsequent changes or modifications to these requirements as published by the Federal OMB). Ordering entity is responsible for informing contractor as soon as the ordering entity is aware that ARRA funds are being used for a purchase or purchases. Contractor will provide the required report to the ordering entity with the invoice presented to the ordering entity for payment. The contractor, as it relates to purchases under this contract, is not a subcontractor or subgrantee, but simply a provider of goods and related services.

10. Individual Customer:
Each State agency and political subdivision, as a Participating Entity, that purchases products/services 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 Master Agreement; and they will have the same rights and responsibilities for their purchases as the Lead State 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 Participating Entity individually.

This Participating Addendum and the Master Price Agreement number ADSP0---00000411-7 (administered by the State of Arizona) together with its exhibits, 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**
WESTERN STATES CONTRACTING ALLIANCE and
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT
Administered by the State of Arizona (hereinafter “Lead State”)

**MASTER PRICE AGREEMENT**
Pitney Bowes Inc.
ADSPO11-00000411-7
(hereinafter “Contractor”)

And

State of Utah
(hereinafter “Participating State”)
State of Utah Contract # AR173

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.

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

<table>
<thead>
<tr>
<th>Participating State:</th>
<th>Contractor:</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Utah</td>
<td>Pitney Bowes Inc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Signature:</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Signature]</td>
<td>[Signature]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>Name:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Title:</th>
<th>Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Procurement Office</td>
<td>Director, State and Local Contracts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/21/12</td>
<td>3/19/2012</td>
</tr>
</tbody>
</table>

[Additional signatures as required by Participating State]
State of Utah Additional Terms and Conditions
For WSCA Participating Addendums

The following terms and conditions will be added to the Participating Addendum for the State of Utah:

1) AUTHORITY: Provisions of this Addendum are pursuant to the authority set forth in 63G-6, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.

2) LAWS AND REGULATIONS: Any and all supplies, services and equipment furnished will comply fully with all applicable Federal and State laws and regulations, including applicable licensure and certification requirements.

3) RECORDS ADMINISTRATION: The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records will be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later. The Contractor agrees to allow the State and Federal auditors, and State agency staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours and by appointment.

4) CERTIFY REGISTRATION AND USE OF EMPLOYMENT "STATUS VERIFICATION SYSTEM": The Status Verification System, also referred to as "E-verify", only applies to contracts issued through a Request for Proposal process, and to sole sources that are included within a Request for Proposal. It does not apply to Invitation to Bids nor to the Multi-Step Process.

4.1 Status Verification System
A. Each offeror and each person signing on behalf of any offeror certifies as to its own entity, under penalty of perjury, that the named Contractor has registered and is participating in the Status Verification System to verify the work eligibility status of the contractor’s new employees that are employed in the State of Utah in accordance with applicable immigration laws including UCA Section 63G-12-302.
B. The Contractor shall require that the following provision be placed in each subcontract at every tier: “The subcontractor shall certify to the main (prime or general) contractor by affidavit that the subcontractor has verified through the Status Verification System the employment status of each new employee of the respective subcontractor, all in accordance with applicable immigration laws including Section 63G-12-302 and to comply with all applicable employee status verification laws. Such affidavit must be provided prior to the notice to proceed for the subcontractor to perform the work.”
C. The State will not consider a proposal for award, nor will it make any award where there has not been compliance with this Section.
D. Manually or electronically signing the Proposal is deemed the Contractor’s certification of compliance with all provisions of this employment status verification certification required by all applicable status verification laws including UCA Section 63G-12-302.

4.2 Indemnity Clause for Status Verification System
A. Contractor (includes, but is not limited to any Contractor, Design Professional, Designer or Consultant) shall protect, indemnify and hold harmless, the State and its officers, employees, agents, representatives and anyone that the State may be liable for, against any claim, damages or liability arising out of or resulting from violations of the above Status Verification System Section whether violated by employees, agents, or contractors of the following: (a) Contractor; (b) Subcontractor at any tier; and/or (c) any entity or person for whom the Contractor or Subcontractor may be liable.
B. Notwithstanding Section 1. above, Design Professionals or Designers under direct contract with the State shall only be required to indemnify the State for a liability claim that arises out of the design professional’s services, unless the liability claim arises from the Design Professional’s negligent act, wrongful act, error or omission, or other liability imposed by law except that the design professional shall be required to indemnify the State in regard to subcontractors or subconsultants at any tier that are under the direct or indirect control or responsibility of the Design Professional, and includes all independent contractors, agents, employees or anyone else for whom the Design Professional may be liable at any tier.

5) INDEMNITY CLAUSE: The Contractor will release, protect, indemnify and hold the STATE and the respective political subdivisions and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney’s fees for any or all injuries to persons, tangible property or claims for money damages arising from acts or omissions of the Contractor, his employees or subcontractors or volunteers. The parties agree that if there are any Limitations of the Contractor’s Liability, including a limitation of liability for anyone for whom the Contractor is responsible, such Limitations of Liability will not apply to injuries to persons, including death, or to damages to tangible property.
6) EMPLOYMENT PRACTICES CLAUSE: The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.

7) DEBARMENT: The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the STATE. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.

8) TERMINATION: Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon thirty (30) days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination. In the event of termination of the Participating Addendum, all underlying leases to this Addendum including applicable terms will remain in full force and effect throughout the duration of the lease.

9) NONAPPROPRIATION OF FUNDS: The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services and purchase obligations from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.

10) TAXES: Bid/proposal prices will be exclusive of state sales, use and federal excise taxes. The State of Utah's sales and use tax exemption number is 11736850-010-STC, located at http://purchasing.utah.gov/contract/documents/salestaxexemptionformsigned.pdf. The tangible personal property or services being purchased are being paid from STATE funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract, or contract orders. The State of Utah's Federal excise exemption number is 87-780019K.

11) PARTICIPANTS: This is a contract to provide the State of Utah government departments, institutions, agencies and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) with the goods and/or services described in the bid/proposal.

12) POLITICAL SUBDIVISION PARTICIPATION: Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) will be voluntarily determined by the political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

13) REPORTS AND FEES: The Contractor agrees to provide a quarterly administrative fee to the State of Utah in the form of a Check or EFT payment. The fee will be payable to the “State of Utah Division of Purchasing” for an amount equal to 1% of the net sales (net of any returns, credits, or adjustments) under this Addendum for the period. The Contractors WSCA pricing to the Participating Entity may be adjusted to offset for the equivalent fee amount. Payment(s) shall be made in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Period End</th>
<th>Fee Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31</td>
<td>April 30</td>
</tr>
<tr>
<td>June 30</td>
<td>July 31</td>
</tr>
<tr>
<td>September 30</td>
<td>October 31</td>
</tr>
<tr>
<td>December 31</td>
<td>January 31</td>
</tr>
</tbody>
</table>

The Contractor agrees to provide a quarterly utilization report, reflecting net sales to the Participating Entity during the associated fee period. The report will show the quantities and dollar volume of purchases by each agency and political subdivision. The report will be provided in secure electronic format and/or submitted electronically to the Purchasing Agent in the Division of Purchasing over in this Addendum and a copy to the Utah reports email address salesreports@utah.gov.

14) PAYMENT: Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. After 60 days from the date a correct invoice is received by the
appropriate State official, the Contractor may assess interest on overdue, undisputed account charges up to a maximum of the interest rate paid by the IRS on taxpayer refund claims, plus two percent, computed similarly as the requirements of Utah Code Annotated Section 15-6-3. The IRS interest rate is adjusted quarterly, and is applied on a per annum basis, on the invoice amount that is overdue. Payments may be made via a State of Utah (or political subdivision) "Purchasing Card" (major credit card). All payments to the Contractor will be remitted by mail, electronic funds transfer, or Purchasing Card.

15) HAZARDOUS CHEMICAL INFORMATION: The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state’s requirements.

16) PUBLIC INFORMATION: Contractor agrees that the contract, related Sales Orders, and Invoices will be public documents, as far as distribution of copies. Contractor gives the STATE express permission to make copies of the contract, related Sales Orders, and Invoices in accordance with the State of Utah Government Records Access and Management Act (GRAMA). Except for sections identified in writing and expressly approved by the State Division of Purchasing, Contractor agrees that the Contractor’s response to the solicitation will be a public document, and copies may be given to the public under GRAMA laws. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, or copyright information.

17) PROCUREMENT ETHICS: The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63G-6-1002, Utah Code Annotated, 1953, as amended).

18) ENERGY CONSERVATION AND RECYCLED PRODUCTS: The contractor is encouraged to offer Energy Star certified products or products that meet FEMP (Federal Energy Management Program) standards for energy consumption. The State of Utah also encourages contractors to offer products that are produced with recycled materials, where appropriate, unless otherwise requested in the solicitation.

19) INDIVIDUAL CUSTOMERS: Each State agency and each political subdivision, as a State Entity, that uses this contract will be treated as if they were individual Customers. Each agency and each political subdivision will be responsible for their own charges, fees, and liabilities. The Contractor will apply the charges to each State Entity individually.

Rev 07-11-11
SUMMARY OF LEASING/RENTAL PROGRAMS

Pitney Bowes Global Financial Services LLC offers a variety of equipment leasing and rental programs to enable your agency to acquire the equipment it needs with the innovative financing solution that works best for you.

TERM RENTAL (INSTALLMENT PURCHASE)-Option A
This program provides a 36, 48 or 60 Month Lease and is available only to city and state agencies, such as public school districts, municipal hospitals, police and fire departments. Due to the tax exempt status of the Lessee, rates are much lower than standard Fair Market Value Lease rates. Title to the Equipment passes up front and at the end of the lease term, you own the equipment (excluding meter). *(Non-profits and non-State or Local agencies are excluded from this program).* Sales Tax will be charged, if required under Your State Statute.

STATE & LOCAL FAIR MARKET VALUE LEASE - Option C
This program provides you with a 36, 48 or 60 Month lease term with the option to purchase the equipment at the end of the lease for its then Fair Market Value, or you can continue leasing the equipment based on its Fair Market Value, or return the equipment. Sales Tax will be charged, if required under Your State Statute.

Example of lease payments based on a $10,000.00 equipment price:

<table>
<thead>
<tr>
<th>LEASE RATES</th>
<th>Option A</th>
<th>Option C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>.0323</td>
<td>.0342</td>
</tr>
<tr>
<td>48</td>
<td>.0252</td>
<td>.0277</td>
</tr>
<tr>
<td>60</td>
<td>.0210</td>
<td>.0237</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MONTHLY LEASE PAYMENT BASED ON $10,000 TRANSACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
</tr>
<tr>
<td>36</td>
</tr>
<tr>
<td>48</td>
</tr>
<tr>
<td>60</td>
</tr>
</tbody>
</table>

Rev 2-17-12
Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSPO11-00000411 and will be the Lessor under this Term Rental (Installment Purchase) Lease Terms and Condition Agreement. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own an Intellilink Control Center or Meter.

The Pricing Plan for the WSCA/NAPO Term Rental (Installment Purchase) Lease Terms and Conditions is as follows:

**Monthly Billing:**

<table>
<thead>
<tr>
<th>Term</th>
<th>Lease Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>0.0323</td>
</tr>
<tr>
<td>48</td>
<td>0.0252</td>
</tr>
<tr>
<td>60</td>
<td>0.0210</td>
</tr>
</tbody>
</table>

**L1. DEFINITIONS**

L1.1 The following terms mean:

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

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

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

*"Covered Equipment"* - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order.

*"Coversed Equipment does not include any Intellilink® Control Center or Meter, or any standalone software."

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

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

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

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

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

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

*"Lease"* - the Order and this WSCA/NAPO Term Rental (Installment Purchase) Lease Terms and Conditions.

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

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

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

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

*"PBI" - Pitney Bowes Inc.

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

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

*"SLA"* - the Service Level Agreement.

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

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

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

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

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

**L2. AGREEMENT**

L2.1 You will make each Monthly Payment by the due date shown on our invoice.

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

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

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

**L3. PAYMENT TERMS AND OBLIGATIONS**

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

L3.2 Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired lease, and other costs.

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

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

**L4. EQUIPMENT OWNERSHIP**

L4.1 PBI owns any Intellilink® Control Center or Meter. Title to the Equipment shall pass to you upon installation. However, you and we agree that title shall automatically revert to us in the event of default, or termination due to your non-appropriation under Section 10.

**L5. TERM**

L5.1 This Agreement shall commence on the date of delivery and shall continue until the earlier of (i) termination at our option upon the occurrence of an event of default, or (ii) the occurrence of an event of a non-appropriation under Section 10, or (iii) the expiration of the Term and your payment of all Monthly Payments and other sums due and your fulfillment of all other obligations under this Agreement.

**L6. SURRENDER OF EQUIPMENT**

L6.1 If you default, or terminate this Agreement by non-appropriation under Section 10, you, at your expense, shall return all Equipment by delivering it to us in the same condition as when delivered to you, reasonable wear and tear excepted, to such place or on board such carrier, packed for shipping, as we may specify. Until the Equipment is returned as required above, all terms of this Agreement remain in effect including, without limitation, your obligations to make payments relating to your continued use of the Equipment and to insure the Equipment.

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

L7.2 PBI provides you with the warranty as provided in the Master Agreement and as follows:
(a) PBI warrants that the Equipment will be free from defects in material and workmanship and will perform according to the equipment user guide for a period of one year (365) days or the date of acceptance (the "Warranty Period").
(b) PBI warrants that the Maintenance Service provided will be performed in a professional and workmanlike manner.
(c) Your remedy in the event of any warranty claim is as provided within the Master Agreement.
(d) A "defect" does not include the failure of rates within a rate update to conform to published rates.
(e) There is no warranty for Equipment requiring repair or replacement because of your negligence, usage which exceeds PBI's recommendations, damage in transit, virus contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, or service by anyone other than PBI. There is no warranty for Equipment arising from the use of third party supplies (such as ink) that results in: (i) damage to PBI Equipment; (ii) poor print quality, text, or image quality; (iii) indiscernible readability failures; or (iv) a failure to print an image, text, or images.
(f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBI Equipment may be reclaimed, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.
(g) The warranty does not cover Consumable Supplies.

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

L8. EQUIPMENT OBLIGATIONS
L8.1 Condition and Repairs. You will keep the Equipment free from liens and encumbrances and in good repair, condition, and working order.
L8.2 Inspection. We may inspect the Equipment and any related maintenance records.
L8.3 Location. You may not move the Equipment from the location specified on the Order without our prior written consent which will not be unreasonably withheld.

L9. RISK OF LOSS
L9.1 You bear the entire risk of loss to the Equipment from the Delivery Date by PBI until the end of the Term (including any extensions), regardless of cause, ordinary wear and tear excepted ("Loss").
L9.2 No Loss will relieve you of any of your obligations under this Agreement. You must immediately notify us in writing of the occurrence of any Loss.
L9.3 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"). YOU MUST CALL US AT 1-800-243-8058 AND PROVIDE US WITH EVIDENCE OF INSURANCE.

L10. NON-APPROPRIATION
L10. See Master Agreement - Non Appropriations Clause.

L11. REPRESENTATIONS
L11.1 You hereby represent and warrant that (a) you are a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code"); and (b) you have the power and authority under applicable law to enter into this Agreement and that you will have duly authorized this execute and deliver this Agreement and carry out your obligations hereunder. You acknowledge that a portion of each Monthly Payment you shall pay includes interest and that this Agreement is entered into based on the assumption that the portion of each Monthly Payment is not includible in gross income of the owner thereof for Federal income tax purposes under Section 103(c) of the Code. You shall, at all times, do and perform 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 excludeable from gross income, your Monthly Payment shall be adjusted in an amount sufficient to maintain our original after tax yield utilizing our consolidated marginal tax rate, which adjusted Monthly Payments you agree to pay as provided in this Agreement, subject to Section L10. The rate at which the interest portion of Monthly 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 148(a) of the Code. This Section shall survive the termination of this Agreement.

L12. MISCELLANEOUS
L12.1 If more than one customer is named in this Agreement, liability is joint and several.
L12.2 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT OR THIS AGREEMENT WITHOUT OUR PRIOR WRITTEN CONSENT; WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD.
L12.3 We may sell, assign, or transfer all or any part of this Agreement or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.
L12.4 If there is a conflict between any of the terms and conditions in this Agreement, the Master Agreement ADSP011-000044114 and the Participating Addendum, the order of precedence shall be: first, the Participating Addendum; second, this Agreement; and third, the Master Agreement.
L12.5 This Agreement is being offered to any purchasing entity who is authorized to file a 8038-G and/or 8028-GC and such form must be included provided when placing an order.
L12.6 All applicable taxes required to be collected by us will be shown on the invoice.
L12.7 Any Intellisphere Control Center or Meter ranted under this Agreement is subject to the applicable USPS regulations and meter terms and conditions as may be provided by PBI.
L12.8 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software; (vi) that you may neither distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, decompile, disassemble, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third party software.
L12.9 The Connect+ Series Equipment may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ Series Equipment and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.
Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSPO11-00000411 and will be the Lessor under this Fair Market Value Lease Terms and Condition Agreement. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI). Due to federal regulations, only PBI can own an Intellilink Control Center or Meter.

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

**Monthly Billing:**

<table>
<thead>
<tr>
<th>Term</th>
<th>Lease Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>.0342</td>
</tr>
<tr>
<td>48</td>
<td>.0277</td>
</tr>
<tr>
<td>60</td>
<td>.0237</td>
</tr>
</tbody>
</table>

**L1. DEFINITIONS**

L1.1 The following terms mean:

- **Agreement** - the Order, your State's Participating Addendum, the WSCA/NASPO Master Agreement ADSPO11-00000411-7, these terms and conditions, and any attached exhibits.
- **Bank** - The Pitney Bowes Bank, Inc.
- **Consumable Supplies** - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.
- **Covered Equipment** - the equipment rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order.
- **Delivery Date** - the date the Equipment or other item is delivered to your location.
- **Effective Date** - the date the Order is received by us.
- **Equipment** - the equipment listed on the Order, excluding any Intellilink Control Center or Meter, and any standalone software.
- **Initial Term** - the lease period listed on the Order.
- **Install Date** - the date the Equipment or other item is installed at your location.
- **Intellilink Control Center** or “Meter” - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+™ mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.
- **License** - the Order and this WSCA/NASPO FMV Lease Terms and Conditions.
- **Maintenance Service** - the maintenance service for the Covered Equipment selected by you on the Order, excluding software maintenance.
- **Master Agreement** - WSCA/NASPO Master Agreement ADSPO11-00000411-7 Mail Room Equipment, Services and Support contract administered by the State of Arizona and shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by us, our responses to any requests for clarifications and/or our best and final offer.
- **Order** - the executed agreement between the applicable Pitney Bowes company and you for the Equipment.
- **PBGFS** - Pitney Bowes Global Financial Services LLC.
- **PBI** - Pitney Bowes Inc.
- **Pitney Bowes** - PBGFS and its subsidiaries, and PBI.
- **Postage Meter Rental Agreement** - an agreement governing the use and rental of an Intellilink Control Center or Meter you enter into with us.
- **SLA** - the Service Level Agreement.
- **SLAMA** - a Software License and Maintenance Agreement you enter into with us.
- **SOW** - a Statement of Work you enter into with us.

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

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

*WSCA/NASPO* – Western States Contracting Alliance and the National Association of State Procurement Officials.

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

**L2. AGREEMENT**

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

L2.2 You may not cancel this Lease for any reason except as expressly set forth in Sections L1.1 and L1.1B below. All payment obligations are unconditional.

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

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

**L3. PAYMENT TERMS AND OBLIGATIONS**

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

L3.2 Your Monthly Payment may include a one-time origination fee, amounts carried over from a previous unexpired lease, and other costs.

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

**L4. EQUIPMENT OWNERSHIP**

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

**L5. LEASE TERM**

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

**L6. END OF LEASE OPTIONS**

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

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

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

L7. WARRANTY AND LIMITATION OF LIABILITY

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

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

(a) PBI warrants that the Equipment will be free from defects in material and workmanship and will perform according to the equipment user guide for a period of one year (360) days from the date of acceptance of the “Warranty Period”.

(b) PBI warrants that the Maintenance Service provided will be performed in a professional and workmanlike manner.

(c) Your remedy in the event of any warranty claim is as provided within the Master Agreement.

(d) A “defect” does not include the failure of rates within a rate update to conform to published rates.

(e) There is no warranty for Equipment requiring repair or replacement because of your negligence, usage which exceeds PBI’s recommendations, damage in transit, or contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, or service by anyone other than PBI. There is no warranty for Equipment arising from the use of third party supplies (such as ink) that results in: (i) damage to PBI Equipment; (ii) poor indicia, text, or image print quality; (iii) indicia readability failures; or (iv) a failure to print indicia, text, or images.

(f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBI Equipment may be reconditioned, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.

(g) The warranty does not cover Consumable Supplies.

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

L8. EQUIPMENT OBLIGATIONS

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

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

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

L9. RISK OF LOSS AND VALUEMAX® PROGRAM

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

L9.1 Risk of Loss.

(a) You bear the entire risk of loss to the Equipment from the Delivery Date by PBI until the end of the Lease Term (including any extensions), regardless of cause, ordinary wear and tear excepted (“Loss”).

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

(c) You will keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or equivalent arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us (“Insurance”).

L9.2 ValueMAX Program.

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

(b) We will provide written notification reminding you of your insurance obligations described above in Section L9.1(c).

(c) If you do not respond with evidence of insurance within the timeframe specified in the notification, we may immediately include the Equipment in the ValueMAX program.

(d) If the Equipment is included in the ValueMAX program and any damage or destruction occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.

(e) If we are required to repair or replace the Equipment under the ValueMAX program and you fail to do so within 20 days of receiving your written notice of loss or damage, you may terminate this Lease.

(f) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling your insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

L10. NON-APPROPRIATION

L10.1 See Master Agreement – Non Appropriations.

L11. EARLY TERMINATION

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

L12. MISCELLANEOUS

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

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

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

L12.4 We may sell, assign, or transfer all or any part of this Lease or the Equipment. Any sale, assignment, or transfer will not affect your rights or obligations under this Agreement.

L12.5 All applicable taxes required to be collected by us will be shown on the invoice.

L12.6 If there is a conflict between any of the terms and conditions in this Agreement, the Master Agreement ADSPOP11-0000411 and the Participating Addendum, the order of precedence shall be: first, the Participating Addendum; second, this Agreement; and third, the Master Agreement.

L12.7 Any IntellLink Control Center or Meter rented under this Agreement is subject to the applicable TUCO regulations and meter terms and conditions as may be provided by PBI.

L12.8 Our Equipment may contain embedded software. You agree: (i) that PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) that you do not acquire any right, title or interest in or to the embedded software; (iii) only to use the embedded software with our Equipment in which the embedded software resides; (iv) that you may not copy the embedded software; (v) that you may neither modify nor create derivative works of the embedded software; (vi) that you may not distribute nor disclose the embedded software (or any portion thereof) to any other person; (vii) that you may not translate, de-compile, disassemble, or otherwise attempt to unbundle; reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; and (viii) that you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software. Notwithstanding the above, this section does not modify any terms that may accompany such third party software.

L12.9 The Connect+ Series Equipment may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for normal usage on your internal network. The Connect+ Series Equipment and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.