

**MAILING EQUIPMENT SUPPLIES & MAINTENANCE**

**STATE OF MONTANA TERM CONTRACT**

Department of Administration  
 State Procurement Bureau  
 165 Mitchell Building  
 PO Box 200135  
 Helena, MT 59620-0135  
 Phone: (406) 444-2575 Fax: (406) 444-2529  
 TTY Users-Dial 711  
<http://www.mt.gov/doa/gsd>

**WSCA # MT ADSP011-00000411-7\_Pitney Bowes**  
**PITNEY BOWES**  
**Title: MAILING EQUIPMENT SUPPLIES & MAINTENANCE**  
**This is a non-exclusive contract.**

CONTRACT TERM	FROM	FEBRUARY 9, 2012	CONTRACT STATUS	NEW (xx) With option to renew for three (3) one year extension, not to exceed a total of five (5) years.
	TO	OCTOBER 12, 2013		RENEW ( )
VENDOR ADDRESS	PITNEY BOWES 8030 S 216 <sup>TH</sup> STREET KENT, WA 98032		ORDER ADDRESS	
ATTN:	CHELSEA JORGENSEN		ATTN:	
PHONE:	206-851-3353		PHONE:	
FAX:	203-460-3251		FAX:	
E-MAIL:	Chelsea.jorgensen@pb.com		E-MAIL:	

Arizona is the lead state on this contract. An overview of this contract may be found at the following link:  
[http://spo.az.gov/Direct\\_Services/Statewide/default.asp](http://spo.az.gov/Direct_Services/Statewide/default.asp)

Specific dealer information along with maintenance, support, supplies and options available may be found at:

[http://spo.az.gov/Direct\\_Services/Statewide/WSCA\\_PAs/ADSP01100000411.asp](http://spo.az.gov/Direct_Services/Statewide/WSCA_PAs/ADSP01100000411.asp)

WSCA#ADSP011-00000411-7\_Pitney Bowes

Rhonda R. Grandy, CONTRACTS OFFICER

DATE:

**AUTHORIZED SIGNATURE**

**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 Montana  
(hereinafter "Participating State")

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**State of Montana agencies must have prior approval from the Department of Administration, Print & Mail Services Bureau, before using this contract.**

**Contact:**

**Devin Garrity, Bureau Chief  
Print & Mail Services Bureau  
920 Front Street  
Helena, MT 59620  
Phone: 406-444-3881  
Email: devingarrity@mt.gov**

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.)

**ACCESS AND RETENTION OF RECORDS**: The contractor agrees to provide the department, Legislative Auditor, or their authorized agents, access to any records necessary to determine contract compliance (Mont. Code Ann. § 18-1-118). The contractor agrees to create and retain records supporting the services rendered or supplies delivered for a period of three years after either the completion date of the contract or the conclusion of any claim, litigation, or exception relating to the contract taken by the State of Montana or third party.

**ASSIGNMENT AND TRANSFER**: The Contractor shall not assign, transfer or subcontract any portion of this contract without the express written consent of the State. (Mont. Code Ann. § 18-4-141.) The Contractor shall be responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions

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of persons employed directly by the Contractor. No contractual relationships exist between any subcontractor and the State.

**CHOICE OF LAW AND VENUE:** This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees. (See Mont. Code Ann. § 18-1-401.)

**TERMINATION OF CONTRACT:** Unless otherwise stated, the State may, by 30-day written notice to the contractor, terminate this Participating Addendum whole or in part without cause. In the event this Addendum is terminated any leases written under this Addendum will remain in full force and effect for the duration of the lease and are governed by the Option A or Option C Terms and Conditions of Lease.

**REDUCTION OF FUNDING:** The State must terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance in a subsequent fiscal period. (See section 18-4-313(4), MCA.)

**SOFTWARE LICENSES** Software license terms and conditions shall be mutually agreed upon in writing by the purchasing entity's authorized individual and Pitney Bowes Inc.

**POSTAGE METER RENTAL AND USE** 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.

4. Lease Agreements: Equipment Lease and Rental Agreements are authorized in accordance with the terms of WSCA/NASPO Master Price Agreement number: ADSP011-00000411-7. Attachment B reflects the lease and/or rental options Participating State has agreed to use.

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

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Lead State

Name	Stacy Ingalls, Senior Procurement Officer
Address	Arizona DOA-SPO, 100 N. 15 <sup>th</sup> Ave, Suite 201, Phoenix, AZ 85007
Telephone	602-542-9134
Fax	602-542-5508
E-mail	stacy.ingalls@azdoa.gov

Contractor – Contract Terms and Conditions

Name	Arthur E. Adams, Jr., Director State and Local Contracts
Address	1 Elmcroft Rd, Stamford, CT 06926
Telephone	203-351-7866
Fax	203-460-3827
E-mail	art.adams@pb.com

Contractor – Local Government Account Manager

Name	Chelsea Jorgensen, Senior Government Account Manager
Address	8030 S 216th St, Kent, WA 98032
Telephone	206-851-3353
Fax	203-460-3251
E-mail	chelsea.jorgensen@pb.com

Participating Entity

Name	Rhonda R. Grandy
Address	State Procurement Bureau 125 N. Roberts Helena, MT 59620
Telephone	406-444-3320
Fax	406-444-2529
E-mail	rhgrandy@mt.gov

**6. Subcontractors:**

All Pitney Bowes dealers and resellers authorized in the State of Montana, 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

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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 # ADSP011-00000411-7" (2) Your Name, Address, Contact, & Phone-Number.

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: **MT ADSP011-00000411-7\_Pitney Bowes** 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.

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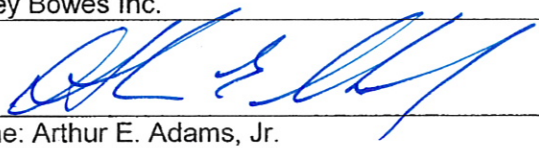

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 (hereinafter "Participating State")

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This Participating Addendum and the Master Price Agreement number ADSPO11-00000411-7 (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 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.

**To view the Master Price Agreement, follow the link as attached:  
[http://spo.az.gov/Direct\\_Services/Statewide/WSCA\\_PAs/ADSPO1100000411.asp](http://spo.az.gov/Direct_Services/Statewide/WSCA_PAs/ADSPO1100000411.asp)**

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

Participating State: State of Montana	Contractor: Pitney Bowes Inc.
By: Marvin Eicholtz	By: 
Name: 	Name: Arthur E. Adams, Jr.
Title: Division Administrator	Title: Director, State and Local Contracts
Date: 2/3/2012	Date: <u>1/31/2012</u>

**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:

<b>LEASE RATES</b>		
<b>Term</b>	<b>Option A</b>	<b>Option C</b>
<b>36</b>	<b>.0323</b>	<b>.0342</b>
<b>48</b>	<b>.0252</b>	<b>.0277</b>
<b>60</b>	<b>.0210</b>	<b>.0237</b>

<b>MONTHLY LEASE PAYMENT BASED ON \$10,000 TRANSACTION</b>		
<b>Term</b>	<b>Option A</b>	<b>Option C</b>
<b>36</b>	<b>\$323.00</b>	<b>\$342.00</b>
<b>48</b>	<b>\$252.00</b>	<b>\$277.00</b>
<b>60</b>	<b>\$210.00</b>	<b>\$237.00</b>

Pitney Bowes Global Financial Services LLC will serve as a sub-contractor under ADSP011-00000411 and will be the Lessor under this Term Rental (Installment Purchase) Lease Terms and Condition Agreement.

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

**Monthly Billing:**

<u>Term:</u>	<u>Lease Rate:</u>
36	.0323
48	.0252
60	.0210

**L1. DEFINITIONS**

L1.1 All capitalized terms that are not defined in this document are defined in the "Definitions" section of the Pitney Bowes Terms.

**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 Our remedies for your failure to pay on time or other defaults are set forth in the "Default and Remedies" section of the Pitney Bowes Terms.
- 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<sup>®</sup> Control Center/Meter Rental fees, Service Level Agreement fees, and Soft-Guard<sup>®</sup> 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<sup>®</sup> 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 WE (PBGFS) 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 (and we assign to you our rights in) the limited warranty in the Pitney Bowes Terms.

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

**L8. EQUIPMENT OBLIGATIONS**

- L8.1 Condition and Repairs. You will keep the Equipment free from liens and 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.

**L9. RISK OF LOSS**

- L9.1 You bear the entire risk of loss to the Equipment from the date of shipment 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 1-800-243-9506 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 you have been duly authorized to 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 interest portion of each Monthly Payment is not includible in gross income of the owner thereof for Federal income tax purposes under Section 103(a) of the Code. You shall, at all times, do and perform all acts and things necessary and within your control in order to assure that such interest component shall be so excluded. If any interest is determined not to be excludible from gross income, your 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 149(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 and the Master Agreement ADSPO11-00000411, this Agreement shall prevail.
- 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.

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

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.

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

**Monthly Billing:**

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

**L1. DEFINITIONS**

L1.1 All capitalized terms that are not defined in this document are defined in the "Definitions" section of the Pitney Bowes Terms.

**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 L10 and L11 below. All payment obligations are unconditional.**

L2.3 Our remedies for your failure to pay on time or other defaults are set forth in the "Default and Remedies" section of the Pitney Bowes Terms.

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 and, in either case, pay us our then applicable processing fee.

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 12-month annual extensions of the term of this Agreement. You may opt to cease the automatic extensions by providing us with written notice within 120 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.

**L7. WARRANTY AND LIMITATION OF LIABILITY**

L7.1 WE (PBGFS) 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 (and we assign to you our rights in) the limited warranty in the Pitney Bowes Terms.

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

**L8. EQUIPMENT OBLIGATIONS**

L8.1 Condition and Repairs. You will keep the Equipment free from liens and 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.

**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 date of shipment 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 other 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 include as an additional charge on 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 time frame 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 to the Equipment occurs (other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.
- (e) If we are required to repair or replace the Equipment under the ValueMAX program and we 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 you insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

#### **L10. NON-APPROPRIATION**

L10.1 See Master Agreement – 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 expiration of the Stated Term (other than for non-appropriations), you shall pay a termination charge equal to the net present value of the monthly payments remaining through the completion of the term, discounted to present value at a rate of 6% per year. The foregoing paragraph shall supercede Section G5.2(b) of the Pitney Bowes Terms.

#### **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 and the Master Agreement ADSP011-00000411, this Agreement shall prevail.