

NASPO ValuePoint  
**PARTICIPATING ADDENDUM**

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



Master Agreement #: ADSPO-016-169897, as amended

**PARTIES**

**STATE OF IDAHO**

"the State" or "Participating Entity"

and

**PITNEY BOWES INC.**

"Contractor"

**AGREEMENT**

1. **Scope:** This addendum, PADD18200512 ("PADD") covers the mailroom equipment, supplies and maintenance offered under the NASPO ValuePoint **Mailing Equipment and Services** solicitation led by the State of **Arizona**. The following products or services are included in this contract portfolio: All products and accessories listed on the Contractor page of the NASPO ValuePoint website. For State agencies, the DMT product line will be available for purchase only (no leasing).
2. **Participation:** All State governmental entities within the State of Idaho and public agencies (as defined by Idaho Code, Section 67-2327) within the State of Idaho ("Purchasing Entities" or "Ordering Entities") are authorized to purchase products and services under the terms and conditions of the NASPO ValuePoint Master Price Agreement. These public agencies include any city or political subdivision of the State of Idaho, including, but not limited to counties; school districts; highway districts; port authorities; instrumentalities of counties, cities, or any political subdivisions created under the laws of the State of Idaho; and public schools and institutions of higher education. It will be the responsibility of the public agency to independently contract (i.e., issue purchasing orders) with the contractor and/or comply with any other applicable provisions of Idaho Code governing public contracts. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.
3. **Primary Contacts:** The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name: Art Adams, Director Government Contract Compliance  
Address: Pitney Bowes. 3001 Summer St. MSC 1C-305, Stamford CT,06926  
Telephone: (203)351-7866  
Fax: (203) 460-3827  
Email: Art.adams@pb.com

Name: Bill Walter, Government Director—West Region  
Address: 3001 Summer St. MSC 1C-305, Stamford, CT 06926  
Telephone: 480 206 2984  
Fax: (203) 460-3827  
Email: [bill.walter@pb.com](mailto:bill.walter@pb.com)

Participating Entity

Name: Joseph Nelson  
Address: 650 W State St., B-15 P.O. Box 83720, Boise ID 83720-0075  
Telephone: 208-332-1602  
Fax: 208-327-7465  
Email: [Joseph.nelson@adm.idaho.gov](mailto:Joseph.nelson@adm.idaho.gov)

4. Participating Entity Modifications Or Additions To The Master Agreement: Notwithstanding any provisions in the Master Agreement to the contrary, the following shall apply to this PADD:
  - 4.1 Amendments: Amendments to the Master Agreement (including, but not limited to extensions, renewals, and modifications to the terms, conditions and pricing) will automatically be incorporated in this PADD unless the Participating State elects not to incorporate an amendment by providing written notification to Contractor; which notice must be provided within ten (10) working days of the date of the amendment to the Master Agreement, in order to be effective. Failure to provide notice in accordance with this Section will result in the Master Agreement amendment automatically being incorporated in this PADD.
  - 4.2 Governing Law: Notwithstanding any provision to the contrary, the state of Idaho's PADD and all orders issued under the PADD by Ordering Entities within the state of Idaho, shall be construed in accordance with and governed by the laws of the state of Idaho. Any action to enforce the provisions of this PADD shall be brought in state district court in Ada County, Boise, Idaho. In the event any term of this PADD is held to be invalid or unenforceable by a court, the remaining terms of this PADD will remain in full force and

effect. Except to the extent the provisions of the PADD are clearly inconsistent therewith, the PADD shall also be governed by the applicable provisions of the Idaho Uniform Commercial Code (UCC).

**4.3 Administrative Fee and Quarterly Usage Report:** The prices to be paid by the Ordering Entities shall be inclusive of a one and one quarter percent (1.25%) Administrative Fee (the Participating State understands and agrees that Contractor may raise the negotiated Price Agreement prices by this amount). This additional percentage represents the Ordering Entity's contract usage administrative fee. On a quarterly basis, Contractor must remit to **State of Idaho, Attn: Division of Purchasing, PO Box 83720, Boise, Idaho 83720-0075** an amount equal to one and one quarter percent (1.25%) of Contractor's net (sales minus returns, adjustments, and credits) quarterly Contract sales. For leased equipment: The total cost of the equipment shall be reported in net sales for the quarter in which the lease commences; ongoing meter rental and maintenance fees shall be included in net sales on an on-going quarterly basis.

***For Example:** If the total of your net sales to Ordering Entities for one quarter = \$10,000, you would remit  $\$10,000 \times 0.0125 = \$125$  to the Division of Purchasing for that quarter, along with the required quarterly usage report.*

Contractor must also furnish summary and detailed usage reports, attached as **Attachment E**. Usage Reports must be submitted for each quarter (enter "0" if no purchases were made during a quarter), and must include a breakdown of purchases by Entity Type (i.e. State Agency, Higher Education, K-12, City, County and 'other'), as provided on the Form. In the event the State implements an online reporting tool in the future, Contractor agrees to work in good faith to utilize any new method of reporting quarterly usage. Reporting Time Line (Fiscal Year Quarters):

Fee and Report Due:

1 <sup>st</sup> Quarter	July 1 - Sept 30	October 31 <sup>st</sup>
2 <sup>nd</sup> Quarter	Oct 1 - Dec 31	January 31 <sup>st</sup>
3 <sup>rd</sup> Quarter	Jan 1 - Mar 31	April 30 <sup>th</sup>
4 <sup>th</sup> Quarter	Apr 1 - Jun 30	July 31 <sup>st</sup>

E-mail your completed Quarterly Summary Usage Reports to [purchasing@adm.idaho.gov](mailto:purchasing@adm.idaho.gov).

Mail your check, in the amount of the Quarterly Administrative Fee, to: **State of Idaho, Attn: Division of Purchasing, PO Box 83720, Boise, Idaho 83720-0075**

**4.4 Subcontractors:** All contactors, dealers, and resellers authorized in the State of *Idaho*, as shown on the dedicated Contractor (cooperative contract) website, are approved to

provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the Master Agreement.

- 4.5 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.
- 4.6 Termination for Convenience: The State may terminate this PADD for its convenience, in whole or in part, with or without cause, upon thirty (30) calendar days written notice to the Contractor specifying the date of termination if the State determines it is in the State's best interest. In the event of termination of the PADD, all underlying leases, rentals, maintenance and license/subscription agreements to this Addendum, including applicable terms and conditions, will remain in full force and effect throughout the duration of the lease, rental, maintenance, or license/subscription agreement, in accordance with the terms of the applicable agreement.
- 4.7 Termination for Default: The State may terminate the Participating Addendum (but not the underlying leases or orders issued pursuant to the Contract) when the Contractor has been provided written notice of default or non-compliance and has failed to cure the default or noncompliance within a reasonable time, not to exceed thirty (30) calendar days, unless such longer period of time is mutually agreed upon in writing. If the Contract is terminated for default or noncompliance, the Contractor will be responsible for any costs resulting from the State's award of a new contract and any damages incurred by the State. The State, upon termination for default or non-compliance, reserves the right to take any legal action it may deem necessary including, without limitation, offset of damages against payment due. A Purchasing Entity may terminate a lease or an order when the Contractor has been provided written notice of default or non-compliance and fails to cure such breach or non-compliance within thirty (30) days of receiving written notice of said breach or non-compliance.
- 4.8 Public Records and Trade Secret: Title 74, Chapter 1, Idaho Code (the Public Records Act) provides for the examination of public records, including records related to procurements and contracts. Section 74-107 details an exemption to examination of records deemed "trade secrets." Generally, this exemption describes trade secrets to *"include a formula, pattern, compilation, program, computer program, device, method, technique or process that derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons and is subject to the efforts that are reasonable under the circumstances to maintain its secrecy."*

Upon request, the Contractor must provide an electronic copy of any documents related to this PADD, with any information it has determined to meet the Idaho Code definition of

trade secret redacted within three (3) business days. The Contractor must redact only that information which meets the definition of "trade secret;" entire documents identified as "confidential" will not be accepted. Contractor must also provide a separate document entitled "List of Redacted Trade Secret Information" which provides a succinct list of all trade secret information noted in your Document; listed in the order it appears in your submittal documents, identified by Page #, Section #/Paragraph #, Title of Section/Paragraph, specific portions of text/illustrations; or in a manner otherwise sufficient to allow the State's procurement personnel to determine the precise text/material subject to the notation. Additionally, this list must identify with each notation the specific basis for your position that the material be treated as exempt from disclosure and how the exempting the material complies with the Public Records Law.

In the event the State receives a request pursuant to the Public Records Act, which includes information deemed "trade secret" by the Contractor, the Contractor must agree to defend and indemnify the State against any claim brought challenging the denial of the request under the trade secret exemption. Failure of the Contractor to provide an electronic copy of the redacted documents, or to defend and indemnify the State, will result in the State releasing the full (unredacted) document in response to the request.

- 4.9 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. List of Software Licenses offered under this Addendum are attached hereto as **Attachment D**.
- 4.10 Compliance with Postal Regulations: 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**.
- 4.11 Lease Agreements: Equipment Lease and Rental Agreements are authorized in accordance with the terms of NASPO ValuePoint Master Price Agreement number ADSPO16-169897.
- 4.11.1 The Master Mailing Equipment Lease Agreement, attached as **Attachment A**, is the only lease agreement that may be used by State agencies, as defined in Idaho Code Section 67-9203(3), for equipment leased under this PADD.
- 4.11.2 Non-State agencies may utilize any leasing option provided under the Master Agreement and deemed appropriate by the leasing entity.
- 4.12 Placement of Orders: All orders under this PA are to be made out to and processed by Pitney Bowes and must be accompanied by a completed Placement Order Form, attached as **Appendix B**. 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.

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

4.14 Acceptance:

A. When the purchase does not require installation, acceptance shall occur sixty (60) calendar days after delivery, unless the Purchasing Entity has notified the Contractor in writing within said sixty (60) day period, that the product delivered does not meet the specification requirements or otherwise fails to pass the Contractor's established test procedures or programs or test procedures or programs identified in the Order.

B. When the Order requires installation, acceptance shall occur sixty (60) calendar days after completion of installation, unless the Purchasing Entity has notified the Contractor in writing, within said sixty (60) day period, that the products(s) delivered does not meet the specification requirements, that the product is not installed correctly or otherwise fails to pass the Contractor's established test procedures or programs or test procedures or programs identified in the Order.

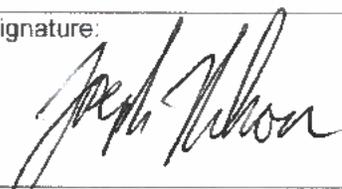
C. When the Order requires the delivery of services, acceptance shall occur sixty (60) calendar days after delivery of the services, unless the Purchasing Entity has notified the Contractor in writing, within said sixty (60) day period, that the services do not meet the State's requirements or otherwise fail to pass the Contractor's established test procedures or programs or test procedures or programs identified in the Order.

## 5. ENTIRE AGREEMENT

This Participating Addendum and the Master Price Agreement number ADSP016-169897 (administered by the State of Arizona), as amended, 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 and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State/Entity.

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

Participating Entity: Department of Administration, Division of Purchasing	Contractor: Pitney Bowes Inc.
Signature: 	Signature: 
Name: Joseph Nelson	Name: Arthur E. Adams Jr.
Title: Buyer	Title: Director, Government Contract Compliance
Date: 5/23/2018	Date: 5/23/2018

For questions on executing a participating addendum, please contact:

NASPO ValuePoint

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

**[Please email fully executed PDF copy of this document to  
[PA@naspovaluepoint.org](mailto:PA@naspovaluepoint.org)  
to support documentation of participation and posting in  
appropriate data bases.]**

ATTACHMENT A

STATE OF IDAHO  
MASTER MAILING EQUIPMENT LEASE AGREEMENT

This Master Mailing Equipment Lease Agreement is between:

Lessor Pitney Bowes Inc.

and

Lessee State of Idaho

For individual lease agreements placed against this Master Lease Agreement, Lessee or "Leasing Entity" is the state agency or other Purchasing Entity, as defined in PADD18200512 and identified on the individual Placement Order Form(s)

**1 EQUIPMENT TO BE LEASED.**

Lessor agrees to lease the equipment listed on each individual Placement Order Form to the Leasing Entity executing the Placement Order Form, for the Lease Term provided below; in accordance with the NASPO ValuePoint Master Agreement, Arizona No. ADSPO-16-169897 (NASPO ValuePoint Agreement), and State of Idaho Participating Addendum PADD18200512 (Idaho's PADD). The DMT line of equipment shall not be available for lease under this Master Mailing Equipment Lease Agreement.

**2 TRUE LEASE.**

**THIS MASTER MAILING EQUIPMENT LEASE AGREEMENT (MLA) IS A "TRUE LEASE" AND NOT AN INSTALLMENT OR FINANCING AGREEMENT.**

**3 LEASE TERM.**

Each lease shall be effective as detailed on the associated Placement Order Form, unless sooner terminated by either party as set forth in Section 11, below.

**3.1 Coterminal Lease Termination for Added Equipment.** If a Leasing Entity chooses to add additional equipment to a current lease, as an add-on piece to an existing lease piece of equipment, the lease for the equipment and accessories must be coterminal.

**3.2 Lease Renewals.** At the end of the original Lease Term, the Leasing Entity shall have the option to: (i) renew the schedule for a term no greater than the original Lease Term; (ii) extend on a month to month basis for a period of time not to exceed twelve (12) months; or (iii) return the Leased Equipment to Lessor. If the Leasing Entity desires to exercise a renewal or extension, it shall give Lessor written notice at least thirty (30) calendar days prior to the expiration of Lease Term.

**3.3 Holdover.** Notwithstanding any language to the contrary, if the Leasing Entity fails to notify Lessor of its intent to renew, extend or return the Leased Equipment within the required time frame, the initial Lease Term shall automatically be converted to a month-to-month lease under the same terms and conditions; except that the holdover term may not exceed twelve (12) months; and the month-to-month lease may be terminated by the Leasing Entity upon thirty (30) calendar days written notice provided to Lessor.

**3.4 Lease Cancellation.** By signing its Placement Order Form, the Leasing Entity agrees that EACH PLACEMENT ORDER FORM IS AN UNCONDITIONAL, NON-CANCELABLE AGREEMENT FOR THE MINIMUM TERM INDICATED ON THE PLACEMENT ORDER FORM FOR A LEASE MADE PURSUANT TO PADD18200512; except to the extent provided otherwise in this MLA or Idaho's PADD, with regard to Nonappropriation and Contractor breach.

#### 4 DEFINITIONS.

"Leased Equipment" means the equipment described in the Leasing Entity's Placement Order Form; as well as any equipment replaced by Lessor during the term of the individual lease.

"Lease Term" means the term of the individual lease set forth in Section 3, above.

"Lessor" means the entity from whom the Ordering/Leasing Entity has leased equipment under the terms and conditions set forth in this MLA.

"Ordering Entity" and "Leasing Entity" are used interchangeably, and refer to the Idaho state agency or other public agency executing a Placement Order Form to lease copier equipment under Idaho's PADD and this MLA.

"Placement Order Form" means the form utilized by an Ordering Entity to place an order against Idaho's PADD (Exhibit B to Idaho's PADD).

"State" means the State of Idaho.

#### 5 CONSIDERATION.

The parties agree that for the Lease Term set forth in Section 3, above, Lessor leases to the Purchasing Entity the equipment described in Attachment B, for the lease payment(s) set forth in Attachment B. Lessor's service obligations on the Leased Equipment shall conform to the terms of the NASPO ValuePoint Master Agreement No., ADSPO16-169897, as amended, and Idaho's PADD. The State does not agree to reimburse Lessor for expenses unless otherwise specified in the incorporated documents.

5.1 Payments. The first scheduled payment (as specified in the Placement Order Form) will be due on or following the acceptance of the equipment (by written confirmation as described in Section 7); or such later date as Lessor may designate. The remaining Payments will be due on the same day of each subsequent quarter, unless otherwise specified on the applicable Placement Order Form. Payment terms shall be net thirty (30) days from the date of the invoice.

#### 6 CONDITION OF EQUIPMENT.

Leased Equipment must be new and unused, meaning products which are manufactured from new parts. New equipment may contain some recycled raw materials, parts or components, including serviceable used parts, which are warranted the equivalent as new. New equipment is still in its original carton and has never been used, although it may have been tested at the manufacturer's facility solely for the purpose of ensuring proper operation of machine or system integration. Postage meters may not be new however, by Postal Regulation, Pitney Bowes is responsible to insure they are in proper working order. Pitney Bowes may offer equipment that has been factory refurbished, to like new condition (Green Products). This equipment will carry complete warranty coverage. Proposals will clearly identify if the product being offered is a Green Product.

Though they are not specifically covered herein, all parts necessary to provide a complete and efficient unit must be furnished and must include all accessories customarily furnished with this type of equipment. Such

parts must conform to current engineering practices of the industry relative to design, strength, quality of material and workmanship.

## 7 DELIVERY, POSSESSION AND RETURN OF LEASED EQUIPMENT.

7.1 Delivery. Lessor is responsible for delivering Leased Equipment FOB Destination to the location(s) listed on the Placement Order Form; and installing the same, as provided in the NASPO ValuePoint Master Agreement.

7.2 Confirmation. Leasing Entity agrees to confirm delivery, installation and acceptance of all Leased Equipment covered by each Placement Order Form, by signing an acceptance certificate, if applicable, which shows acceptance of the equipment and allows Lessor to begin invoicing for the Leased Equipment. Leasing Entity agrees to sign and return to Lessor the acceptance certificate (which may be done electronically) within five (5) business days after any equipment is installed. Failure to sign the acceptance certificate or reject the equipment within the five (5) business day period shall be deemed acceptance.

7.3 Possession. The Leasing Entity shall have possession of the Leased Equipment for the term set forth in Section 3 unless the lease is earlier terminated in accordance with the provisions of this MLA.

7.4 Equipment Moves. Leased Equipment may be moved to another Leasing Entity location upon prior written consent of the Lessor.

7.5 End of Term Removal. At the expiration of the Lease Term, the Leasing Entity may renew, extend, or return the Leased Equipment, as provided in the NASPO ValuePoint Master Agreement, Idaho's PADD and Section 3 of this MLA. If the lease is not extended or renewed, the Leasing Entity will make the Leased Equipment available to Lessor for pickup at the Leasing Entity's premises. If the Leasing Entity is not in breach of the lease, all costs of removing and transporting the Leased Equipment at the expiration of the Lease Term shall be the responsibility of Lessor.

## 8 OWNERSHIP AND INSPECTION.

This is an agreement for leasing only. Leasing Entity will acquire no right, title or interest in or to the Leased Equipment, except those of a Lessee, as detailed in this MLA. Lessor covenants that it has good title to the Leased Equipment. Title of the Leased Equipment at all times shall remain in the Lessor's name. Leasing Entity shall keep the Leased Equipment free from any and all liens or claims and shall do or permit no act or thing whereby Lessor's title may be encumbered or impaired.

8.1 Property Taxes. Lessor will be responsible for the payment of any property taxes on the Leased Equipment.

8.2 Inspection. Leasing Entity will permit Lessor to inspect the Leased Equipment during Leasing Entity's regular business hours, upon a minimum of 24 hours advance notice.

## 9 DAMAGE, WARRANTY and MAINTENANCE.

Lessor bears the risk of loss until the Leased Equipment is delivered to the Leasing Entity's designated location and accepted by the Leasing Entity in accordance with Section 7 above.

Leasing Entity shall maintain the Leased Equipment in as good condition as when received, ordinary wear and tear or defect excepted; and will be responsible for any damage to the Leased Equipment caused by Leasing Entity's negligence or misuse. This includes any damage caused by the use of supplies or accessories, not supplied by Lessor, which do not meet the manufacturer's specifications for use with the equipment; however, the Leasing Entity shall not be responsible for damage which occurs because of operation of the equipment during the existence of a malfunction, such as drum damage because of operation with a paper jam, or for damage caused through the use of accessories or supplies which are provided by Lessor.

Lessor shall be responsible for damage to, or loss of, the equipment caused by the negligence of the Lessor, the manufacturer, or from any other source who is under Lessor's control, as detailed in the paragraph above.

All services performed under this MLA shall be of workmanlike quality, consistent with the standards of the trade, profession or industry. Lessor shall assign to the Leasing Entity all manufacturers' warranties on the Leased Equipment.

Lessor shall be responsible for ongoing service and maintenance of the Leased Equipment for the duration of the Lease Term, as provided in the NASPO ValuePoint Master Agreement and Idaho's PADD.

## 10 INSURANCE.

Lessor shall procure, maintain and keep in force for the duration of this Agreement insurance conforming to the requirements of the NASPO ValuePoint Master Agreement.

Leasing Entities which are state of Idaho agencies are provided a comprehensive liability plan through the Risk Management Program (Program) established under Idaho Code section 67-5773 et seq. The Program utilizes the Retained Risk Account, which is funded and in effect subject to limitation on liability of the Tort Claims Act, Idaho Code section 6-901 et seq. In addition to the comprehensive liability plan, the Program covers certain property damage, subject to the deductibles established by the Program. Evidence of financial responsibility will be provided upon request, and will consist of a Certificate of Financial Responsibility.

Leasing Entities which are not state of Idaho agencies (e.g. cities, counties, public schools, etc.) must either provide to Lessor proof that the Leased Equipment is covered for the value thereof against property loss and damage or must enroll in our ValueMAX program while in the Leasing Entity's possession.

- a) If Lessee enrolled in our ValueMAX program, Lessor may include the Leased Equipment in the ValueMAX program and charge Lessee a fee, which Lessor will include as an additional charge on Lessee's invoice.
- b) If Lessee does not respond with evidence of insurance within the time frame specified in the notification Lessor may immediately include the Leased Equipment in the ValueMAX program.
- c) If the Leased Equipment is included in the ValueMAX program and any damage or destruction to the Leased Equipment occurs (other than from Lessee's gross negligence or willful

- misconduct, which is not covered by ValueMAX), Lessor will (unless Lessee is in default) repair or replace the Leased Equipment.
- d) If Lessor is required to repair or replace the Leased Equipment under the ValueMAX program and Lessor fails to do so within 20 days of receiving Lessee's written notice of loss or damage, Lessee may terminate this Lease.
  - e) Lessor is not liable to Lessee if Lessor terminates the ValueMAX program. By providing the ValueMAX program Lessor is not offering or selling Lessee insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

## 11 TERMINATION.

11.1 Mutual Termination. Any discretionary or vested right of renewal notwithstanding, this MLA, or any lease entered into under this MLA, may be terminated by mutual consent of the parties.

11.2 Termination for Default. A default or breach may be declared with or without termination. A lease entered into under this MLA may be terminated by either party upon written notice to the other party for any material breach or default by the other party of any terms, conditions, covenants, or obligations of this MLA, which material breach is not cured within thirty (30) after written notice is provided by the non-breaching party. Notice of Termination for Breach or Default is effective 30 days following service of notice, or upon any subsequent date specified in the notice of termination.

11.3 Nonappropriation. Lessee warrants that it has funds available to pay all payments until the end of Lessee's current fiscal period. Lessee is a government entity and this MLA shall not be construed so as to bind or obligate the State beyond the term of Lessee's current fiscal year for any particular appropriation of funds by the Idaho Legislature, as may exist from time to time. In the event the Idaho Legislature fails, neglects or refuses to appropriate funds to continue the Lease Payments beyond Lessee's then current fiscal year, all affected future rights and liabilities of the parties shall thereupon cease at the end of Lessee's then current fiscal year within ten (10) calendar days after notice to the Lessor.

This Nonappropriation clause applies equally to individual Leasing Entities and their respective governing bodies (e.g. Board of Commissioners, City Councils, etc.).

## 12 NOTICE.

All notices or other communications required or permitted to be given under this MLA shall be in writing and shall be deemed to have been duly given if (a) delivered personally in hand, (b) delivered by confirmed facsimile; or (c) mailed postage prepaid, to the address specified above. For purposes of computing times from service of notice, service of notice by delivery in hand or via confirmed facsimile shall be effective on the date of confirmed delivery; notices that are mailed shall be effective on the third calendar day following the date of mailing (or on the date of confirmed receipt, with delivery confirmation).

## 13 GOVERNING LAW, JURISDICTION AND VENUE.

This MLA and the rights and obligations of the parties hereto (including Leasing Entities executing individual leases against the MLA) shall be governed by, and construed according to, the laws of the State of Idaho, without giving effect to any principle of conflict of laws that would require the application of the law of any other jurisdiction. Any action to enforce the provisions of the MLA shall be brought in State district court in Ada County, Boise, Idaho.

14 INCORPORATED DOCUMENTS.

This MLA incorporates the following attachments in descending order of constructive precedence; any additional Lessor Attachments shall not contradict or supersede any State specifications, terms or conditions without written evidence of mutual assent to such change appearing in this MLA, or as a subsequent fully executed amendment:

State of Idaho Participating Addendum (PADD18200512)

NASPO ValuePoint Master Price Agreement (Arizona No. ADSPO-016-169897), as amended

Attachment B: Placement Order Form (as individually executed by an Ordering/Leasing Entity)

15 AGREEMENT AND MODIFICATION.

This MLA is made pursuant to the state of Arizona's NASPO ValuePoint Master Agreement identified above, and the Participating Addendum to that Master Agreement between the State of Idaho and Lessor, the terms of which are incorporated herein by reference. Any amendments to the NASPO ValuePoint Master Agreement or Idaho's PADD shall apply to this MLA. Unless otherwise expressly authorized by the terms of this MLA, no modification or amendment to this MLA shall be binding upon the parties unless the same is in writing and signed by the parties.

16 SURVIVAL OF TERMS.

As provided in Section 3 of Idaho's PADD, the provisions of Idaho's PADD and all incorporated documents will survive the expiration of the PADD with respect to individual leases with Lease Terms extending beyond its expiration.

**ATTACHMENT C  
NASPO VALUEPOINT  
POSTAGE METER RENTAL TERMS AND CONDITIONS**

**1. DEFINITIONS**

As used in this Agreement, the following terms mean:

"Agreement" – the Order, Idaho's Participating Addendum (PADD18200512), the NASPO ValuePoint Master Agreement ADSPO16-169897, 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 ADSPO16-00006328 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 PBI, PBI's 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 Placement Order Form between the applicable Pitney Bowes company and the Participating Entity for the products covered by the order.

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

"PBI" - Pitney Bowes Inc.

"Reserve Account" – the Postage By Phone® Reserve Account that Participating Entity maintains at the Bank.

"State Participating Addendum" – the bilateral agreement executed by PBI and the state of Idaho incorporating the Master Agreement.

"USPS" – the United States Postal Service.

"Purchasing Entity" - the agency identified on the Order that is renting a Meter or purchasing services.

## **2. METER RENTAL**

### **2.1 Fees**

- (a) PBI will invoice Purchasing Entity the Meter rental ("rental") fees listed on the Order.
- (b) After the Initial Term, PBI may increase the rental fees in accordance with the Master Agreement.
- (c) When Purchasing Entity receives notice of an increase, Purchasing Entity may terminate this Agreement as of the date the increase becomes effective.
- (d) If Purchasing Entity does not pay the fees when due or does not comply with the Agreement, PBI may disable the Meter, terminate the Agreement, retake the Meter, and collect from Purchasing Entity all fees due through the termination date of the Agreement.
- (e) Purchasing Entity is 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) Purchasing Entity may transfer funds to the Bank for deposit into its Reserve Account or may transfer funds to the USPS through a lockbox bank ("Lockbox Bank"). See section U1 for details.
- (b) If Purchasing Entity participates in any optional PBI, PBGFS, or Bank postage advance programs (such as Purchase Power), PBI will advance payment on Purchasing Entity's behalf to USPS, subject to repayment by Purchasing Entity under the terms of the postage advance program and billed separately from the Meter rental fees.
- (c) If Purchasing Entity purchases 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) Purchasing Entity may use the Meter solely for the purpose of processing its mail, provided that it is authorized by the USPS to use the Meter, and that Purchasing Entity complies with (i) this Agreement, (ii) any operator guide and (iii) all USPS regulations.
- (b) Purchasing Entity agrees to use only attachments or printing devices authorized by PBI.
- (c) Purchasing Entity must receive PBI's written consent before moving the Meter to a different location.
- (d) Federal regulations require that PBI 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 twelve (12) month period, or if Purchasing Entity takes the Meter or allows the Meter to be taken outside the United States without proper written permission of USPS Headquarters, or if Purchasing Entity otherwise fails 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. Purchasing Entity acknowledges that any use of this Meter that fraudulently deprives the USPS of revenue can cause it 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) Purchasing Entity is responsible for immediately reporting (within 72 hours or less) the theft or loss of the Meter to PBI. 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) Purchasing Entity understands 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 Purchasing Entity's obligation to comply with any rules and regulations regarding its use.

#### 2.4 Care and Risk of Loss

- (a) Purchasing Entity agrees to take proper care of the Meter(s).
- (b) Purchasing Entity assumes all risk of loss or damage to the Meter while Purchasing Entity has possession.

#### 2.5 Rate Updates and Soft-Guard® Program

- (a) Purchasing Entity's Meter may require periodic rate information updates that Purchasing Entity can obtain under our Soft-Guard® program.
- (b) If Purchasing Entity has a Soft-Guard® Subscription, PBI will provide up to six (6) rate updates during each twelve (12) month period following the date of installation..
- (c) PBI will provide rate updates only if required due to a postal or carrier change in rate, service, Zip Code or zone change.
- (d) Purchasing Entity's 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) PBI 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 PBI has advised you PBI will no longer provide support or which PBI has 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, then PBI will repair or replace the Meter.
- (b) REPAIR OR REPLACEMENT IS YOUR SOLE REMEDY.

#### 2.7 Limitation of Liability

See – Master Agreement

#### 2.8 Collection of Information

- (a) Purchasing Entity authorizes PBI to access and download information from the Meter and PBI may disclose this information to the USPS or other governmental entity.

- (b) PBI will not share with any third parties (except the USPS or other governmental entity) individually identifiable information that PBI obtain about Purchasing Entity unless required to by law or court order.
- (c) PBI may elect to share aggregate data about 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 Purchasing Entity purchases is payable by Purchasing Entity in the same way that Purchasing Entity pays for postage.
- (b) The USPS is solely responsible for its services.
- (c) PBI is 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. PBI IS NOT LIABLE FOR ANY DAMAGES PURCHASING ENTITY MAY INCUR BY REASON OF PURCHASING ENTITY'S USE OF THE VALUE BASED SERVICES PROVIDED BY THE USPS, INCLUDING INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES.**

**3.3 Ending the Value Based Services. PBI has the right to terminate the Value Based Services if the USPS discontinues offering the service or Purchasing Entity breaches its obligations under this Agreement and fail, to cure the breach within thirty (30) days after Purchasing Entity has been notified of it in writing.**

### **4. EMBEDDED SOFTWARE AND SUBSCRIPTION SERVICES**

**4.1 PBI's Equipment may contain embedded software. Purchasing Entity agrees that: (i) PBI and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) Purchasing Entity is licensed only to use the embedded software with PBI's Equipment in which the embedded software resides; (iii) Purchasing Entity will not copy, modify, de-compile, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; (iv) Purchasing Entity will not distribute or otherwise disclose the embedded software (or any portion thereof) to any other person; and (v) Purchasing Entity 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. PBI may offer certain on-demand services to Purchasing Entity on a subscription basis as indicated in the applicable Order. Upon payment of any applicable subscription fees, PBI grants Purchasing Entity a non-exclusive, non-transferable license to access and use the subscription services for the term set forth in the Order for Purchasing Entity's internal business purposes only. Purchasing Entity**

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. Purchasing Entity will comply with all applicable laws, rules and regulations governing use of the subscription services, including any data protection or privacy laws. Purchasing Entity 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 Purchasing Entity will not reverse engineer, decompile or disassemble the subscription services. If the subscription services Purchasing Entity purchased come with their own terms of use, Purchasing Entity's use of those subscription services will be governed by those terms, unless those terms are void pursuant to IDAPA 38.05.01.112. 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 or C series mailing systems may use an internet access point (e.g., wireless router) provided by PBI. Purchasing Entity may only use this access point for connectivity between the Connect+™ and SendPro P or C series mailing systems and the internet and for no other purpose. Purchasing Entity agrees to pay all costs associated with use of the access point in violation of this restriction.

## **6. ENDING THIS AGREEMENT**

- 6.1 Purchasing Entity's 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, either party may cancel this Agreement, in whole or in part, upon thirty (30) days prior written notice.
- 6.3 PBI reserves 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, Purchasing Entity must return the Meter to PBI in the same condition as it was received, reasonable wear and tear excepted.

## **UNITED STATES POSTAL SERVICE ACKNOWLEDGMENT OF DEPOSIT**

- UI.1 In connection with Purchasing Entity's use of a Postage Evidencing System, as defined in the Code of Federal Regulations ("CFR"), Purchasing Entity 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 Purchasing Entity may transfer funds to the Bank for deposit into its Reserve Account.
- UI.2 To the extent Purchasing Entity deposits funds in advance of the use of any evidence of postage, Purchasing Entity may make Deposits in the Lockbox Bank account identified as "United States Postal Service CMRS-PB" or make deposits in Purchasing Entity's 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 Purchasing Entity to the Lockbox Bank account described above.

- UI.3 Any deposit made by Purchasing Entity in its Reserve Account is subject to the Postage By Phone® Reserve Account – Agreement and Disclosure Statement governing the Reserve Account.
- UI.4 Any Deposit made by Purchasing Entity 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. Purchasing Entity 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 Purchasing Entity 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 Purchasing Entity, so that PBI can update its records.
- UI.7 PBI may deposit funds on Purchasing Entity's behalf. The USPS will make no advances of funds to Purchasing Entity. Any relationship concerning advances of funds is between Purchasing Entity and PBI, PBGFS and/or the Bank.
- UI.8 Purchasing Entity acknowledges 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. Purchasing Entity acknowledges that Purchasing Entity 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.

## SENDPRO™ TERMS AND CONDITIONS

If you are acquiring a SendPro subscription: (i) without SendKit equipment, your Terms Of Use are available at <http://www.pitneybowes.com/us/license-terms-of-use/sendpro-subscription.html>; and (ii) with SendKit equipment, your Terms Of Use are available at <http://www.pitneybowes.com/us/license-terms-of-use/sendpro-term.html>. Your use of the SendPro application is entirely governed by the SendPro Terms of Use and any other provisions of the Pitney Bowes Terms will not apply.

ATTACHMENT D  
SOFTWARE LICENSE AGREEMENTS

**SMB Terms**

Business Manager Software License Agreement OCT 2016  
Distribution Solutions SLMA Nov 2015-Pathfinder-v092215  
EULA ConnectRight Mailer  
PlanetPress- End User License Agreement-click wrap  
Planet Press Service Link  
SendPro U.S. Terms of Use Subscription MAY 2016  
SendPro U.S. Terms of Use with Equipment Lease MAY 2016  
Hosting Addendum for Distribution Solution Products May 2015

**PB Software Inc. Terms**

Master License Agreement 02-2015 NASPO

**PB DMT Terms**

Direct Connect Software License EXHIBIT NASPO 2016  
Sorter (Imbedded) Software License Maintenance Agrmnt and DPV-LACS - NASPO 2016  
DMT DirectView License Agreement July 2016 NASPO