

MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE
Led by the State of Arizona

Master Agreement #: ADSP016-169897, as amended

Contractor: **PITNEY BOWES INC.**

Participating Entity: **STATE OF SOUTH CAROLINA**

SC Contract Number: **4400016613**

The following products or services are not included in this agreement:

- *Check Imprinting/Endorsing equipment*
- *COTS Software*
- *Furniture unrelated to mail handling, for example: desks, chairs, stools, etc.*
- *Installation/Assembly work unrelated to new equipment purchase or lease*
- *Design work*
- *Consulting services*
- *Cloud Based Services*

Master Agreement Terms and Conditions:

1. **Scope:** This addendum covers the Mailroom Equipment, Supplies and Maintenance contract led by the State of Arizona for use by state agencies and other entities located in the Participating State of South Carolina as authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.
2. **Participation:** This NASPO ValuePoint Master Agreement may be used by all state agencies, institutions of higher education, political subdivisions and other entities authorized to use statewide contracts in the State of South Carolina. Refer to Section 12 below for use details. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

Pursuant to Section 11-35-4810, South Carolina public procurement units, both state and local (as defined by S.C. Code Ann. § 11-35-4610(5), as amended) are authorized to participate in cooperative purchasing.

Participation by local public procurement units (as defined by S.C. Code Ann. § 11-35-4610(3), as amended) in the Master Agreement is optional. By submitting an order and receiving delivery of an item pursuant to the Master Agreement, a local public procurement unit manifests its intent to be and is bound by the Master Agreement, including this Participating Addendum, unless the local public procurement unit has entered into a separate participating addendum.

Each SC Participant's obligations and liabilities are independent of any other SC Participant's obligations and liabilities. SC Participants are not obligated for any order submitted by another SC Participant and do not incur any liability with regard to any other

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SC Participant. The State Procurement Office is acting solely on behalf of South Carolina governmental bodies and bears no liability for any damages that any party may incur with regard to the Master Service Agreement.

3. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Art Adams, Government Contract Compliance
Address:	Pitney Bowes Inc. 3001 Summer Street, Stamford, CT 06926
Telephone:	(203) 351-7866
Fax:	(203) 460-3827
Email:	art.adams@pb.com

Contractor – Government Sales Channel Director

Name:	Francie Coffey
Address:	PO Box 13447 Oklahoma City, OK 73113 Director, Government Sales
Telephone:	213-256-1917
Fax:	
Email:	Francie.coffey@pb.com

Participating Entity

Name:	Patricia Bode, South Carolina State Fiscal Accountability Authority
Address:	1201 Main Street, Suite 600
Telephone:	803-737-3224
Fax:	803-737-0639
Email:	pbode@mmo.sc.gov

4. PARTICIPATING ENTITY MODIFICATIONS OR ADDITIONS TO THE MASTER AGREEMENT

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

☐ No changes to the terms and conditions of the Master Agreement are required.

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[X] The following changes are modifying or supplementing the Master Agreement terms and conditions.

5. Definitions:

“Authorized Agent” All authority regarding the conduct of this procurement is vested solely with the responsible Procurement Officer. Unless specifically delegated in writing, the Procurement Officer is the only government official authorized to bind the government with regard to this procurement.

“Board” means the Board of the South Carolina State Fiscal Accountability Authority.

“Procurement Officer” means the person, or his successor, identified as such in this Participating Addendum.

“SC Participant(s)” means all participating South Carolina public procurement units (as defined by S.C. Code Ann. § 11-35-4610(5), as amended) or governmental bodies (as defined by S.C. Code Ann. § 11-35-310(18), as amended).

“State” means the State of South Carolina and its Using Governmental Units.

“You and Your” means contractor.

“Using Governmental Unit” means all South Carolina Public Procurement Units [11-35-4610(5)] eligible to purchase under this contract.

6. Board as Procurement Agent: The Procurement Officer is an employee of the Board of the State Fiscal Accountability Authority, acting on behalf of the Using Governmental Unit(s) pursuant to the Consolidated Procurement Code. Any contracts awarded as a result of this procurement are between the Contractor and the Using Governmental Units(s). The Board is not a party to such contracts, unless and to the extent that the Board is a using governmental unit, and bears no liability for any party's losses arising out of or relating in any way to the contract.
7. South Carolina Prompt Payment Statute: The obligations of any SC Participant are governed by Section 11-35-45 of the South Carolina Code of Laws, if the participant is a "governmental body," as that term is defined in Section 11-35-310(18).
8. South Carolina Registered Distributor: Vendor agrees to distribute its products to South Carolina governmental bodies through vendors registered with the South Carolina Secretary of State as an authorized South Carolina vendor <http://www.scbos.com>.
9. Iran Divestment Act - Certification:

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(a) The Iran Divestment Act List is a list published by the Board pursuant to Section 11-57-310 that identifies persons engaged in investment activities in Iran. Currently, the list is available at the following URL: <http://procurement.sc.gov/PS/PS-iran-divestment.phtml>(.) Section 11-57-310 requires the government to provide a person ninety days written notice before he is included on the list. The following representation, which is required by Section 11-57-330(A), is a material inducement for the State to enter into a participating addendum with you.

(b) By signing this addendum, you certify that, as of the date you sign, you are not on the then-current version of the Iran Divestment Act List.

(c) You must notify the Procurement Officer immediately if, at any time before posting of a participating addendum, you are added to the Iran Divestment Act List.

10. Iran Divestment Act – Ongoing Obligations:

(a) You must notify the procurement officer immediately if, at any time during the contract term, you are added to the Iran Divestment Act List.

(b) Consistent with Section 11-57-330(B), you shall not contract with any person to perform a part of the Work, if, at the time you enter into the subcontract, that person is on the then-current version of the Iran Divestment Act List. [07-7A072-1]

11. Open Trade: During the contract term, including any renewals or extensions, Contractor will not engage in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300. [07-7A053-1]

12. Choice of Law: This PA is established as a term contract (as defined in Section 11-35-310(35)) available for use by all South Carolina public procurement units (as defined in Section 11-35-4610(5)). Use by state governmental bodies (as defined in Section 11-35-310(18)), which includes most state agencies, is mandatory except under limited circumstances, as provided in Section 11-35-310(35). See clause entitled "Acceptance of Offers 10% Below Price." Use by local public procurement units is optional. Section 11-35-4610 defines local public procurement units to include any political subdivision, or unit thereof, which expends public funds. Section 11-35-310(23) defines the term political subdivision as all counties, municipalities, school districts, public service or special purpose districts.

The contract, any dispute, claim, or controversy relating to the contract, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina.

13. Choice-of-Forum: All disputes, claims, or controversies relating to the contract shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. (2) Service of Process. Contractor consents that any papers, notices, or process necessary or proper for the initiation or continuation of any

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disputes, claims, or controversies relating to the contract; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided in the contract or by personal service or by any other manner that is permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail.

14. No Indemnity or Defense: Any term or condition is void to the extent it requires the State to indemnify, defend, or pay attorney's fees to anyone for any reason. [07-7A045-2]
15. Payment & Interest:
 - (a) The State shall pay the Contractor, after the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified herein, including the purchase order, payment shall not be made on partial deliveries accepted by the Government.
 - (b) Unless otherwise provided herein, including the purchase order, payment will be made by check.
 - (c) Notwithstanding any other provision, payment shall be made in accordance with S.C. Code Section 11-35-45, which provides the Contractor's exclusive means of recovering any type of interest from the Owner. Contractor waives imposition of an interest penalty unless the invoice submitted specifies that the late penalty is applicable. Except as set forth in this paragraph, the State shall not be liable for the payment of interest on any debt or claim arising out of or related to this contract for any reason.
 - (d) Amounts due to the State shall bear interest at the rate of interest established by the South Carolina Comptroller General pursuant to Section 11-35-45 ("an amount not to exceed fifteen percent each year"), as amended.
 - (e) Any other basis for interest, including but not limited to general (pre- and post-judgment) or specific interest statutes, including S.C. Code Ann. Section 34-31-20, are expressly waived by both parties. If a court, despite this agreement and waiver, requires that interest be paid on any debt by either party other than as provided by items (c) and (d) above, the parties further agree that the applicable interest rate for any given calendar year shall be the lowest prime rate as listed in the first edition of the Wall Street Journal published for each year, applied as simple interest without compounding.
16. Publicity: Contractor shall not publish any comments or quotes by State employees, or include the State in either news releases or a published list of customers, without the prior written approval of the Procurement Officer. [07-7A060-1]
17. CISG: The parties expressly agree that the UN Convention on the International Sale of Goods shall not apply to this agreement. [07-7B030-1]
18. Statewide Term Contract – Contract Limitations: No sales may be made pursuant to this contract for any item or service that is not expressly included in the Scope. No sales may be made pursuant to this contract after expiration of this contract. Violation of this provision may result in termination of this contract and may subject contractor to suspension or debarment.

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19. Relationship Of Using Governmental Units: Each Using Governmental Unit's obligations and liabilities are independent of every other Using Governmental Unit's obligations and liabilities. No Using Governmental Unit shall be responsible for any other Using Governmental Unit's act or failure to act. [07-7B210-1]
20. Item Substitution: No Substitutes will be allowed on Purchase Orders received from South Carolina procurement units without written permission from the issuing procurement unit.
21. Administrative Fee: Procurement Services (PS) issues and maintains State term contracts for the benefit of all South Carolina state and local public entities. State term contracts allow all public entities to maximize their purchasing power by aggregating their requirements and to benefit from increased efficiencies in the acquisition process. In order to maintain and enhance the quality and quantity of its State term contracts, each participating public procurement unit will be assessed an administrative fee. Accordingly, a public procurement unit (as defined in S.C. Code Ann. § 11-35-4610(5)), by participating in this contract, owes (PS) an administrative services fee ("fee"). Participating public procurement units shall pay the fee to contractor as a part of the contract price. Contractor is responsible both for collecting the fee at the time of billing and for remitting the fee to PS. The fee to be collected by the contractor constitutes a debt by the contractor to PS. Contractor shall factor the fee into its contract pricing and shall not separately itemize or invoice for the fee.

For each reporting period, Contractor shall pay to PS a fee equal to one (1%) percent of the total dollar amount (excluding sales taxes and adjusted for credits or refunds) of catalog purchases made by any public procurement unit from Contractor pursuant to this contract. The Contractor's NASPOValuePoint pricing to the Participating Entity may be adjusted to offset for the equivalent fee amount. The Administrative Fee shall be included as an adjustment to Contractor's Master Agreement pricing.

(a) As used in this clause, the term "reporting period" means each full calendar quarter (Jan. -- Mar., Apr. -- Jun., Jul. -- Sep., and Oct. -- Dec.) and any remaining periods less than a full calendar quarter during the term of this contract. For each reporting period, contractor shall report to PS its total sales pursuant to this contract for the period and shall remit the fee to the PS Reports Manager. Payment for each reporting period is due no later than the last day of the month immediately following the end of the reporting period (Example: payment for the reporting period ending March 31 is due April 30). If the amount due for a reporting period is less than \$10.00, no payment is required. The procurement officer will provide contractor an information packet, including a detailed explanation of reporting and payment requirements, within fifteen (15) calendar days following contract award. You may contact the Reports Manager at:

Procurement Services Division
Attn: Reports Manager

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1201 Main Street, Suite 600
Columbia, SC 29201
Phone: (803) 737-0600 (ask to speak to the Reports Manager)

(b) Contractor shall submit a usage report for each reporting period, even if no payment is due for the reporting period. The usage report shall include any information requested by PS to verify the amount due. At a minimum, each usage report shall reflect the following information for the applicable reporting period: contractor's name, contract number, contract description, reporting period/quarter, total dollar value of sales (excluding sales taxes and showing any adjustments for credits or refunds), total number of units (if practicable), and the number, date, and amount of contractor's check to PS. Unless otherwise specified by the reports manager, the usage report shall be submitted electronically according to instructions in the information packet. If the reports manager requires the contractor to provide a more detailed usage report, the reports manager will work directly with the contractor to determine the appropriate content and format of the report.

(c) PS or its authorized representatives shall be afforded access to contractor's records (including, without limitation, bank statements, deposits, checks; invoices; correspondence; ledgers; receipts; transmittals) in order to audit all transactions involving goods sold, work performed, or fees due pursuant to this contract, consistent with paragraph 24 of the Master Agreement. PS agrees not to disclose any material discovered or produced during the audit that the contractor reasonably designates as proprietary or confidential. If the audit indicates that contractor has materially underpaid PS, then contractor shall remit the balance found to be due (including any amounts assessed pursuant to subparagraph (d)) and reimburse PS for all costs of the audit.

(d) Payments of the fee which are due and unpaid by the contractor (including amounts disclosed by audit) shall bear simple interest from the date due until paid unless paid within 30 calendar days of becoming due. The interest rate shall be the highest prime rate (as published in The Wall Street Journal) plus 2% per annum (unless a higher rate is provided by law, but in no event be greater than the maximum interest rate permitted by law), shall be variable, and shall be adjusted effective at the close of business on the day of any change in the prime rate. In addition to the fee and interest, contractor agrees to pay to PS its reasonable expenses of collection, including costs and attorneys' fees (and fees for inside counsel), whether or not PS commences legal action.

(e) If the contractor fails to (i) timely submit accurate usage reports; (ii) remit to PS the fee when due; or (iii) promptly and fully cooperate with an audit request, the State may, without prejudice to any other remedy available to the State, take any one or more of the following actions:

- (1) order the contractor to not accept any further orders under the contract until the cause for such order has been eliminated;
- (2) terminate this contract;
- (3) order the contractor to not accept any further orders under any other statewide term contract;
- (4) terminate the contractor's award of any other statewide term contract.

(f) For purposes of this clause, PS is intended as a third-party beneficiary of this contract.

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Reports MUST reference the SC Participating number 4400016613 to assure accurate accounting of purchases under this contract and reported administrative fees. Each remittance will include the period covered and the contract number.

22. **Taxes:** Any tax the contractor may be required to collect or pay upon the sale, use or delivery of the products shall be paid by the State, and such sums shall be due and payable to the contractor upon acceptance. Any personal property taxes levied after delivery shall be paid by the State. It shall be solely the State's obligation, after payment to contractor, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to contractor by the taxing authority. In the event that the contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by the State to contractor, contractor shall be liable to the State for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on Contractor's net income shall be the sole responsibility of the contractor.
23. **Lease Agreements:** Any/all leasing must be contracted through the South Carolina IT Equipment Leasing contract. Detail of the contract may be found at <https://procurement.sc.gov/files/contracts/IT%20Leasing%20june%2022.pdf>. The primary contact for this contract is:

Michael Dalton
1201 Main St, Ste 600, Columbia SC 29201
Phone: 803-737-4994
Email: mdalton@mimo.sc.gov

For clarification purposes of removing doubt as to the intention of the parties and to clearly delineate certain rights with respect to the equipment leased through the aforementioned lease agreement, the parties hereby agree as follows:

- a. It is the express intention of all parties that the equipment, with the exception of postage meters, maintenance and software, shall be sold to and owned by the lessee.
- b. Contractor will send the invoice for purchase of equipment to the Purchasing Entity/lessee, showing the Purchasing Entity/lessee as the purchaser.

Sales & Purchase Tax will be charged, if required under your State Statute.

24. **Subcontractors:** All Pitney Bowes contractors, subcontractors, Authorized Sales and Services Representatives authorized in the State of South Carolina, as shown on the dedicated Pitney Bowes website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer

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participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

25. Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices 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 such order.
26. Software, terms and conditions are not incorporated at this time. When software terms are finalized, they will be mutually agreed upon in writing by the purchasing entity's authorized individual and Pitney Bowes Inc. Please refer to the Contractor page on the NASPO ValuePoint website for a list of the software licenses offered.

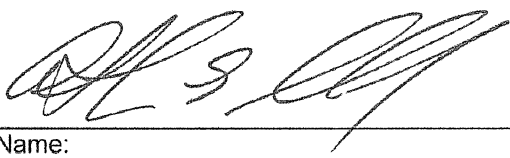
<http://www.naspovaluepoint.org/#/contract-details/89/contractor/541>

27. 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 and attached hereto as Attachment C.
28. Section 7.2 [State of Arizona Uniform Terms and Conditions], subsection 6 [Risk and Liability], subsection 6.1 [Risk of Loss] is hereby amended by adding the following at the end of said subsection 6.1: "provided, however, that the State shall be deemed to have accepted a Product as to which it doesn't indicate nonconformity within sixty (60) days of the delivery of the product."

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

Participating Entity: South Carolina	Contractor: Pitney Bowes Inc.
Signature: 	Signature: 
Name: Patricia Bode	Name: Arthur E. Adams Jr.
Title: Procurement Manager	Title: Director, Government Contract Compliance
Date: 10/18/2017	Date: 10/16/2017

[Additional signatures may be added if required by the Participating Entity]

For questions on executing a participating addendum, please contact:

NASPO ValuePoint

Cooperative Development Coordinator:	Ted Fosket
Telephone:	(907) 723-3360
Email:	tfosket@naspovaluepoint.org

[Please email fully executed PDF copy of this document to

PA@naspovaluepoint.org

to support documentation of participation and posting in appropriate data bases.

NASPO VALUEPOINT ADSP016-169897 POSTAGE METER RENTAL TERMS AND CONDITIONS

1. DEFINITIONS

As used in this Agreement, the following terms mean:

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

"Bank" – The Pitney Bowes Bank, Inc.

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

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

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

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

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

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

"PBI", "We", "Our", or "Us" – Pitney Bowes Inc.

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

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

"USPS" – the United States Postal Service.

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

2. METER RENTAL

2.1 Fees

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

2.2 Postage

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

2.3 Terms of Use: Federal Regulations

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

2.4 Care and Risk of Loss

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

2.5 Rate Updates and Soft-Guard® Program

- (a) Your Meter may require periodic rate information updates that you can obtain under our Soft-Guard® program.
- (b) The Soft-Guard® Subscription, we will provide up to 6 rate updates during each 12 month period following the date of installation.
- (c) We will provide rate updates only if required due to a postal or carrier change in rate, service, Zip Code or zone change.
- (d) Your Soft-Guard® Subscription does not cover any change in rates due to custom rate changes, new classes of carrier service, or a change in Zip Code or zone due to equipment relocation.

- (e) We will not be responsible for any losses arising out of or resulting from the failure of rating or software downloads to conform to published rates.

2.6 Repair or Replacement

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

(b) REPAIR OR REPLACEMENT WITHIN FIVE (5) BUSINESS DAYS OF NOTIFICATION IS YOUR SOLE REMEDY.

2.7 LIMITATION OF LIABILITY

See – Master Agreement

2.8 Collection of Information

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

3. VALUE BASED SERVICES

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

3.1 Fees

- (a) Any fees charged by the USPS for any Value Based Service you purchase is payable by you in the same way that you pay for postage.
- (b) The USPS is solely responsible for its services.

(c) We are not responsible for any malfunctions of any part of the communication link connecting the IntelliLink® Control Center with the USPS data system.

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

3.3 Ending the Value Based Services. We have the right to terminate the Value Based Services if the USPS discontinues offering the service

or you breach your obligations under this Agreement and fail to cure the breach within thirty (30) days after you have been notified of it in writing.

4. EMBEDDED SOFTWARE AND SUBSCRIPTION SERVICES

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

4.2 Subscription Services. We may offer certain on-demand services to you on a subscription basis as indicated in the applicable Order. Upon payment of any applicable subscription fees, we grant you a non-exclusive, non-transferable license to access and use the subscription services for the term set forth in the Order for your internal business purposes only. You may not provide access to the subscription services to any third party, or use the subscription services on behalf of any third party absent our written consent. You will comply with all applicable laws, rules and regulations governing your use of the subscription services, including any data protection or privacy laws. You will not use the services to send or store infringing, obscene, threatening or unlawful material or disrupt the use by others of the subscription services, network service or network equipment, and you will not reverse engineer, decompile or disassemble the subscription services. If the subscription services you purchased come with their own terms of use, your use of those subscription services will be governed by those terms. Maintenance and technical support for any on-demand services will be provided in accordance with a separate agreement covering the same.

5. INTERNET ACCESS POINT

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

6. ENDING THIS AGREEMENT.

- 6.1 Your right to use the Meter, or Value Based Services is limited in duration to the Initial Term and to any subsequent extensions of the Initial Term.
- 6.2 After the Initial Term, you or we may cancel this Agreement, in whole or in part, upon 30 days prior written notice.
- 6.3 We reserve the right to recover or disable the Meter and terminate this use at any time if in violation of the terms of use under the Federal Regulations.

- 6.4 After cancellation or termination of this Agreement, you must return the Meter to us in the same condition as you received it, reasonable wear and tear excepted.

UNITED STATES POSTAL SERVICE ACKNOWLEDGMENT OF DEPOSIT

UI.1 In connection with your use of a Postage Evidencing System as defined in the Code of Federal Regulations ("CFR"), you may transfer funds to the USPS through a Lockbox Bank for the purpose of prepayment of postage on Postage Evidencing Systems, generating evidence of postage, both PC Postage and meters (a "Deposit"), or you may transfer funds to the Bank for deposit into your Reserve Account .

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

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

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

UI.5 The USPS will provide a refund to you for the remaining account balances of Deposits held by the USPS. These refunds are provided in accordance with

the rules and regulations governing deposit of funds for evidence of postage, published in the CFR.

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

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

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

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

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