



COMMISSIONERS COURT COMMUNICATION

AGENDA DATE : _____

CONSENT OR REGULAR: _____

CONTRACT REFERENCE NO
(IF APPLICABLE): _____

SUBJECT:

Authorize County Judge to sign postage machine lease agreement with Pitney Bowes for the lease of the County's Postage processing equipment.

BACKGROUND/DISCUSSION OF TOPIC: To include statutory requirement, operational impact, or performance goal.

The Purchasing Department is responsible for processing all outgoing mail for the County of El Paso. The Postage equipment lease has expired and the Purchasing Department is utilizing the State of Texas DIR contract to upgrade and lease our postage equipment.

FISCAL IMPACT:

The fiscal impact is \$10,488 per fiscal year, and \$41,952 for the 4 year term of the contract. Monies have been budgeted in PURCHASING 6350.

PRIOR COMMISSIONERS COURT ACTION (IF ANY):

N/A

RECOMMENDATION:

The Court authorize the County Judge to sign the contract between the County of El Paso (Purchasing) and Pitney Bowes.

COUNTY ATTORNEY APPROVAL

The attached document has been given legal review by the El Paso County Attorney's Office on behalf of the County of El Paso, its officers, and employees. Said legal review should not be relied upon by any person or entity other than the County of El Paso, its officers, and employees.

COUNTY ATTORNEY:

LEGAL REVIEW:

LEGAL REVIEW NOTES (If Applicable):

DATE:

SUBMITTED BY: Jose Lopez, Jr., Asst. Purchasing Agent (915)546-2068

**PITNEY BOWES GLOBAL FINANCIAL SERVICES AGREEMENT
STATE & LOCAL FAIR MARKET VALUE LEASE**

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Agreement Number

Your Business Information

EL PASO COUNTY OF COUNTY AUDITORS OFFICE

Full Legal Name of Lessee 800 E OVERLAND AVE RM 406	DBA Name of Lessee EL PASO	Tax ID # (FEIN/TIN) TX 79901-2518
Billing Address: Street	City	State Zip+4 21508331861
Billing Contact Name 500 E SAN ANTONIO AVE RM LL108	Billing Contact Phone # EL PASO	Billing CAN # TX 79901-2420
Installation Address (If different from billing address) : Street	City	State Zip+4 27832560208
Installation Contact Name	Installation Contact Phone #	Installation CAN #
Fiscal Period (from - to) October 1 to September 30		
Customer PO #	Delivery CAN #	

Your Business Needs

Qty	Business Solution Description
1	Mail Stream Solution - 1
1	Connect+ 3000 Series WOW
1	Connect+ Series Meter
1	220/135 LPM Feature
1	30 lb Weights & Measures Approved Option
1	1000 Dept Accounting
1	Color Graphics Printing
1	e-Return Receipt Feature
1	High Res Apps Center
1	Connect+ Flats Feeding Guide
1	INVIEW TMR Web Accounting
	Additional Items on following page

Check items to be included in customer's payment

- Service Level Agreement
Tier 1 - Provides repair and maintenance service for equipment (Standard SLA)
Connect+® Advantage - Eligible items are indicated by #
- Software Maintenance (additional terms apply) - Provides revision updates & technical assistance
- Soft-Guard® Subscription - Provides postal and carrier updates
If you do not choose Soft-Guard protection with your lease, you will automatically receive updates at PBI's current rates.
- IntelliLink® Subscription/ Meter Rental - Provides simplified billing and includes postage resets
(x) Value Based Services
() Purchase Power® credit line
- Permit Mail Payment Service - Allows you to consolidate permit postage with metered postage under one account. As a permit mail user, we need USPS forms 6001, 6002, and 6003, along with the Permit Enrollment form, to activate your Permit Mail Payment service.
- YES PBGFS ValueMAX® Program
(x) No Enrollment (I will provide proof of insurance within the next 30 days as noted in paragraph L9)

Your Payment Plan

Number Of Months	Monthly Amount	Billed Quarterly At*
First 48	\$874	\$2,622

- () Required advance check of \$() received
- Tax Exempt# State Tax (If applicable)
- () Tax Exempt Certificate Attached
- () Tax Exempt Certificate Not Required

*Does not include any applicable taxes.

Your Signature

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

You agree to be bound by all the terms and conditions of this Agreement, including those contained on page 2 and those located in the Pitney Bowes Terms (Version 3/12), which are available at www.pb.com/terms and are incorporated by reference. The lease will be binding on PBGFS only after PBGFS has completed its credit and documentation approval process and an authorized PBGFS employee signs below. The lease requires you either to provide proof of insurance or instead participate in the Pitney Bowes ValueMAX equipment protection program (see paragraph L9 page 2) for an additional fee.

The term of the Lease is from October 1, 2012 through September 30, 2016.

_____ initials _____ initials

Customer Signature _____ Date _____

Print Name _____ Title _____ Email Address _____

Sales Information

Pedro Silva _____ 059 _____

Account Rep Name _____ District Office _____ PBGFS Acceptance _____

**PITNEY BOWES GLOBAL FINANCIAL SERVICES AGREEMENT
STATE & LOCAL FAIR MARKET VALUE LEASE**

Agreement Number											

Your Business Information

EL PASO COUNTY OF COUNTY AUDITORS OFFICE

Full Legal Name of Lessee	DBA Name of Lessee	Tax ID # (FEIN/TIN)
800 E OVERLAND AVE RM 406	EL PASO	TX 79901-2518

Billing Address: Street	City	State	Zip+4
		TX	79901-2518
		21508331861	

Billing Contact Name	Billing Contact Phone #	Billing CAN #
500 E SAN ANTONIO AVE RM LL108	EL PASO	TX 79901-2420

Installation Address (If different from billing address) : Street	City	State	Zip+4
		TX	79901-2420
		27832560208	

Installation Contact Name	Installation Contact Phone #	Installation CAN #
October 1 to September 30		

Fiscal Period (from - to)	initials	initials	Customer PO #	Delivery CAN #

Your Business Needs

1	#	Connect+ 3000 Color Printer
1	#	Connect+ Power Stacker
1		Connect+ VBS Training
1		Connect+ VBS Welcome Kit
1		Barcode Scanner
1		IntelliLink Subscription
1	#	30 lb Weights & Measures Approved Option
1		Wireless Keyboard
1		Connect+ Series Console with Scale Stand
1		Console Extension Kit
1		INVIEW Subscription

GENERAL TERMS

The following provisions apply to any transaction you enter into with Pitney Bowes. Other provisions in the Pitney Bowes Terms may also apply, depending on your transaction. Please read these provisions carefully as they constitute part of your agreement with Pitney Bowes.

G1. HOW TO CONTACT US

- G1.1 To obtain Maintenance Service, please either:
 - (a) place a request for service on PBI's website at www.pb.com, under Customer Support; or
 - (b) call PBI's toll-free response center (the "Customer Care Center") at 1-800-522-0020 (Monday - Friday, 8am - 8pm ET, excluding PBI-observed holidays).
- G1.2 In the event you wish to cancel your Meter rental or you do not wish to renew your Maintenance Service after the Initial Term, please send written notice by mail to: Pitney Bowes Inc., 2225 American Drive, Neenah, WI 54956. (See Section S4.3 for details).
- G1.3 To cancel your Soft-Guard® Subscription, please contact us at 1-800-228-1071 (Monday - Friday, 8:30am - 5:30pm CT, excluding PBI-observed holidays).

G2. DEFINITIONS

The following terms mean:

- "Agreement" - the Order, any applicable terms and conditions referred to in the Order and any attached exhibits.
- "Bank" - The Pitney Bowes Bank, Inc.
- "Consumable Supplies" - ink, ink rollers, printheads, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the product operator guide.
- "Covered Equipment" - the equipment leased, rented or sold to you from PBGFS or PBI that is covered by the SLA as stated on the Order. Covered Equipment does not include any IntelliLink® Control Center or Meter, or any standalone software.
- "Delivery Date" - the date the Equipment or other item is delivered to your location.
- "Effective Date" - the date the Order is received by us.
- "Equipment" - the equipment listed on the Order, excluding any IntelliLink Control Center or Meter, and any standalone software.
- "Initial Service Term" - the twelve (12) months immediately following the start of the Lease, or longer as provided on the Order.
- "Install Date" - the date the Equipment or other item is installed at your location.
- "IntelliLink-Control Center" or "Meter" - any postage meter supplied by PBI under the Order, including (i) in the case of a Connect+® mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.
- "Lease" - the Order and the Lease terms and conditions attached to the Order.
- "Lease Term" - shall have the meaning stated in the Lease.
- "Maintenance Service" - the maintenance service tier for the Covered Equipment selected by you on the Order, excluding software maintenance.
- "Normal Working Hours" - 8 a.m. - 5 p.m., Monday - Friday, excluding PBI-observed holidays, in the time zone where the Equipment or other items are located.
- "Order" - the executed agreement between the applicable Pitney Bowes company and you for the equipment covered by the Order.
- "PBGFS" - Pitney Bowes Global Financial Services LLC.
- "PBI" - Pitney Bowes Inc.
- "PBI Equipment" - PBI-branded equipment.
- "Pitney Bowes" - PBI, PBGFS and their respective subsidiaries.
- "Shipment Date" - the date the Equipment leaves our facility or our agent's facility for delivery to you.
- "SLA" - the Service Level Agreement.
- "SOW" - a Statement of Work you enter into with us.
- "Third Party Equipment" - equipment manufactured by a party other than us.
- "We," "Our," or "Us" - the Pitney Bowes company with whom you've entered into the Order.
- "You," "Your," or "Customer" - the entity identified on the Order.

G3. WARRANTY

{C0143055.13 }

County of El Paso FINAL General Terms 9-24-12 (CAW)

Pitney Bowes Terms (Version 3/12)

©2012 Pitney Bowes Inc. All rights reserved. Pitney Bowes Connect+, Soft-Guard, IntelliLink, Purchase Power are registered trademarks owned by Pitney Bowes Inc.

- G3.1 (a) PBI warrants that the PBI Equipment will be free from defects in material and workmanship and will perform according to the equipment user guide for a period of ninety (90) days from the Install Date (the "Warranty Period").
- (b) PBI warrants that the Maintenance Service provided will be performed in a professional and workmanlike manner.
- (c) **As your sole remedy in the event of a warranty claim, we will either repair or replace the Equipment or, in the case of defective Maintenance Service, reperform the Maintenance Service.**
- (d) A "defect" does not include the failure of rates within a rate update to conform to published rates.
- (e) There is no warranty for Equipment requiring repair or replacement because of your negligence, usage which exceeds PBI's recommendations, damage in transit, virus contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, or service by anyone other than PBI. There is no warranty for Equipment arising from the use of third party supplies (such as ink) that results in: (i) damage to PBI Equipment; (ii) poor indicia, text, or image print quality; (iii) indicia readability failures; or (iv) a failure to print indicia, text, or images.
- (f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBI Equipment may be reclaimed, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.
- (g) The warranty does not cover Consumable Supplies.

G3.2 EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, WE (ON BEHALF OF OURSELF AND OUR SUPPLIERS) MAKE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE EQUIPMENT OR SERVICES PROVIDED.

G3.3 THIRD PARTY EQUIPMENT. PBI MAKES NO REPRESENTATION OR WARRANTY AS TO ANY THIRD PARTY EQUIPMENT. PBI AGREES TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT SUCH WARRANTIES ARE TRANSFERABLE.

G4. LIMITATION OF LIABILITY

- G4.1 PBI'S TOTAL LIABILITY (INCLUDING ANY LIABILITY OF ITS SUPPLIERS) IS LIMITED TO THE FEES PAID BY YOU TO PBI FOR THE APPLICABLE EQUIPMENT OR SERVICES IN THE 12 MONTHS BEFORE THE EVENT THAT GIVES RISE TO THE CLAIM, EXCEPT FOR THE LIQUIDATED DAMAGES THAT MAY BE APPLICABLE TO SLA TIER 3 (SEE SECTION S2.3 OF THE SLA).
- G4.2 NEITHER PBI NOR ITS SUPPLIERS IS LIABLE FOR ANY DAMAGE YOU MAY INCUR BY REASON OF YOUR MISUSE OR NEGLIGENT USE OF THE EQUIPMENT, OR YOUR NEGLIGENT ACTS OR OMISSIONS.
- G4.3 NEITHER PBI NOR ITS SUPPLIERS IS LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING COMMERCIAL LOSS, OR LOST PROFITS, DATA, OR GOODWILL, FOR ANY MATTER RELATING TO THIS AGREEMENT.

G5. DEFAULT AND REMEDIES

- G5.1 **Default.** You are in immediate default if you do not make any payment when due, you breach any other obligation under this Agreement, you become insolvent or file for bankruptcy, or are in default under any agreement with PBI or PBGFS.
- G5.2 **Remedies.** Upon your default, we may:
- (a) cancel this Agreement and any other agreements PBGFS or PBI has with you;
 - (b) require immediate payment of all payments due under a Lease(s) or other agreements, whether accrued or due in the future;
 - (c) disable the IntelliLink Control Center or Meter;
 - (d) require you to return the Equipment and IntelliLink Control Center or Meter;
 - (e) if you do not return the Equipment and IntelliLink Control Center or Meter, require you to make immediate payment of an amount equal to the remaining value of the Equipment, IntelliLink Control Center or Meter at the end of the Lease Term, as determined by us;
 - (f) charge you a late charge for each month that your payment is late;
 - (g) charge you interest on any late payment from its due date until paid in full at the lesser of 18% per year or the maximum rate allowed by law;
 - (h) charge you a check return fee for payments made by you with insufficient funds;
 - (i) reasonably attempt to mitigate our damages and costs in the event of your default, although you acknowledge that we are not obligated to do so; and
 - (j) pursue any other remedy, including repossessing the Equipment without notice to you. By repossessing the Equipment, IntelliLink Control Center or Meter, we are not waiving our right to collect the balance due.
- G5.3 **Enforcing Our Rights.** You agree to pay all our costs, including attorneys' fees, in enforcing our rights under the Agreement with you.
- G5.4 **Suspension of Services.** PBI reserves the right to suspend any services during any period in which your account is more than thirty (30) days past due.
- G6. TAXES**
- G6.1 County is a tax exempt political subdivision of the State of Texas and its Tax Identification Number is 746000762. County shall not be liable for any taxes for which it is otherwise exempt.
- G7. EMBEDDED SOFTWARE**
- G7.1 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, de-compile, 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.

G8. INTERNET ACCESS POINT

G8.1 The Connect+ Series Equipment may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Connect+ Series Equipment and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

G.9. MISCELLANEOUS

- G9.1 **Force Majeure.** We are not responsible for any delay or failure to perform resulting from causes beyond our control.
- G9.2 **Assignment.** You may not assign this Agreement without our prior written consent, which consent shall not be unreasonably withheld. Any purported assignment is void.
- G9.3 **No Right to Setoff.** Payments are not subject to setoff or reduction.
- G9.4 **Legal Action.** ANY LEGAL ACTION YOU FILE AGAINST US MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT GIVING RISE TO YOUR CLAIM. YOU WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF THIS AGREEMENT.
- G9.5 **Merger; Amendment; Severability.** The Agreement incorporates all of the terms agreed by both parties and can only be changed by written agreement. You may use a purchase order to offer to obtain Equipment or services but you agree that none of the provisions of your purchase order will add to, modify or supersede these provisions unless we expressly agree in writing. If one or more provisions of this Agreement are deemed to be invalid or unenforceable, the remaining provisions will not be affected.
- G9.6 **Survival.** Our respective rights and obligations under Section G4 (Limitation of Liability), G5 (Default and Remedies) and G6 (Taxes) survive termination of the Agreement.
- G9.7 **Choice of Law.** The parties acknowledge that County is a political subdivision of the State of Texas. As such, the parties agree that this Agreement shall be construed in accordance with the laws of the State of Texas. Moreover, in the event of litigation, venue and jurisdiction shall be in El Paso County, Texas.

SERVICE LEVEL AGREEMENT (SLA)

The following provisions describe the Service Level Agreement ("SLA") tiers that PBI offers on Covered Equipment (excluding software). The SLA tier you select will be listed on the Order. A separate Software License and Maintenance Agreement ("SMA") covers software maintenance and will be attached to the Order if you are acquiring software.

S1. DEFINITIONS

All capitalized terms that are not defined in these provisions are defined in the "Definitions" section of the General Terms.

S2. SERVICE LEVEL TIERS

The following describes the three SLA tiers offered by PBI for the Covered Equipment.

S2.1 Tier 1

- (a) **General.** Under Tier 1, PBI will provide at its option either repair or replacement services for the Covered Equipment during the Initial Service Term or any Renewal Service Term (as defined in Section S4.2) (the "Maintenance Service Term"). You are also entitled to two preventative maintenance service calls per calendar year. PB will notify you when preventative maintenance is due or preventative maintenance service calls may be made at your initiation.

- (b) **Obtaining Service.** You can obtain service online or by telephone as set forth in the "How to Contact Us" section of the General Terms.
- (c) **Replacement Service.**
 - (i) If PBI determines that replacement is necessary, PBI will, at no additional cost, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment.
 - (ii) Within five (5) days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBI.
 - (iii) You are responsible for the return of Covered Equipment until PBI receives it.
- (d) **Repair Service.**

- (i) If PBI determines that repair service is necessary, PBI may provide repair by remote access, diagnostics and coordinated remote service, or by on-site repair service.
- (ii) Repair service is provided only for damage resulting from normal wear and tear. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies.
- (iii) PBI will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available.
- (iv) If PBI deems it necessary, PBI will dispatch a service technician to arrive at your location for on-site service. You will not incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent.

S2.2 Tier 2

- (a) If you select Tier 2, we will provide the following support:
 - (i) All coverage provided under Tier 1, PLUS:
 - (ii) Ongoing Equipment Training Services. PBI will provide the following training. PBI will schedule the training at a time convenient for you and PBI. Training will include an overview for the operator(s) on how to use the Covered Equipment. The number of training sessions that are included during each twelve (12) month period during the Maintenance Service Term are as follows:
 - (1) Mail finishing products (which includes Meters and scales) - up to six (6) training sessions;
 - (2) Mail finishing accounting software solutions - up to four (4) training sessions;
 - (3) Mail creation hardware products (which includes tabletop folders, tabletop inserters, and address printers) - up to four (4) training sessions; and
 - (4) Distribution solutions hardware products - up to four (4) training sessions.
 - (iii) Additional Covered Items. PBI will provide printheads for Meters or Covered Equipment without additional charge.

S2.3 Tier 3

- (a) If you select Tier 3, PBI will provide the following support:
 - (i) All coverage provided under Tier 1 and Tier 2, PLUS:
 - (ii) Preventive Maintenance Services.
 - (1) PBI will perform maintenance on the Covered Equipment at regular intervals.
 - (iii) Response Time Commitment.
 - (1) If PBI determines that on-site service is necessary, PBI will use commercially reasonable efforts to have a service technician on-site within four (4) hours (during Normal Working Hours only) of PBI's receipt of the call at the Customer Care Center (the "Response Time Commitment").
 - (2) The Response Time Commitment relates solely to the arrival of a technician at your location; it is not a guaranteed resolution of the problem within the four (4) hour time period, nor does it guarantee that all parts necessary to make a repair will be on-site within this time frame.
 - (3) The Response Time Commitment does not apply to Service designated as service by replacement, software maintenance, preventive maintenance, operator training, or other services not essential to repair the Covered Equipment. These services will be scheduled in advance.
 - (4) If the Covered Equipment is moved from its original location, PBI may remove the Response Time Commitment. If this happens, you will receive a refund equal to the difference between the cost of

the Response Time Commitment and the cost of maintenance coverage without this obligation.

(iv) Liquidated Damages for Failure to Meet Response Time.

- (1) PBI agrees that if it does not meet the Response Time Commitment, PBI will provide you with a credit equal to six (6) months of the cost of the premium of the Response Time Commitment.
- (2) You must use a credit request form in order to request a credit. You may obtain a credit form from your service technician or by calling the Customer Care Center. The credits are limited to credits for two (2) failures to meet the Response Time Commitment in any twelve (12) month period during the Maintenance Service Term. **The remedies described in this Section are your sole remedy for PBI's failure to meet the Response Time Commitment.**

S2.4 Connect+ Advantage

- (a) If you select Connect+ Advantage, PBI will provide the following support:
 - (i) All coverage provided under Tier 2 PLUS:
 - (ii) If you select Tier 3 in addition to Connect+ Advantage, coverage provided under Tier 3.
- (b) Connect+ Advantage is only available for items listed with a # next to the description.

S3. FEES

S3.1 You will pay the fees for the Initial Service Term, and any Renewal Service Term(s). These fees are incorporated into your payment cycle (e.g., Quarterly Payment for leased equipment).

S3.2 Late Fees. Our remedies for your failure to pay on time are set forth in the "Default; Remedies" section of the General Terms.

S3.3 Fees for Services Not Covered by this SLA. If the service technician provides service for repairs caused by one of the conditions listed in Section S6.1(a)(ii), PBI will charge you for the service at PBI's current hourly rates and for any required parts.

S4. MAINTENANCE SERVICE

S4.1 Term. PBI will provide you with Maintenance Service for the Initial Service Term and any Renewal Service Terms.

S4.2 RENEWAL SERVICE TERM(S). MAINTENANCE SERVICE RENEWS, WITH YOUR WRITTEN CONSENT, FOR CONSECUTIVE ONE (1) YEAR TERMS (EACH, A "RENEWAL SERVICE TERM"), UNLESS:

- (a) YOU TERMINATE MAINTENANCE SERVICE AS SPECIFIED IN SECTION S4.3 AT LEAST SIXTY (60) DAYS PRIOR TO THE RENEWAL OF THE TERM; OR
- (b) YOUR LEASE EXPIRES OR IS TERMINATED (IN WHICH CASE, THE MAINTENANCE SERVICE TERM WILL TERMINATE ON THE SAME DAY AS THE LEASE); OR
- (c) THE RENEWAL IS PROHIBITED BY APPLICABLE LAW.

S4.3 Ending Your Maintenance Service.

- (a) If you do not wish to renew Maintenance Service, you must deliver a written notice (including your account number) (the "Termination Notice") by Certified Mail™ to the address listed in the "How to Contact Us" section of the General Terms. Your Termination Notice must include your customer account number and lease number (if applicable), and is effective ten (10) business days after PBI receives it.
- (b) PBI reserves the right not to renew your SLA at any time and for any reason.

S4.4 Maintenance Service Changes.

- (a) PBI may modify its Maintenance Service by giving written notice to you (a "Maintenance Change Notice"), which will state whether the change is material.
- (b) After receiving a Maintenance Change Notice, if the change is material, you may terminate Maintenance Service as described in Section S4.3 above.

S5. WARRANTIES; LIMITATION OF LIABILITY

S5.1 The warranty for the Equipment and services as well as PBI's Limitation of Liability are set forth in the applicable section of the General Terms.

S6. ADDITIONAL MAINTENANCE TERMS

S6.1 These terms apply to all Maintenance Service tiers:

- (a) Limitations. Maintenance Service does not include:
 - (i) software maintenance and/or updates; and
 - (ii) services and repairs that are made necessary due to:
 - (A) negligence or accident, damage in transit, virus contamination and loss of data;
 - (B) use of Covered Equipment in a manner not authorized by this SLA or the Equipment user guide;
 - (C) natural causes such as fire or flood as well as other causes outside of PBI's control;
 - (D) use of Covered Equipment in an environment with unsuitable humidity and/or line voltage;
 - (E) loss of electrical power, power fluctuation, operator error;
 - (F) sabotage, repair or attempted repair by anyone other than PBI;
 - (G) the use of third party supplies (such as ink), hardware, or software resulting in: (i) damage to the Equipment; (ii) poor indicia, text, or image print quality; (iii) indicia readability failures; or (iv) a failure to print indicia, text, or images;

- (H) failure to use applicable software updates; or
- (I) use of Covered Equipment with any system for which PBI has advised it will no longer provide support or has advised is no longer compatible.

(b) Additional Exclusions. Unless covered under one of the above maintenance tiers, Maintenance Service excludes the supply of rate program software for electronic scales and weighing systems, software maintenance and/or updates and consumable supplies for all levels of service, including printheads for Meters and IntelliLink Control Centers.

(c) Replacement Equipment.

- (i) If you replace any of your Covered Equipment during the Maintenance Service Term, and the replacement Equipment qualifies for maintenance services, PBI will automatically enroll you for maintenance coverage on the new Equipment at PBI's then current annual rates.
- (ii) If you acquire an attachment, or add a unit, to your Covered Equipment, PBI will provide coverage for any qualifying attachment or unit and adjust your rate accordingly.
- (iii) If you choose not to continue coverage on the replacement Equipment, attachment or unit, you may cancel Maintenance Service with respect to the item within thirty (30) days of the date of your initial invoice for the item from PBI. If you cancel, any further maintenance or repair services on the Equipment, attachment or unit will be subject to PBI's current rates.

EQUIPMENT AND POSTAGE METER RENTAL TERMS AND CONDITIONS

The following provisions apply whenever you acquire an IntelliLink® Control Center or Meter from Pitney Bowes. Other terms may also apply, depending on the transaction.

R1. DEFINITIONS

All capitalized terms that are not defined in these provisions are defined in the "Definitions" section of the General Terms.

R2. EQUIPMENT RENTAL AND INTELLILINK® SUBSCRIPTION (METER RENTAL)

R2.1 Fees.

- (a) If you are not leasing the Equipment and paying for it in your lease payment to PBGFS, we will invoice you the Equipment rental ("rental") and IntelliLink Subscription fees listed on the Order.
- (b) After the Initial Term, we may increase the rental and IntelliLink Subscription fees upon 30 days' prior written notice.
- (c) When you receive notice of an increase, you may terminate your rental only as of the date the increase becomes effective.

R2.2 Postage.

- (a) To obtain postage for your Meter, you must contact our Postage By Phone® data center.
- (b) You may transfer funds to the Bank for deposit into a Postage By Phone® Reserve Account that you maintain at the Bank ("your Reserve Account") or you may transfer funds to the United States Postal Service ("USPS") through a lockbox bank ("Lockbox Bank"). See the "USPS Acknowledgment of Deposit" section of the General Terms for more information.
- (c) After the Initial Term, we may increase postage refill fees upon 30 days prior written notice.
- (d) If you participate in any PBI, PBGFS, or Bank postage advance programs (such as Purchase Power®), we will advance payment on your behalf to the USPS, subject to repayment by you under the terms of the postage advance program and billed separately from your IntelliLink Subscription fees.

R2.3 Meter Repair or Replacement.

- (a) If the Meter malfunctions or fails due to reasons other than your negligence or accident, usage which exceeds our recommendations, damage in transit, virus

contamination or loss of data, misuse, external forces, loss or fluctuation of power, fire, flood, or other natural causes, service by anyone other than us, or the use of third party supplies (such as third party ink) resulting in damage to the Meter, we will repair or replace the Meter.

R2.4 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 user documentation and (iii) all USPS regulations.
- (b) You agree to use the Equipment and Meter only for business or commercial purposes, and not for personal, family, or household purposes.
- (c) You agree to use only attachments or printing devices authorized by us.
- (d) You must receive our written consent before moving the Equipment or Meter to a different location.
- (e) Federal regulations require that we own the Meter.
- (f) Tampering with or misusing the Meter is a violation of federal law.
- (g) Activities of the USPS including the payment of refunds for postage by the USPS to customers will be made in accordance with the current Domestic Mail Manual.
- (h) 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.

- (i) 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.
- (j) 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.

R2.5 Rate Updates and Soft-Guard[®] Program.

- (a) Your Meter or Equipment may require periodic rate information updates that you can obtain under our Soft-Guard program, or you will receive individual rate updates as a separate charge.
- (b) If you have purchased a Soft-Guard Subscription, we will provide up to 6 rate updates during each 12 month period following the date of installation of the Equipment.
- (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) If your Soft-Guard Subscription has expired, or if you have received the maximum number of rate updates under your Soft-Guard Subscription, you will be billed for any additional rate update you request.
- (f) You can also renew the Soft-Guard Subscription by contacting PBI online or by telephone at the address and numbers set forth in the "How to Contact Us" section of the General Terms.

R2.6 Warranty.

- (a) The warranty for the Equipment and services is set forth in the "Warranty" section of the General Terms.

R2.7 Limitation of Liability.

- (a) PBI's limitation of liability is set forth in the "Limitation of Liability" section of the General Terms.

R2.8 Collection of Information.

- (a) You authorize us to access and download information from your Meter. We may disclose this information to the USPS or other authorized 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.

R2.9 IntelliLink[®] Control Center/Meter Care and Risk of Loss.

- (a) You agree to take proper care of the IntelliLink Control Center and/or Meter(s) as stated in this Agreement and any user documentation.
- (b) You assume all risk of loss or damage to the IntelliLink Control Center and/or Meter(s) while you have possession.

R3. VALUE BASED SERVICES

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

R3.1 Fees.

- (a) Any fees charged by the USPS for any Value Based Service you purchase are 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.

R3.2 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.

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 (the "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 a Postage By Phone[®] Reserve Account ("your Reserve Account") which you maintain at the Bank.

UI.2 To the extent you deposit funds in advance of the use of any evidence of postage, you may, from time to time, 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 customers. 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.

LEASE TERMS AND CONDITIONS

This is a lease with Pitney Bowes Global Financial Services LLC (PBGFS), Pitney Bowes' leasing company. PBGFS provides leasing options to our customers. PBGFS does not warrant, service or otherwise support the equipment. Those services are provided by Pitney Bowes Inc. (PBI) as stated in the Pitney Bowes Terms. Due to federal regulations, only PBI can own an IntelliLink® Control Center or Meter. Therefore, those items are rented to you, rather than leased. Unlike the other equipment you may lease from us, you cannot purchase an IntelliLink Control Center or Meter at the end of the Agreement.

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 Quarterly 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 advance each quarter for all payments on the Order (each, a "Quarterly Payment"), except as provided in any SOW attached to this Agreement.

L3.2 Your Quarterly 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 Quarterly Payment and begin with the start of the Lease Term. Your Quarterly 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"). **YOU MUST CALL US AT 1-800-243-9506 AND PROVIDE US WITH EVIDENCE OF 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 You warrant that you have funds available to pay all payments until the end of your current fiscal period, and shall use your best efforts to obtain funds to pay all payments in each subsequent fiscal period through the end of your Lease Term. If your appropriation request to your legislative body, or funding authority ("Governing Body") for funds to pay the payments is denied, you may terminate this Lease on the last day of the fiscal period for which funds have been appropriated, upon (i) submission of documentation reasonably satisfactory to us evidencing the Governing Body's denial of an appropriation sufficient to continue this Lease for the next succeeding fiscal period, and (ii) satisfaction of all charges and obligations under this Lease incurred through the end of the fiscal period for which funds have been appropriated, including the return of the Equipment at your expense.

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.