

**PARTICIPATING ADDENDUM**  
**to NASPO ValuePoint**  
**Mailroom Equipment, Supplies & Maintenance**  
**Master Agreement No. CTR058809**  
**Between**  
**Quadient, Inc.**  
**And**  
**The State of Colorado**  
**Contract # 180637**

**1. PARTIES AND SCOPE**

This Participating Addendum, including all of its attached exhibits and other documents incorporated by reference (the “Participating Addendum”), is entered into by and between **Quadient, Inc.** (“Contractor”) and the **State of Colorado, acting by and through the State Purchasing & Contracts Office** (the “State”). This Participating Addendum covers usage of the **Mailroom Equipment, Supplies & Maintenance** Master Agreement led by the State of **Arizona** (the “Master Agreement”), for use by State agencies and other entities located in Colorado which are authorized by law to utilize State contracts with the prior approval of the Chief Procurement Officer. The specific Goods and Services provided under the Master Agreement are listed in **Exhibit D, Products and Price List**, of this Participating Addendum.

**2. PARTICIPATION**

Agencies, political subdivisions and other entities (including cooperatives) authorized by the State’s statutes to use State contracts may make purchases under this Participating Addendum as of its Effective Date. The Participating Entity hereby represents that all such entities authorized to use statewide contracts shall be bound by all of the terms and conditions of this Participating Addendum, as if each such entity were an original signatory hereto. Issues of interpretation and eligibility for participation are solely within the authority of the Chief Procurement Officer.

**3. STATE MODIFICATIONS TO MASTER AGREEMENT AND APPLICABILITY**

- A.** The Master Agreement and all its terms and conditions shall apply to this Participating Addendum. If any term of this Participating Addendum conflicts with the Master Agreement, then this Participating Addendum shall control for all transactions between the State and the Contractor under this Participating Addendum. All terms defined in the Master Agreement shall have the meaning given to them in the Master Agreement, except for those terms specifically defined differently in this Participating Addendum.
- B.** The following modifications shall be made to the Master Agreement with respect to Contractor’s performance pursuant to this Participating Addendum:
- i.** Section 7 of the Master Agreement, Lead State (State of Arizona) Terms & Conditions, shall be struck in its entirety.

- ii. All Additional Participating States' Terms and Conditions shall be struck in their entirety.

#### 4. EQUIPMENT, MAINTENANCE AND SOFTWARE OPTIONS

- A. A Purchasing Entity may purchase or lease Equipment and software under this Participating Addendum. Fair Market Value (FMV) and \$1 Buyout Leases are both authorized.
- B. Purchasing Entity's may take immediate ownership of Equipment through an up-front purchase by use of Attachment 1, Quadient Equipment Purchase Terms. In addition, Attachment 2, Quadient Postage Meter Rental Terms shall be used to rent postage meters, and Attachment 3, Quadient Equipment Lease Terms shall be used to lease Equipment. All of these documents contain a maintenance component, which terms and provisions are incorporated herein. Purchasing Entities must also use Attachment 4, Parcel Locker Maintenance Agreement, if they wish to utilize this service.
- C. The State has reviewed and approved the terms and conditions in the Contractor's documents, which are attached hereto as Attachments 1 through 4, and incorporated by reference. Purchasing Entities are still advised however, to conduct their own internal review of Contractor's documents prior to entering into any type of Order.
- D. Software subscriptions terms and software license terms contained in End User License Agreements and click-wrap agreements have not been reviewed or approved by the State and are not incorporated into this PA. All terms and conditions contained in these documents shall be mutually agreed upon in writing by the Purchasing Entity and Contractor.
- E. With the exception of Attachments 1 through 4 and software subscription and licensing documents, no other Contractor documents are permissible under this Participating Addendum unless mutually agreed to in writing by Contractor and the State. Should there be a conflict between the terms and conditions of this Participating Addendum, and Attachments 1 through 4, or ANY software or license agreement provided by the Contractor, this Participating Addendum shall govern.
- F. In the event the Purchasing Entity receives or obtain copies of the language in Attachments 1 through 4, and the language varies from what is listed in in the Attachments to this Participating Addendum, the language in the Attachments incorporated into this Participating Addendum shall prevail.

#### 5. PRIMARY CONTACTS AND PERSONNEL RESPONSIBILITIES

The primary contacts for this Participating Addendum are the individuals named in this section. Either Party may change its primary contacts or primary contacts contact information by notice submitted to the other party in writing no later than 5 days following the date on which the change occurs, without a formal amendment to this Participating Addendum. The Contractor's primary contact shall be ultimately responsible for ensuring that all Services are completed in accordance with this Participating Addendum.

**Primary Contact for the State:**

Nikki Pollack  
Colorado State Purchasing & Contracts Office  
1525 Sherman Street, 5th Floor  
Denver, CO 80203  
E-mail: [nikki.pollack@state.co.us](mailto:nikki.pollack@state.co.us)

**Primary Contact for the Contractor:**

Larry Waters  
Quadient, Inc.  
478 Wheelers Farms Rd.  
Milford, CT 06461  
E-mail: [l.waters@quadient.com](mailto:l.waters@quadient.com)

Each individual identified in this §5 of the Participating Addendum shall be the primary contact of the designated Party. All notices required or permitted to be given under this Participating Addendum shall be in writing and shall be delivered (A) by hand with receipt required, (B) by certified or registered mail to such Party's primary contact at the address set forth above or (C) as an email with read receipt requested to the primary contact at the email address, if any, set forth above. If a Party delivers a notice to another through email and the email is undeliverable then, unless the Party has been provided with an alternate email contact, the Party delivering the notice shall deliver the notice by hand with receipt required or by certified or registered mail to such Party's primary contact at the address set forth above. Unless otherwise provided in this Participating Addendum, notices shall be effective upon delivery of the written notice.

**6. RESERVED**

**7. ORDERS**

Any Order placed by a Purchasing Entity in the State of Colorado for Goods and Services available under this Participating Addendum shall be deemed to be a sale (and governed by the prices and other terms and conditions) under the Master Agreement and this Participating Addendum unless the parties to the Order agree in writing that another contract or agreement applies to such Order or the terms of that Order control to the extent that they conflict with the terms of the Master Agreement or this Participating Addendum.

**8. ORDER OF PRECEDENCE**

In the event of a conflict of inconsistency between this Participating Addendum, any Exhibits, and the Master Agreement and any of its Attachments, such conflict or inconsistency shall be resolved by reference to the documents in the following order of priority:

- A. Colorado Special Provisions in §20 of **Exhibit A** to this Participating Addendum, State Specific Terms;
- B. The provisions of this Participating Addendum;
- C. All other sections of **Exhibit A**, State Specific Terms;
- D. **Exhibit B** of this Participating Addendum, Information Technology Provisions;
- E. **Exhibit C** of this Participating Addendum, Statement of Work;
- F. **Section 6** of the Master Agreement, NASPO ValuePoint Master Agreement Terms and Conditions;
- G. **Exhibit D** of this Participating Addendum, Products and Price List;
- H. A Purchasing Entity's Order;
- I. **Attachment 1 through Attachment 4** of this Participating Addendum, with no particular order of precedence;
- J. Contractor's Proposal; and
- K. **Attachment 5**, Sample D&A Certificate.

Notwithstanding anything to the contrary herein, the State and Purchasing Entities shall not be subject to any provision incorporated in any terms and conditions appearing on Contractor's or Subcontractor's website, any provision incorporated into any click-through or online agreements, or any provisions incorporated into any other document or agreement between the Parties that (i) requires

the State to indemnify or hold harmless Contractor or any other party, **(ii)** is in violation of State law as, regulations, rules, fiscal rules, policies, or other State requirements as deemed solely by the State or **(iii)** is contrary to any of the provisions incorporated into **Exhibit A, §19** or the main body of this Participating Addendum.

**THE PARTIES HERETO HAVE EXECUTED THIS PARTICIPATING ADDENDUM**

<p style="text-align: center;"><b>CONTRACTOR</b> <b>Quadient, Inc.</b></p> <p>By: John Tartaro Title: Deputy, CFO</p> <p>DocuSigned by: <i>John Tartaro</i> 2E3F9B2536334E1... Signature</p> <hr/> <p>Date: <u>12/30/2022</u></p>	<p style="text-align: center;"><b>STATE OF COLORADO</b> <b>Jared S. Polis, Governor</b> Department of Personnel and Administration State Purchasing and Contracts Office Tony Gherardini, Executive Director</p> <p>DocuSigned by: <i>John Chapman</i> EF45AFDEB51E414 By: John Chapman, State Purchasing Manager</p> <hr/> <p>Date: <u>1/3/2023</u></p>
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**STATE OF COLORADO**  
**Governor's Office of Information Technology**

In accordance with §24-30-202, C.R.S., if this Contract is for a Major Information Technology Project, this Contract is not valid until signed and dated below by the Chief Information Officer or an authorized delegate.

**STATE CHIEF INFORMATION OFFICER**  
**Anthony Neal-Graves, Chief Information Officer and Executive Director**

Signed: \_\_\_\_\_  
DocuSigned by:  
*Renée Albersheim*  
B4ATD6B1641D4B8...  
Printed Name: Renée Albersheim

Date: 1/4/2023

**ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER**

§24-30-202, C.R.S. requires the State Controller to approve all State Contracts. This Participating Addendum is not valid until signed and dated below by the State Controller or an authorized delegate.

**STATE CONTROLLER**  
**Robert Jaros, CPA, MBA, JD**

By: \_\_\_\_\_  
DocuSigned by:  
*Chelsea Gilbertson*  
2C13912416524B1...  
Name: Chelsea Gilbertson  
Delegate

Effective Date: 1/4/2023

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## EXHIBIT A, STATE SPECIFIC TERMS

### 1. AUTHORITY

Authority to enter into this Participating Addendum exists in the Colorado Procurement Code, §24-102-202, C.R.S. and 1 CCR 101-9 R-24-102-202-01., and its associated rules.

### 2. PURPOSE

The Parties are entering into this Participating Addendum for the Contractor to provide mailing equipment, supplies and maintenance to Purchasing Entities. The Contractor was selected as a result of the State of Arizona's solicitation, **BPM003137**.

### 3. TERM

#### A. Initial Term - Work Commencement

The Parties' respective performances under this Participating Addendum shall commence on the Effective Date and shall be co-terminus with the NASPO ValuePoint Master Agreement **#CTR058809**. Unless this Participating Addendum is terminated earlier, as described herein, or the Lead State cancels its participation as described in the Master Agreement (the "Term"), the term of the Participating Addendum shall follow the Master Agreement initial term and will be automatically extended beyond the initial term if the Master Agreement term is extended, per **§3.B**.

#### B. Extension of Term

If the term of NASPO ValuePoint Master Agreement is extended for any reason, the Term of this Participating Addendum shall be automatically modified to account for that extension, so long as such extension complies with the Colorado Procurement Code.

#### C. Order Term

Orders may only be placed prior to the expiration or earlier termination of this Participating Addendum, but may have a delivery date or performance period that extends no longer than 120 calendar days following that expiration or earlier termination date. Regardless of whether this Participating Addendum has expired or has been terminated, the Contractor shall comply with all Orders that extend past the expiration or termination, as described in this section, and all requirements of this Participating Addendum necessary to complete outstanding Orders shall survive the expiration or termination of this Participating Addendum until all Orders are complete.

#### D. Early Termination in the Public Interest

The State is entering into this Participating Addendum to serve the public interest of the State of Colorado as determined by its Governor, General Assembly, or Courts. A determination that this Contract should be terminated in the public interest shall not be equivalent to a State right to terminate for convenience. This subsection shall not apply to a termination of this Participating Addendum by the State for breach by Contractor, which shall be governed by **§14.i**.

##### i. Method and Content

The State shall notify Contractor of such termination in accordance with **§5** of this Participating Addendum. The notice shall specify the effective date of the termination and whether it affects all or a portion of this Participating Addendum, and shall include, to the extent practicable, the public interest justification for the termination.

##### ii. Obligations and Rights

Upon receipt of notice for termination in the public interest, Contractor shall be subject to the rights and obligations set forth in §14.

**iii. Payments**

If the State terminates this Participating Addendum in the public interest, the Purchasing Entities shall pay Contractor according to their orders with the Contractor. The sum of any payment shall not exceed the maximum amount payable to Contractor under each order.

**4. DEFINITIONS**

The following terms shall be construed and interpreted as follows:

- A. “Acceptance Testing”** means a written notice from a Purchasing Entity to Contractor advising Contractor that the Equipment has passed its Acceptance Testing. Acceptance of a product for which Acceptance Testing is not required shall occur following the completion of delivery, installation, if required, and a reasonable time for inspection of the Equipment, unless the Purchasing Entity provides a written notice of rejection to Contractor.
- B. “Administration Fee”** means the fee that is due to the State for the administration of this Participating Addendum, as described in §7.A. of this **Exhibit A**.
- C. “Attachments”** means the following Attachments to this Participating Addendum:
- i. Attachment 1, Quadiant Equipment Purchase Terms**
  - ii. Attachment 2, Quadiant Postage Meter Rental Terms**
  - iii. Attachment 3, Quadiant Equipment Lease Terms**
  - iv. Attachment 4, Parcel Locker Maintenance Agreement**
  - v. Attachment 5, Sample Delivery & Acceptance (D&A) Certificate**
- D. “Breach of Contract”** means the failure of a Party to perform any of its material obligations in accordance with this Contract, in whole or in part or in a timely or satisfactory manner. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) days after the institution of such proceeding, shall also constitute a breach. If Contractor is debarred or suspended under §24-109-105, C.R.S. at any time during the term of this Contract, then such debarment or suspension shall constitute a breach.
- E. “Business Day”** means any day in which the State is open and conducting business, but shall not include Saturday, Sunday or any day on which the State observes one of the holidays listed in §24-11-101(1), C.R.S.
- F. “Ceiling Price”** means the maximum price a Contractor or a Subcontractor may charge for a Service under this Participating Addendum.
- G. “Chief Procurement Officer”** means the individual to whom the Executive Director of the Department of Personnel & Administration has delegated his or her authority pursuant to §24-102-202, C.R.S. to procure or supervise the procurement of all supplies and services needed by the state.
- H. “CJI”** means criminal justice information collected by criminal justice agencies needed for the performance of their authorized functions, including, without limitation, all information defined



as criminal justice information by the U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services Security Policy, as amended, and all Criminal Justice Records as defined under §24-72-302, C.R.S.

- I. **“Confidential Information”** means any and all information that is normally considered confidential in nature, and includes, but is not limited to, all State Records not subject to disclosure under the Colorado Open Records Act, §§24-72-200.1, et seq., C.R.S. (“CORA”).
- J. **“Contract”** means this Participating Addendum, including all attached Exhibits, all documents incorporated by reference, all referenced statutes, rules and cited authorities, and any future modifications thereto.
- K. **“Contract Funds”** means the funds that have been appropriated, designated, encumbered, or otherwise made available for payment by a Purchasing Entity for Orders placed under this Participating Addendum.
- L. **“CORA”** means the Colorado Open Records Act, §§24-72-200.1, et. seq., C.R.S.
- M. **“Effective Date”** means the date Contract is signed by the State Controller or their designee.
- N. **“Embedded Software”** means software that is not able to be removed from the Equipment.
- O. **“Environmentally Preferable Products”** means products that have a lesser or reduced adverse effect on human health and the environment when compared with competing products that serve the same purpose, as defined in §24-103-904, C.R.S.
- P. **“Equipment”** refers to the base unit, either with or without optional accessories and/or software. For purposes of this Contract, “Equipment” shall also refer to a postage meter.
- Q. **“Equipment Trade-In”** is an agreed upon transaction between the Purchasing Entity and Contractor, in which Contractor takes ownership of Purchasing Entity’s owned device, often for a discounted amount.
- R. **“Equipment Upgrade or Downgrade”** is a replacement of the Purchasing Entity’s existing lease Equipment, with a different piece of Equipment, of either greater or lesser value. A new lease is then originated for the new piece of Equipment, with the remaining lease payments on the old Equipment wrapped into it. The old lease is closed out, and the Equipment is returned to Contractor.
- S. **“Exhibits”** means the following exhibits attached to this Contract:
  - i. **Exhibit A**, State Specific Terms;
  - ii. **Exhibit B**, Information Technology Provisions;
  - iii. **Exhibit C**, Statement of Work; and
  - iv. **Exhibit D**, Products and Price List.
- T. **“Extension Term”** means the period defined in §3.B.
- U. **“Goods”** means any moveable material acquired, produced, or delivered by Contractor as set forth in this Participating Addendum, and shall include any moveable material acquired, produced, or delivered by Contractor in connection with the Services.
- V. **“Incident”** means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of any Renter Information (as defined below) and which could reasonably result in substantial harm to the data subject(s).

- W. “Initial Term”** means the period of time defined in §3.A of this Exhibit A.
- X. “Lead State”** means the State of Utah, which is centrally administering the Master Agreement.
- Y. “Legacy Equipment”** means Equipment that was purchased, leased, or rented either under a prior NASPO ValuePoint or WSCA Master Agreement, another program, or via any other means.
- Z. “Order”** means any delivery order, purchase order, contract, agreement or other binding document used by a Purchasing Entity to order the Services described in this Participating Addendum from the Contractor, and shall include any modification to such a document.
- AA. “PCI”** means payment card information including any data related to credit card holders’ names, credit card numbers, or the other credit card information as may be protected by state or federal law.
- BB. “PII”** means personally identifiable information including, without limitation, any information maintained by the State about an individual that can be used to distinguish or trace an individual’s identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. PII includes, but is not limited to, all information defined as personally identifiable information in §§24-72-501 and 24-73-101, C.R.S.
- CC. “Party”** means the State or Contractor, and “Parties” means both the State and Contractor.
- DD. “Postage Meter Rental Agreement”** means a rental agreement that is governed by the United States Postal Service regulations.
- EE. “Preventative Maintenance”** means the servicing of Equipment for the purpose of maintaining a satisfactory operating condition by providing systematic inspection, detection, and correction of failures either before they occur or before they develop into major defects.
- FF. “Production Equipment”** means a high-speed, high-quality printing device that typically has advanced finishing functionality.
- GG. “Purchasing Entity”** means any entity or organization that has been authorized by the State to place Orders with the Contractor, and may include, without limitation, agencies of the State, government supported institution of higher education within the State, political subdivisions of the State, authorized non-profit organizations and other authorized entities.
- HH. “Regular Business Hours”** means 8:00AM through 5:00PM, Monday through Friday, holidays excluded.
- II. “Renewal Lease Term”** means a month to month extension of the Initial Lease Term.
- JJ. “Services”** means the services to be performed by Contractor as set forth in this Participating Addendum.
- KK. “State Confidential Information”** means any State Records not subject to disclosure under CORA. State Confidential Information shall include, but is not limited to, PII, PCI, and State personnel records not subject to disclosure under CORA. State Confidential Information shall not include information or data concerning individuals that is not deemed confidential but nevertheless belongs to the State, which has been communicated, furnished, or disclosed by the State to Contractor which (i) is subject to disclosure pursuant to CORA; (ii) is already known to Contractor without restrictions at the time of its disclosure to Contractor; (iii) is or subsequently becomes publicly available without breach of any obligation owed by Contractor to the State;

(iv) is disclosed to Contractor, without confidentiality obligations, by a third party who has the right to disclose such information; or (v) was independently developed without reliance on any State Confidential Information.

**LL. “State Fiscal Rules”** means that fiscal rules promulgated by the Colorado State Controller pursuant to §24-30-202(13) (a), C.R.S.

**MM. “State Fiscal Year”** means a 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year. If a single calendar year follows the term, then it means the State Fiscal Year ending in that calendar year.

**NN. “State Records”** means any State data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.

**OO. “Subcontractor”** means third-parties, if any, engaged by Contractor pursuant to aid in performance of the Work. The term “Subcontractor” includes, without limitation, any dealers, distributors, partners or resellers engaged by the Contractor to perform the Work.

**PP. “Useful Life”** means the period during which the Equipment is expected to be usable for the purpose in which it was manufactured.

**QQ. “Work”** means the Services performed pursuant to this Contract.

**RR. “Work Product”** means the tangible and intangible results of the Work, whether finished or unfinished, including drafts. Work Product includes, but is not limited to, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, and any other results of the Work. “Work Product” does not include any material that was developed prior to the Effective Date that is used, without modification, in the performance of the Work.

Any other term used in this Participating Addendum that is defined in an Exhibit shall be construed and interpreted as defined in that Exhibit.

## 5. STATEMENT OF WORK

Contractor shall complete the Work as described in this Participating Addendum and in accordance with the provisions of **Exhibit C, Statement of Work**.

## 6. PAYMENTS TO CONTRACTOR

### A. Payments Under Orders

- i. Contractor shall allow Purchasing Entities to use a procurement card or other credit card to make payments under any Order, in addition to any other payment procedure available to the Purchasing Entity.
- ii. The Purchasing Entity shall not pay any amount to Contractor under this Participating Addendum unless the Purchasing Entity issues an Order, at which time it shall pay Contractor in accordance with that Order. The State shall not be responsible for payment under any Order that is issued by a Purchasing Entity, and the Contractor shall seek no payment or other compensation from the State for any Work performed under any Order issued by a Purchasing Entity.

### B. Payment Procedures

#### i. Invoices

Contractor shall invoice each Purchasing Entity in accordance with that Purchasing Entity's Order. Contractor shall not invoice the State under any Order. Contractor shall allow 45 days for Purchasing Entities to pay an invoice following the receipt of the invoice, unless the Purchasing Entity specifically agrees to a shorter time in an Order. State law and regulations provide that Purchasing Entity payments made within 45 days are not considered delinquent, and unless otherwise agreed, Purchasing Entities will pay interest on any unpaid balance beginning on the 46th day at the rate of 1% per month until paid in full; provided, however, that interest shall not accrue on unpaid amounts that are the subject of a good faith dispute regarding the obligation to pay all or a portion of the liability. Contractor shall invoice the Purchasing Entity separately for accrued interest on delinquent amounts due. The billing shall reference the delinquent payment, the number of day's interest to be paid, and the applicable interest rate. (§24-30-202(24), C.R.S., as amended.)

**ii. Payment Disputes**

Unless different procedures are specified in an Order, if Contractor disputes any calculation, determination or amount of any payment, Contractor shall notify the Purchasing Entity issuing the Order in writing of its dispute within 30 days following the earlier to occur of Contractor's receipt of the payment or notification of the determination or calculation of the payment by that Purchasing Entity. The Purchasing Entity will review the information presented, including any accounting transpositions, by Contractor and may make changes to its determination based on this review. The calculation, determination or payment amount that results from the Purchasing Entity's review shall not be subject to additional dispute under this subsection. No payment subject to a dispute under this subsection shall be due until after the Purchasing Entity has concluded its review, and the Purchasing Entity shall not pay any interest on any amount during the period it is subject to dispute under this subsection.

**iii. Available Funds-Contingency-Termination of Order**

- a.** Purchasing Entities, except for authorized non-profit entities, are prohibited by law from making commitments beyond the term of the current Purchasing Entity's Fiscal Year. Payment to Contractor beyond the current Purchasing Entity's Fiscal Year is contingent on the appropriation and continuing availability of Contract Funds in any subsequent year (See Colorado Special Provisions). If federal funds, non-State funds or funds from any other source constitute all or some of the Contract Funds, the Purchasing Entity's obligation to pay Contractor shall be contingent upon such funding continuing to be made available for payment. Orders under this Participating Addendum shall be made only from Contract Funds, and the Purchasing Entity's liability for such payments shall be limited to the amount remaining of such Contract Funds. If State, federal or other Purchasing Entity funds are not appropriated, or otherwise become unavailable to fund an Order under this Participating Addendum, the Purchasing Entity may, upon written notice, terminate the Order, in whole or in part, without incurring further liability. The Purchasing Entity shall, however, remain obligated to pay for Services that are delivered and accepted prior to the effective date of notice of termination of Order. A Purchasing Entity Order termination shall otherwise be treated as if the Order was terminated in the public interest as described in **§3.D.** of this **Exhibit A.**
- b.** The Purchasing Entity may effect such termination by giving Contractor a written

notice of termination, to the Contractor's primary contact in accordance with §5 of the Participating Addendum, and by paying to Contractor any amounts which are due and have not been paid through the last day of the Fiscal Year for which appropriated funds are available. The Purchasing Entity shall endeavor to give notice of such termination not less than 30 days prior to the day of non-availability of funds, and shall notify Contractor of any anticipated termination.

**iv. Discount and Delinquency Period**

Any applicable cash discount period or delinquency period for the amounts shown on an invoice shall begin on the date the Purchasing Entity's approves of the invoice, or from the date of receipt of acceptable Goods or Services at the specified destination by an authorized Purchasing Entity representative, whichever is later.

**7. PAYMENTS TO STATE**

**A. Administrative Fees**

- i.** Each State Fiscal Year quarter, Contractor shall, using a form as directed by the State, calculate an Administrative Fee equal to 1% of the Total Sales made under Orders during that State Fiscal Year quarter. Contractor shall pay the State the Administrative Fee for each State Fiscal Year quarter within 30 days following the end of that State Fiscal Year quarter.
- ii.** Contractor shall remit all Administrative Fees to the State's primary contact identified in §5 of the Participating Addendum and with the payee as "State of Colorado."

**8. REPORTING – NOTIFICATION**

**A. Volume Reporting**

The State will use a centralized method of tracking volume. Contractor shall provide a quarterly volume report to the State's primary contact identified in §5 of this Participating Addendum within 30 calendar days following the end of the State Fiscal Year quarter that the report covers. The quarterly volume report shall be submitted in a form as directed by the State, which may be modified by the State from time to time. The quarterly volume report shall contain, at a minimum, all of the following:

- i.** A summary volume report that includes, but is not limited to, all of the following for the quarter that the report covers:
  - a.** The total sales by each type of Purchasing Entity under this Participating Addendum.
  - b.** The total of the list price of all items purchased by each type of Purchasing Entity under this Participating Addendum.
  - c.** The total estimated price savings for each type of Purchasing Entity under this Participating Addendum, calculated as the total list price of all items purchased by each type of Purchasing Entity minus the total spent for that type of Purchasing Entity.
  - d.** The amount of the total quarterly Administrative Fee due to the State.
  - e.** Any additional summary information as requested by the State if available by Contractor.
- ii.** A detail report that includes, but is not limited to, all of the following for each sale that occurred during the quarter that the report covers:
  - a.** The name of the Purchasing Entity to whom the sale was made;

- b. The date of the sale.
- c. A listing of each item purchased in the sale, including the name of the item, the quantity of the item, the unit price for the item, the extended price for the item calculated by multiplying the unit price by the quantity, the list price per unit for the item, the extended list price for the item calculated by multiplying the quantity by the list price.
- d. Any other detailed information as requested by the State, if available to Contractor.

**B. Additional Operational Reporting**

Upon request by the State, the Contractor shall provide operational reporting that includes all detailed and summary transaction, historical or payment information related to any of the Purchasing Entities as reasonably requested by the State. The Contractor shall provide all such additional reports within 30 Business Days following the State's request for that information, unless the State agrees to a longer period in writing.

**C. Litigation Reporting**

If Contractor is served with a pleading or other document in connection with an action before a court or other administrative decision making body, and such pleading or document relates to this Participating Addendum or may affect Contractor's ability to perform its obligations under this Participating Addendum, Contractor shall, within 10 days after being served, notify the State of such action and deliver copies of such pleading or document to the State's primary contact identified in §5 of the Participating Addendum .

**D. Performance Outside the State of Colorado or the United States, §24-102-206, C.R.S.**

To the extent not previously disclosed in accordance with §24-102-206, C.R.S., Contractor shall provide written notice to the State's primary contact in accordance with §5 of the Participating Addendum and in a form designated by the State, within 20 days following the earlier to occur of Contractor's decision to perform Services outside of the State of Colorado or the United States, or its execution of an agreement with a Subcontractor to perform Services outside the State of Colorado or the United States. Such notice shall specify the type of Services to be performed outside the State of Colorado or the United States and the reason why it is necessary or advantageous to perform such Services at such location or locations, and such notice shall be a public record. Knowing failure by Contractor to provide notice to the State under this section shall constitute a breach of this Participating Addendum. This section shall not apply if the Participating Addendum Funds include any federal funds.

By agreement of the parties, it is understood that FedEx will perform necessary and appropriate Services outside both the State of Colorado and the United States and will utilize subcontractors to the extent it deems necessary and appropriate to conduct its business operations. The State consents to such use and shall not require specific information relating to such use nor justification therefor except for the notification requirements under §24-102-206.

**9. CONTRACTOR RECORDS**

**A. Maintenance**

Contractor shall maintain a file of all documents, records, communications, notes and other materials relating to the charges for the Work (the "Contractor Records") performed by the Contractor and any Subcontractors, that are required to ensure proper charging for performance of that Work. Contractor shall maintain Contractor Records until the last to occur of: (i) the date

3 years after the date this Participating Addendum expires or is terminated, (ii) final payment under this Participating Addendum is made, (iii) the resolution of any pending Contract matters, or (iv) if an audit is occurring, or Contractor has received notice that an audit is pending, the date such audit is completed and its findings have been resolved (the “Record Retention Period”).

**B. Inspection**

Contractor shall permit the State to audit, inspect, examine, excerpt, copy and transcribe Contractor Records during the Record Retention Period. Contractor shall make Contractor Records available during normal business hours at Contractor’s office or place of business, or at other mutually agreed upon times or locations, upon no fewer than 5 Business Days’ notice from the State, unless the State determines that a shorter period of notice, or no notice, is necessary to protect the interests of the State.

**C. Monitoring**

The State, in its discretion, may monitor Contractor’s performance of its obligations under this Participating Addendum using procedures as determined by the State. The State shall monitor Contractor’s performance in a manner that does not unduly interfere with Contractor’s performance of the Work.

**D. Final Audit Report**

Contractor shall promptly submit to the State a copy of any final audit report of an audit performed on Contractor’s Records that relates to or affects this Participating Addendum or the Work, whether the audit is conducted by Contractor or a third party.

**E. Periodic Business Reviews**

- i. The State may schedule periodic business reviews to review Contractor’s performance under this Participating Addendum.
- ii. Contractor shall use commercially reasonable efforts to ensure personnel assigned to the Participating Addendum are available for these meetings with the State as scheduled by the State.
- iii. Contractor’s primary contact designated in §5 of this the Participating Addendum shall be reasonably available for all regularly scheduled meetings between Contractor and the State, unless the State has granted prior, written approval otherwise.

**10. CONFIDENTIAL INFORMATION-STATE RECORDS**

**A. Confidentiality**

Contractor shall keep confidential, and cause all Subcontractors to keep confidential, all State Records, unless those State Records are publicly available. Contractor shall not, without prior written approval of the State, use, publish, copy, disclose to any third party, or permit the use by any third party of any State Records, except as otherwise stated in this Participating Addendum, permitted by law or approved in Writing by the State. Contractor shall provide for the security of all State Confidential Information in accordance with this Participating Addendum and all applicable laws, rules, policies, publications, and guidelines. If Contractor or any of its Subcontractors will or may receive the following types of data, Contractor or its Subcontractors shall provide for the security of such data according to the following: (i) the most recently updated PCI Data Security Standard from the PCI Security Standards Council for all PCI, if

applicable, (ii) the most recently issued version of the U.S. Department of Justice, Federal Bureau of Investigation, and Criminal Justice Information Services Security Policy for all CJ, if applicable. Contractor shall immediately forward any request or demand for State Records to the State's primary contact as identified in §5 of the Participating Addendum.

**B. Other Entity Access and Nondisclosure Agreements**

Contractor may provide State Records to its agents, employees, assigns and Subcontractors as necessary to perform the Work, but shall restrict access to State Confidential Information to those agents, employees, assigns and Subcontractors who require access to perform their obligations under this Participating Addendum. Contractor shall ensure all such agents, employees, assigns, and Subcontractors sign agreements or are subject to confidentiality obligations by policy or otherwise containing nondisclosure provisions at least as protective as those in this Participating Addendum, and that the nondisclosure provisions are in force at all times the agent, employee, assign or Subcontractor has access to any State Confidential Information. Contractor shall provide copies of those signed nondisclosure provisions to the State upon execution of the nondisclosure provisions.

**C. Use, Security, and Retention**

Contractor shall use, hold and maintain State Confidential Information in compliance with any and all applicable laws and regulations in facilities located within the United States, and shall maintain a secure environment that ensures confidentiality of all State Confidential Information wherever located. Contractor shall provide the State with access, subject to Contractor's reasonable security requirements, for purposes of inspecting and monitoring access and use of State Confidential Information and evaluating security control effectiveness. Upon the expiration or termination of this Participating Addendum, Contractor shall return State Records provided to Contractor or destroy such State Records and certify to the State that it has done so, as directed by the State. If Contractor is prevented by law or regulation from returning or destroying State Confidential Information, Contractor warrants it will guarantee the confidentiality of, and cease to use, such State Confidential Information.

**D. Incident Notice and Remediation**

If Contractor becomes aware of any Incident, it shall notify the State immediately and cooperate with the State regarding recovery, remediation, and the necessity to involve law enforcement, as determined by the State. Unless Contractor can establish that neither Contractor nor any of Contractor's agents, employees, assigns or Subcontractors are the cause or source of the Incident, Contractor shall be responsible for the cost of notifying each person who may have been impacted by the Incident. After an Incident, Contractor shall take steps to reduce the risk of incurring a similar type of Incident in the future as directed by the State, which may include, but is not limited to, developing and implementing a remediation plan that is approved by the State at no additional cost to the State. The State may, in its sole discretion and at Contractor's sole expense, require Contractor to engage the services of an independent, qualified, State-approved third party to conduct a security audit. Contractor shall provide the State with the results of such audit and evidence of Contractor's planned remediation in response to any negative findings.

**E. Data Protection and Handling**

Contractor shall ensure that all State Records in the possession of Contractor or any Subcontractors are protected and handled in accordance with the requirements of this Contract,



including the requirements of any Exhibits hereto, at all times.

**F. Safeguarding PII**

If Contractor or any of its Subcontractors will or may receive PII under this Contract, Contractor shall provide for the security of such PII, in a manner and form acceptable to the State, including, without limitation, State non-disclosure requirements, use of appropriate technology, security practices, computer access security, data access security, data storage encryption, data transmission encryption, security inspections, and audits. Contractor shall be a “Third-Party Service Provider” as defined in §24-73-103(1)(i), C.R.S. and shall maintain security procedures and practices consistent with §§24-73-101 *et seq.*, C.R.S.

**11. CONFLICTS OF INTEREST**

**A. Actual Conflicts of Interest**

Contractor shall not engage in any business or activities, or maintain any relationships that conflict in any way with the full performance of the obligations of Contractor under this Participating Addendum. Such a conflict of interest would arise when a Contractor or Subcontractor’s employee, officer or agent were to offer or provide any tangible personal benefit to an employee of the State, or any member of his or her immediate family or his or her partner, related to the award of, entry into or management or oversight of this Participating Addendum.

**B. Apparent Conflicts of Interest**

Contractor acknowledges that, with respect to this Participating Addendum, even the appearance of a conflict of interest shall be harmful to the State’s interests. Absent the State’s prior written approval, Contractor shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Contractor’s obligations under this Participating Addendum.

**C. Disclosure to the State**

If a conflict or the appearance of a conflict arises, or if Contractor has reason to believe a conflict may exist but is uncertain whether a conflict or the appearance of a conflict has arisen, Contractor shall submit to the State a disclosure statement setting forth the relevant details for the State’s consideration. Failure to promptly submit a disclosure statement or to follow the State’s direction concerning the actual or apparent conflict constitutes a breach of this Participating Addendum.

**12. INSURANCE**

Contractor shall obtain and maintain, and ensure that each Subcontractor shall obtain and maintain, insurance as specified in this section at all times during the term of this Participating Addendum and until all orders for Services or both have been delivered and accepted, regardless of whether this Participating Addendum has expired or has been terminated. Insurance companies as approved by the State shall issue all insurance policies required by this Participating Addendum.

**A. Workers’ Compensation**

Workers’ Compensation insurance as required by state statute, and employers’ liability insurance covering all Contractor or Subcontractor employees acting within the course and scope of their employment. Insurance must stay in place and in effect even if the contract terms expires, until all product or terms of the contract are completed and satisfied up to 120 days after contract term expires.

**B. General Liability**

Commercial general liability insurance for the acts and omissions of Contractor's employees covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

- i. \$1,000,000 each occurrence;
- ii. \$2,000,000 general aggregate;
- iii. \$1,000,000 products and completed operations aggregate; and
- iv. \$50,000 any 1 fire.

**C. Automobile Liability**

Automobile liability insurance, which may be self-insured, covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

**D. Cyber Liability**

Liability insurance covering all loss of State Confidential Information, such as PII, PCI, and CJI, and claims based on alleged violations of privacy rights through improper use or disclosure of protected information with minimum limits as follows:

- i. \$1,000,000 each occurrence; and
- ii. \$2,000,000 general aggregate.

**E. Crime Insurance**

Crime insurance including employee dishonesty coverage with minimum limits as follows:

- i. \$1,000,000 each occurrence; and
- ii. \$1,000,000 general aggregate.

**F. Additional Insured**

The State shall be named as additional insured on all commercial general liability policies (leases and construction contracts require additional insured coverage for completed operations) required of Contractor and Subcontractors.

**G. Primacy of Coverage**

Coverage required of Contractor and each Subcontractor shall be primary over any insurance or self-insurance program carried by Contractor or the State.

**H. Cancellation**

The above insurance policies shall include provisions preventing cancellation or non-renewal, except for cancellation based on non-payment of premiums, without at least 30 days prior notice to Contractor and Contractor shall forward such notice to the State in accordance with §5 of the Participating Addendum within 7 days of Contractor's receipt of such notice.

**I. Subrogation Waiver**

All insurance policies secured or maintained by Contractor or its Subcontractors in relation to

this Participating Addendum shall include clauses stating that each carrier shall waive all rights of recovery under subrogation or otherwise against Contractor or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

#### **J. Public Entities**

If Contractor is a "public entity" within the meaning of the Colorado Governmental Immunity Act, §§24-10-101, *et seq.*, C.R.S. (the "GIA"), Contractor shall maintain, in lieu of the liability insurance requirements stated above, at all times during the term of this Participating Addendum such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. If a Subcontractor is a public entity within the meaning of the GIA, Contractor shall ensure that the Subcontractor maintain at all times during the terms of this Participating Addendum, in lieu of the liability insurance requirements stated above, such liability insurance, by commercial policy or self-insurance, as is necessary to meet the Subcontractor's obligations under the GIA.

#### **K. Certificates**

Contractor shall provide to the State certificates evidencing Contractor's insurance coverage required in this Participating Addendum within 7 Business Days following the Effective Date. Contractor shall provide to the State certificates evidencing Subcontractor insurance coverage required under this Participating Addendum within 7 Business Days following the Effective Date, except that, if Contractor's subcontract is not in effect as of the Effective Date, Contractor shall provide to the State certificates showing Subcontractor insurance coverage required under this Participating Addendum within 7 Business Days following Contractor's execution of the subcontract. No later than 15 days before the expiration date of Contractor's or any Subcontractor's coverage, Contractor shall deliver to the State certificates of insurance evidencing renewals of coverage. At any other time during the term of this Participating Addendum, upon request by the State, Contractor shall, within 7 Business Days following the request by the State, supply to the State evidence satisfactory to the State of compliance with the provisions of this §12.

### **13. BREACH OF CONTRACT**

In the event of a Breach of Contract, the aggrieved Party shall give written notice of breach to the other Party. If the notified Party does not cure the Breach of Contract, at its sole expense, within 30 days after the delivery of written notice, the Party may exercise any of the remedies as described in §14 for that Party. Notwithstanding any provision of this Participating Addendum to the contrary, the State, in its discretion in order to protect the public interest of the State, need not provide notice or a cure period and may immediately terminate this Participating Addendum in whole or in part or institute any other remedy in this Participating Addendum; or if Contractor is debarred or suspended under §24-109-105, C.R.S., the State, in its discretion, need not provide notice or cure period and may terminate this Contract in whole or in part or institute any other remedy in this Contract as of the date that the debarment or suspension takes effect.

### **14. REMEDIES**

#### **A. State's Remedies**

If Contractor is in breach under any provision of this Participating Addendum and fails to cure such breach, the State, following the notice and cure period set forth in §13, shall have all of the remedies listed in this section in addition to all other remedies set forth in this Participating Addendum or at law. The State may exercise any or all of the remedies available to it, in its

discretion, concurrently or consecutively.

**i. Termination for Breach**

- a. In the event of Contractor's uncured breach, the State may terminate this entire Participating Addendum or any part of this Participating Addendum. Contractor shall continue performance of this Participating Addendum to the extent not terminated, if any.
- b. If after termination by the State, the State agrees that Contractor was not in breach or that Contractor's action or inaction was excusable, such termination shall be treated as a termination in the public interest, and the rights and obligations of the Parties shall be as if this Participating Addendum had been terminated in the public interest under **§3.D**.

**ii. Remedies Not Involving Termination**

The State, in its discretion, may exercise one or more of the following additional remedies:

**a. Suspend Performance**

Suspend Contractor's performance with respect to all or any portion of the Work pending corrective action as specified by the State without entitling Contractor to an adjustment in price or cost or an adjustment in the performance schedule. Contractor shall promptly cease performing Work and incurring costs in accordance with the State's directive, and neither the State nor any Purchasing Entity shall be liable for costs incurred by Contractor after the suspension of performance.

**b. Removal**

Request immediate removal of any of Contractor's employees, agents, or Subcontractors from the Work whom the State deems incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable or whose continued relation to this Participating Addendum is deemed by the State to be contrary to the public interest or the State's best interest. In the event of such request, the parties will immediately meet in order to accommodate or resolve such a request.

**B. Contractor's Remedies**

If the State is in breach of any provision of this Participating Addendum and does not cure such breach, Contractor, following the notice and cure period in **§13** and the dispute resolution process in **§15** shall have all remedies available at law and equity. If a Purchasing Entity is in breach of a provision of an Order, Contractor shall have all remedies available to it under that Order and available at law and equity.

**C. Purchasing Entity's Remedies**

- i. If Contractor is in breach under any provision of an Order by a Purchasing Entity, the Purchasing Entity shall have all of the remedies listed in that Order, all remedies listed in **§14.A.ii** above, all remedies listed here in **§14.C** and all other remedies available by law or equity. The Purchasing Entity may exercise any or all of the remedies available to it, in its discretion, concurrently or consecutively.

**ii. Payments and Damages**

- a. Notwithstanding anything to the contrary, Purchasing Entities shall only pay Contractor for accepted Work received as of the date of termination. Upon prior notice to Contractor, a Purchasing Entity may withhold any amount that may be due

Contractor as the Purchasing Entity deems necessary until Contractor corrects its Work or to protect itself against loss including, without limitation, loss as a result of outstanding liens and costs incurred by the Purchasing Entity in procuring from third parties replacement Work as cover.

- b. Notwithstanding any other remedial action by the State, Contractor shall remain liable to the State or appropriate Purchasing Entity for any damages sustained by the State or Purchasing Entity in connection with any breach by Contractor, and the Purchasing Entity may withhold payment to Contractor for the purpose of mitigating the Purchasing Entity's damages.
- c. Upon prior notice to Contractor, a Purchasing Entity may deny payment to Contractor for Work not performed, or that due to Contractor's actions or inactions, cannot be performed or if they were performed are reasonably of no value to the state; provided, that any denial of payment shall be equal to the value of the obligations not performed.

## 15. DISPUTE RESOLUTION

### A. Order Disputes, Termination and Resolution

- i. If a dispute related to an Order arises between Contractor and a Purchasing Entity, Contractor shall meet with the Purchasing Entity to attempt to resolve the issue. If Contractor is unable to resolve the issue with the Purchasing Entity, then Contractor may request assistance from the State by submitting a request in writing, which includes the pertinent information about the dispute and the assistance sought by Contractor, in accordance with §5 of the Participating Addendum. Nothing in this section shall be interpreted as limiting the rights or obligations of Contractor, the State or any Purchasing Entity under this Contract of any Order.
- ii. A Purchasing Entity may terminate an Order if it determines that Contractor was in breach of that Order. Termination of an Order shall not terminate any other Order or this Participating Addendum.
- iii. If a Purchasing Entity gives Contractor notice of breach or terminates an Order because of Contractor's breach of that Order, Contractor shall provide notice to the State of that breach or termination within 5 Business Days following Contractor's receipt of that notice of breach or termination.

### B. Initial Resolution

Except as herein specifically provided otherwise, disputes concerning the performance of this Participating Addendum which cannot be resolved by the designated Participating Addendum primary contacts, as identified in §5 of the Participating Addendum, or through a dispute on an Order shall be referred in writing to a senior departmental management staff member designated by the State and a senior manager designated by Contractor for resolution.

### C. Resolution of Controversies arising under this Participating Addendum

If the initial resolution described in §15.B. fails to resolve the dispute within ten (10) Business Days, Contractor shall, without waiving any other rights or remedies it may have, submit any alleged breach of this Participating Addendum by the State to the Procurement Official of the State Purchasing and Contracts Office as described in in §24-102-202(3), C.R.S. for resolution in accordance with the provisions of §§24-109-101.1 through 24-109-505, C.R.S., (the

“Resolution Statutes”), and if Contractor wishes to challenge any decision rendered by the Procurement Official, Contractor’s challenge shall be an appeal to the Executive Director of the Department of Personnel and Administration, or their delegate, under the Resolution Statutes before Contractor pursues any further action as permitted by such statutes. Except as otherwise stated in this Section, all requirements of the Resolution Statutes shall apply including, without limitation, time limitations.

## **16. RIGHTS IN WORK PRODUCT AND OTHER INFORMATION**

### **A. Work Product**

It is understood and agreed upon by the parties that Contractor will not be providing any non-Contractor-owned or licensed intellectual property related to the Work Product in its performance of the Services.

### **B. Exclusive Property of the State**

Except to the extent specifically provided elsewhere in this Participating Addendum, any pre-existing State Records, State software, research, reports, studies, photographs, negatives or other documents, drawings, models, materials, data and information shall be the exclusive property of the State (collectively, “State Materials”). Contractor shall not use, willingly allow, cause or permit Work Product or State Materials to be used for any purpose other than the performance of Contractor’s obligations in this Participating Addendum without the prior written consent of the State.

### **C. Exclusive Property of Contractor**

Contractor retains the exclusive rights, title, and ownership to any and all pre-existing materials owned or licensed to Contractor including, but not limited to, all pre-existing software, licensed products, associated source code, machine code, text images, audio and/or video, and third-party materials, delivered by Contractor under the Contract, whether incorporated in a Deliverable or necessary to use a Deliverable (collectively, “Contractor Property”). Contractor Property shall be licensed to the State as set forth in this Contract or a State approved license agreement: **(i)** entered into as exhibits to this Contract; **(ii)** obtained by the State from the applicable third-party vendor; or **(iii)** in the case of open source software, the license terms set forth in the applicable open source license agreement.

## **17. OBLIGATIONS AND RIGHTS IN THE EVENT OF TERMINATION OF ORDER OR CONTRACT**

To the extent specified in any termination notice, Contractor shall not incur further obligations or render further performance past the effective date of such notice, and shall terminate outstanding orders and subcontracts with third parties. However, Contractor shall complete and deliver to Purchasing Entities all Work not cancelled by the termination notice, and may incur obligations as necessary to do so within this Participating Addendum’s terms. At the request of the State, Contractor shall assign to the appropriate Purchasing Entity all of Contractor's rights, title, and interest in and to such terminated orders or subcontracts. Upon termination, Contractor shall take timely, reasonable and necessary action to protect and preserve property in the possession of Contractor in which the appropriate Purchasing Entity has an interest. At the State or Purchasing Entity’s request, Contractor shall return materials owned by the Purchasing Entity that Contractor possesses at the time of any termination. Contractor shall deliver all completed Work Product to the appropriate Purchasing Entity at the State or Purchasing Entity’s request.

**18. STATEWIDE CONTRACT MANAGEMENT SYSTEM**

If the maximum amount payable to Contractor under this Contract is \$100,000 or greater, either on the Effective Date or at any time thereafter, this section shall apply to the extent applicable to Contractor or the services provided by Contractor hereunder. Contractor agrees to be governed by and comply with the provisions of §§24-102-206, 24-106-103, 24-106-106, and 24-106-107, C.R.S. regarding the monitoring of vendor performance and the reporting of contract information in the State's contract management system ("Contract Management System" or "CMS"). Contractor's performance shall be subject to evaluation and review in accordance with the terms and conditions of this Contract, Colorado statutes governing CMS, and State Fiscal Rules and State Controller policies.

**19. GENERAL PROVISIONS****A. Assignment**

Contractor's rights and obligations under this Participating Addendum are personal and may not be transferred or assigned without the prior, written consent of the State. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Contractor's rights and obligations approved by the State shall be subject to the provisions of this Participating Addendum. In addition, the State may not transfer or assign this Participating Addendum or any rights or obligations hereunder without prior notification to the Contractor.

**B. Subcontracts**

Contractor is hereby providing notice to the State of its use of subcontractors and the State consents to such use as Contractor deems necessary and appropriate in order to provide Services. All subcontracts entered into by Contractor in connection with this Participating Addendum shall comply with all applicable federal and state laws and regulations, and shall be subject to all provisions of this Participating Addendum.

**C. Binding Effect**

Except as otherwise provided in §A., all provisions of this Participating Addendum, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.

**D. Authority**

Each Party represents and warrants to the other that the execution and delivery of this Participating Addendum and the performance of such Party's obligations have been duly authorized.

**E. Captions and References**

The captions and headings in this Participating Addendum are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions. All references in this Participating Addendum to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

**F. Counterparts**

This Participating Addendum may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute the same agreement.

**G. Entire Understanding**

This Participating Addendum represents the complete integration of all understandings between the Parties related to the Work, and all prior representations and understandings related to the Work, oral or written, are merged into this Participating Addendum. Prior or contemporaneous additions, deletions, or other changes to this Participating Addendum shall not have any force or effect whatsoever, unless embodied herein.

**H. Digital Signatures**

If any signatory signs this agreement using a digital signature in accordance with the Colorado State Controller Contract, Grant and Purchase Order Policies regarding the use of digital signatures issued under the State Fiscal Rules, then any agreement or consent to use digital signatures within the electronic system through which that signatory signed shall be incorporated into this Contract by reference.

**I. Modification**

Except as otherwise provided in this Participating Addendum, any modification to this Participating Addendum shall only be effective if agreed to in a formal amendment to this Participating Addendum, properly executed and approved in accordance with applicable Colorado State law and State Fiscal Rules. Modifications permitted under this Participating Addendum, other than contract amendments, shall conform to the policies issued by the Colorado State Controller.

**J. Statutes, Regulations, Fiscal Rules, and Other Authority**

Any reference in this Participating Addendum to a statute, regulation, State Fiscal Rule, fiscal policy or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended since the Effective Date of this Participating Addendum.

**K. Severability**

The invalidity or unenforceability of any provision of this Participating Addendum shall not affect the validity or enforceability of any other provision of this Participating Addendum, which shall remain in full force and effect, if the Parties can continue to perform their obligations under this Participating Addendum in accordance with the intent of this Participating Addendum.

**L. Survival of Certain Contract Terms**

Any provision of this Participating Addendum that imposes an obligation on the Contractor or a Purchasing Entity after termination or expiration of this Participating Addendum shall survive the termination or expiration of this Participating Addendum and shall be enforceable by the other Party.

**M. Taxes**

The State is exempt from federal excise taxes under I.R.C. Chapter 32 (26 U.S.C., Subtitle D, Ch. 32) (Federal Excise Tax Exemption Certificate of Registry No. 84-730123K) and from State and local government sales and use taxes under §§39-26-704(1), *et seq.*, C.R.S. (Colorado Sales Tax Exemption Identification Number 98-02565). The State shall not be liable for the payment of any excise, sales, or use taxes, regardless of whether any political subdivision of the State imposes such taxes on Contractor. Contractor shall be solely responsible for any exemptions from the collection of excise, sales or use taxes that Contractor may wish to have in place in connection with this Participating Addendum. Contractor shall honor any tax exemption that



any Purchasing Entity has, and shall not charge any Purchasing Entity any excise, sales, or use taxes from which that Purchasing Entity is exempt.

**N. Third Party Beneficiaries**

Except for a Purchasing Entity and/or the Parties' respective successors and assigns described in §19.A, this Participating Addendum does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Participating Addendum and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Participating Addendum are incidental to this Participating Addendum, and do not create any rights for such third parties.

**O. Waiver**

A Party's failure or delay in exercising any right, power, or privilege under this Participating Addendum, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.

**P. CORA Disclosure**

To the extent not prohibited by federal law, this Participating Addendum and the performance measures and standards required under §24-106-107, C.R.S., if any, are subject to public release through the CORA.

**Q. Standard and Manner of Performance**

Contractor shall perform its obligations under this Participating Addendum in accordance with the highest standards of care, skill and diligence in Contractor's industry, trade, or profession.

**R. Licenses, Permits, and Other Authorizations**

Contractor shall secure, prior to the Effective Date, and maintain at all times during the term of this Participating Addendum, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Participating Addendum, and shall ensure that all employees, agents and Subcontractors secure and maintain at all times during the term of their employment, agency or subcontract, all license, certifications, permits and other authorizations required to perform their obligations in relation to this Participating Addendum.

**S. Indemnification**

**i. General Indemnification**

Contractor shall indemnify, save, and hold harmless the State, its employees, agents and assignees (the "Indemnified Parties"), against any and all costs, expenses, claims, damages, liabilities, court awards and other amounts (including attorneys' fees and related costs) incurred by any of the Indemnified Parties in relation to any act or omission by Contractor, or its employees, agents, Subcontractors, or assignees in connection with this Participating Addendum.

**ii. Confidential Information Indemnification**

Disclosure or use of State Confidential Information by Contractor in violation of §10 may be cause for legal action by third parties against Contractor, the State, or their respective agents. Contractor shall indemnify, save, and hold harmless the Indemnified Parties, against any and all claims, damages, liabilities, losses, costs, expenses (including

reasonable attorneys' fees and costs) incurred by the State in relation to any negligent act or omission by Contractor, or its employees, agents, assigns, or Subcontractors in violation of §10.

**iii. Intellectual Property Indemnification**

Contractor shall indemnify, save, and hold harmless the Indemnified Parties, against any and all costs, expenses, claims, damages, liabilities, and other amounts (including attorneys' fees and costs) incurred by the Indemnified Parties in relation to any claim that any Work infringes a patent, copyright, trademark, trade secret, or any other intellectual property right.

**T. Reserved**

**20. COLORADO SPECIAL PROVISIONS (COLORADO FISCAL RULE 3-3)**

These Special Provisions apply to all contracts except where noted in italics.

**A. STATUTORY APPROVAL. §24-30-202(1), C.R.S.**

This Contract shall not be valid until it has been approved by the Colorado State Controller or designee. If this Contract is for a Major Information Technology Project, as defined in §24-37.5-102(2.6), then this Contract shall not be valid until it has been approved by the State's Chief Information Officer or designee.

**B. FUND AVAILABILITY. §24-30-202(5.5), C.R.S.**

Financial obligations of the State payable after the current State Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

**C. GOVERNMENTAL IMMUNITY**

Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S.; the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, §§24-30-1501, et seq. C.R.S. No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, contained in these statutes.

**D. INDEPENDENT CONTRACTOR**

Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Contractor shall (i) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (ii) provide proof thereof when requested by the State, and (iii) be solely responsible for its acts and those of its employees and agents.

**E. COMPLIANCE WITH LAW**

Contractor shall comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

**F. CHOICE OF LAW, JURISDICTION, AND VENUE**

Contractor agrees that Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. All suits or actions related to this Contract shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

**G. PROHIBITED TERMS**

Any term included in this Contract that requires the State to indemnify or hold Contractor harmless; requires the State to agree to binding arbitration; limits Contractor's liability for damages resulting from death, bodily injury, or damage to tangible property; or that conflicts with this provision in any way shall be void ab initio. Nothing in this Contract shall be construed as a waiver of any provision of §24-106-109 C.R.S.

**H. SOFTWARE PIRACY PROHIBITION**

State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

**I. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. §§24-18-201 and 24-50-507, C.R.S.**

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

**J. VENDOR OFFSET AND ERRONEOUS PAYMENTS. §§24-30-202(1) and 24-30-202.4, C.R.S.**

Subject to §24-30-202.4(3.5), C.R.S., the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (i) unpaid child support debts or child support arrearages; (ii) unpaid balances of tax, accrued interest, or other charges specified in §§39-21-101, et seq., C.R.S.; (iii) unpaid loans due to the Student Loan Division of the Department of Higher Education; (iv) amounts required to be paid to the Unemployment Compensation Fund; and (v) other unpaid debts owing to the State as a result of

final agency determination or judicial action. The State may also recover, at the State's discretion, payments made to Contractor in error for any reason, including, but not limited to, overpayments or improper payments, and unexpended or excess funds received by Contractor by deduction from subsequent payments under this Contract, deduction from any payment due under any other contracts, grants or agreements between the State and Contractor, or by any other appropriate method for collecting debts owed to the State.

**K. PUBLIC CONTRACTS FOR SERVICES. §§8-17.5-101, et seq., C.R.S.**

Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this Contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Contract, through participation in the E-Verify Program or the State verification program established pursuant to §8-17.5-102(5)(c), C.R.S., Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract or enter into a contract with a Subcontractor that fails to certify to Contractor that the Subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Contractor **(i)** shall not use E-Verify Program or the program procedures of the Colorado Department of Labor and Employment ("Department Program") to undertake pre-employment screening of job applicants while this Contract is being performed, **(ii)** shall notify the Subcontractor and the contracting State agency or institution of higher education within three days if Contractor has actual knowledge that a Subcontractor is employing or contracting with an illegal alien for work under this Contract, **(iii)** shall terminate the subcontract if a Subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and **(iv)** shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to §8-17.5-102(5), C.R.S., by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or §§8-17.5-101, et seq., C.R.S., the contracting State agency, institution of higher education or political subdivision may terminate this Contract for breach and, if so terminated, Contractor shall be liable for damages.

**L. PUBLIC CONTRACTS WITH NATURAL PERSONS. §§24-76.5-101, et seq., C.R.S.**

Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that Contractor **(i)** is a citizen or otherwise lawfully present in the United States pursuant to federal law, **(ii)** shall comply with the provisions of §§24-76.5-101, et seq., C.R.S., and **(iii)** has produced one form of identification required by §24-76.5-103, C.R.S. prior to the Effective Date of this Contract.

## EXHIBIT B, INFORMATION TECHNOLOGY PROVISIONS

This Exhibit regarding **Information Technology Provisions** (the “Exhibit”) is an essential part of the agreement between the State and Contractor as described in the Contract to which this Exhibit is attached. Unless the context clearly requires a distinction between the Contract and this Exhibit, all references to “Contract” shall include this Exhibit.

### 1. PROTECTION OF SYSTEM DATA

- A. In addition to the requirements of the main body of this Contract, if Contractor or any Subcontractor is given access to State Information Technology resources or State Records by the State or its agents in connection with Contractor’s performance under the Contract, Contractor shall protect such Information Technology resources and State Records in accordance with this Exhibit. All provisions of this Exhibit that refer to Contractor shall apply equally to any Subcontractor performing work in connection with the Contract.
- B. The terms of this Exhibit shall apply to the extent that Contractor’s obligations under this Contract include the provision of Information Technology goods or services to the State. Information Technology is computer-based equipment and related services designed for the storage, manipulation, and retrieval of data, and includes, without limitation:
  - i. Any technology, equipment, or related services described in §24-37.5-102(2), C.R.S.;
  - ii. The creation, use, processing, disclosure, transmission, or disposal of State Records, including any data or code, in electronic form; and
  - iii. Other existing or emerging technology, equipment, or related services that may require knowledge and expertise in Information Technology.
- C. Contractor shall, and shall cause its Subcontractors to meet all of the following:
  - i. Provide physical and logical protection for all hardware, software, applications, and data that meets or exceeds industry standards and the requirements of this Contract.
  - ii. Maintain network, system, and application security, which includes, but is not limited to, network firewalls, intrusion detection (host and network), annual security testing, and improvements or enhancements consistent with evolving industry standards.
  - iii. Comply with State and federal rules and regulations related to overall security, privacy, confidentiality, integrity, availability, and auditing.
  - iv. Provide that security is not compromised by unauthorized access to workspaces, computers, networks, software, databases, or other physical or electronic environments.
  - v. Promptly report all Incidents, including Incidents that do not result in unauthorized disclosure or loss of data integrity, to a designated representative of the State’s Office of Information Security (“OIS”).
  - vi. Contractor shall maintain appropriate administrative, physical, and technical security measures to safeguard against unauthorized access, use, disclosure, alteration, or theft of sensitive data. Such security measures, for such applicable products, shall be in accordance with either current NIST 800-53 standards,

FedRAMP, or USPS security policy commensurate with the FISMA data classification specified by the State. If no data classification is specified by the State, in accordance with the measures applicable to the FISMA moderate classification.

- D.** Subject to Contractor's reasonable access security requirements and upon reasonable prior notice, Contractor shall provide the State no more than once annually, unless requested by the State due to audit or other external requirements, and otherwise subject to any obligations of confidentiality owed by Contractor to a third party with scheduled access for the purpose of inspecting and monitoring access and use of State Records, maintaining State systems, and evaluating physical and logical security control effectiveness.
- E.** Contractor shall perform current background checks in a commercially reasonable form on all of its respective employees and agents performing services or having access to State Records provided under this Contract, including any Subcontractors or the employees of Subcontractors. A background check performed within 30 days prior to the date such employee or agent begins performance or obtains access to State Records shall be deemed to be current.
  - i.** Upon request, Contractor shall provide notice to a designated representative for the State indicating that background checks have been performed. Such notice will inform the State of any action taken in response to such background checks, including any decisions not to take action in response to negative information revealed by a background check.
  - ii.** If Contractor will have access to Federal Tax Information under the Contract, Contractor shall agree to the State's requirements regarding Safeguarding Requirements for Federal Tax Information and shall comply with the background check requirements defined in IRS Publication 1075 and §24-50-1002, C.R.S.

## **2. DATA HANDLING**

- A.** Contractor may not maintain or forward these State Records to or from any other facility or location, except for the authorized and approved purposes of backup and disaster recovery purposes, without the prior written consent of the State. Contractor may not maintain State Records in any data center or other storage location outside the United States for any purpose without the prior express written consent of OIS.
- B.** Contractor shall not allow remote access to State Records from outside the United States, including access by Contractor's employees or agents, without the prior express written consent of OIS. Contractor shall communicate any request regarding non-U.S. access to State Records to the Security and Compliance Representative for the State. The State shall have sole discretion to grant or deny any such request.
- C.** Upon request by the State made any time prior to 60 days following the termination of this Contract for any reason, whether or not the Contract is expiring or terminating, Contractor shall make available to the State a complete download file of all State data.
  - i.** This download file shall be made available to the State within 10 Business Days of the State's request, shall be encrypted and appropriately authenticated, and shall contain, without limitation, all State Records, Work Product, and system

schema and transformation definitions, or delimited text files with documents, detailed schema definitions along with attachments in its native format.

- ii. Upon the termination of Contractor's provision of data processing services, Contractor shall, as directed by the State, return all State Records provided by the State to Contractor, and the copies thereof, to the State or destroy all such State Records and certify to the State that it has done so. If any legal obligation imposed upon Contractor prevents it from returning or destroying all or part of the State Records provided by the State to Contractor, Contractor shall guarantee the confidentiality of all State Records provided by the State to Contractor and will not actively process such data anymore. Contractor shall not interrupt or obstruct the State's ability to access and retrieve State Records stored by Contractor.

- D. The State retains the right to use the established operational services to access and retrieve State Records stored on Contractor's infrastructure at its sole discretion and at any time. Upon the reasonable request of the State or of the supervisory authority, Contractor shall submit its data processing facilities for an audit of the measures referred to in this Exhibit in accordance with the terms of this Contract.

### **3. DELIVERY AND ACCEPTANCE**

- A. Contractor shall provide and maintain a commercially reasonable quality assurance system for any Work or Deliverables under this Contract and shall provide to the State only such Work or Deliverables that have been inspected and found to conform to the specifications identified in this Contract and any applicable solicitation, bid, offer, or proposal from which this Contract results.
- B. Contractor's delivery of any Work or Deliverables to the State shall constitute certification that such Work or Deliverable has been determined to conform to the applicable specifications, and Contractor shall make records of such quality assurance available to the State upon request during the term of the Contract or at any time within three years following expiration or termination of the Contract.

### **4. WARRANTY**

- A. Notwithstanding the acceptance of any Work or Deliverable, or the payment of any invoice for such Work or Deliverable, Contractor warrants that any Work or Deliverable provided by Contractor under this Contract shall be free from material defects and shall function in material accordance with the applicable specifications. Contractor warrants that any Work or Deliverable shall be, at the time of delivery, free from any harmful or malicious code, including without limitation viruses, malware, spyware, ransomware, or other similar function designed to interfere with or damage the normal operation of Information Technology resources. Contractor's warranties under this section shall apply to any defects or material nonconformities discovered within 180 days following delivery of any Work or Deliverable.
- B. Upon notice during the warranty term of any defect or material nonconformity, Contractor shall submit to the State in writing within 10 business days of the notice one or more recommendations for corrective action with sufficient documentation for the State to ascertain the feasibility, risks, and impacts of each recommendation. As the State's sole remedy, unless such defect or material nonconformity results in a breach of

Confidential Information as described in this Contract, for such defect or material non-conformity shall be:

- i. Contractor shall re-perform, repair, or replace such Work or Deliverable in accordance with any recommendation chosen by the State. Contractor shall deliver, at no additional cost to the State, all documentation required under the Contract as applicable to the corrected Work or Deliverable; or
      - ii. Contractor shall refund to the State all amounts paid for such Work of Deliverable.
- C. Any Work or Deliverable delivered to the State as a remedy under this section shall be subject to the same quality assurance, acceptance, and warranty requirements as the original Work or Deliverable. The duration of the warranty for any replacement or corrected Work or Deliverable shall run from the date of the corrected or replacement Work or Deliverable.

## 5. COMPLIANCE

- A. In addition to the compliance obligations imposed by the main body of the Contract, Contractor shall comply with:
  - i. All Colorado OIT OIS policies and procedures as it pertains to this Contract or Contractor's performance under this Contract.
  - ii. All information security and privacy obligations imposed by any federal, state, or local statute or regulation, or by any specifically incorporated industry standards or guidelines, as applicable based on the classification of the data relevant to Contractor's performance under the Contract. Such obligations may arise from:
    - a. Health Information Portability and Accountability Act (HIPAA)
    - b. IRS Publication 1075
    - c. Payment Card Industry Data Security Standard (PCI-DSS)
    - d. FBI Criminal Justice Information Service Security Addendum
    - e. CMS Minimum Acceptable Risk Standards for Exchanges
    - f. Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with The Social Security Administration
  - iii. Contractor shall comply with and adhere to Section 508 of the U.S. Rehabilitation Act of 1973, as amended, and §§24-85-101, et seq., C.R.S. Contractor shall comply with all State of Colorado technology standards related to technology accessibility and with Level AA of the most current version of the Web Content Accessibility Guidelines (WCAG), incorporated in the State of Colorado technology standards and available at <https://www.w3.org/TR/WCAG21/>.
- B. Contractor shall implement and maintain all appropriate administrative, physical, technical, and procedural safeguards necessary and appropriate to ensure compliance with the standards and guidelines applicable to Contractor's performance under the Contract.
- C. Contractor shall allow the State reasonable access and shall provide the State with



information reasonably required to assess Contractor's compliance. Such access and information may include, at the discretion of the State:

- i.** An annual SOC2 Type II audit after a signed non-disclosure agreement including, at a minimum, the Trust Principles of Security, Confidentiality, and Availability, or an alternative audit recommended by OIS; or
- ii.** The performance of security audit and penetration tests, as reasonably requested by OIS.
- iii.** To the extent Contractor controls or maintains information systems used in connection with State Records, Contractor will provide OIS with a summary of the results of all security assessment activities when conducted on such information systems, including any code-level vulnerability scans, application level risk assessments, and other security assessment activities as required by this Contract or reasonably requested by OIS. Contractor will make reasonable efforts to remediate any vulnerabilities or will request a security exception from the State. The State will work with Contractor and OIS to prepare any requests for exceptions from the security requirements described in this Contract and its Exhibits, including mitigating controls and other factors, and OIS will consider such requests in accordance with their policies and procedures referenced herein.

## **6. TRANSITION OF SERVICES**

Upon request by the State prior to expiration or earlier termination of this Contract or any Services provided in this Contract, Contractor shall provide reasonable and necessary assistance to accomplish a complete transition of the Services from Contractor to the State or any replacement provider designated solely by the State without any interruption of or adverse impact on the Services. Contractor shall cooperate fully with the State or any successor provider and shall promptly take all steps required to assist in effecting a complete transition of the Services designated by the State. All services related to such transition shall be performed at no additional cost beyond what would be paid for the Services in this Contract.

## **7. LICENSE OR USE AUDIT RIGHTS**

- A.** To the extent that Contractor, through this Contract or otherwise as related to the subject matter of this Contract, has granted to the State any license or otherwise limited permission to use any Contractor Property, the terms of this section shall apply.
- B.** Contractor shall have the right, at any time during and throughout the Contract Term, but not more than once per Fiscal Year, to request via written notice in accordance with the notice provisions of the Contract that the State audit its use of and certify as to its compliance with any applicable license or use restrictions and limitations contained in this Contract (an "Audit Request"). The Audit Request shall specify the time period to be covered by the audit, which shall not include any time periods covered by a previous audit. The State shall complete the audit and provide certification of its compliance to Contractor ("Audit Certification") within 120 days following the State's receipt of the Audit Request.
- C.** If upon receipt of the State's Audit Certification, the Parties reasonably determine that:
  - (i)** the State's use of licenses, use of software, use of programs, or any other use during the audit period exceeded the use restrictions and limitations contained in this Contract

(“Overuse”) and **(ii)** the State would have been or is then required to purchase additional maintenance and/or services (“Maintenance”), Contractor shall provide written notice to the State in accordance with the notice provisions of the Contract identifying any Overuse or required Maintenance and request that the State bring its use into compliance with such use restrictions and limitations.

## **EXHIBIT C, STATEMENT OF WORK**

### **1. CONTRACTOR PERSONNEL**

**1.1.** Contractor personnel shall work cooperatively with State and Purchasing Entity staff to ensure the completion of the Work.

#### **1.2. Key Personnel**

Contractor shall appoint a Primary Point of Contact for the following duties:

**1.2.1.** Serve as the individual responsible for addressing all questions and concerns for the State and Purchasing Entities, unless an Order specifies another point of contact for that Order.

**1.2.2.** Ensure the completion of all Work in accordance with the Participating Addendum requirements. This includes, but is not limited to, ensuring the accuracy, timeliness and completeness of all Work.

**1.2.3.** Oversee all other personnel and ensure proper staffing levels throughout the term of the Participating Addendum.

**1.2.4.** Ensure the completeness and accuracy of the Quarterly Volume Reports described in **Exhibit A**.

**1.2.5.** Ensure the final submission of the Quarterly Volume Reports described in **Exhibit A**, by the appropriate due date for that report.

### **2. ORDERING AND ORDER FULFILLMENT**

#### **2.1. Ordering**

**2.1.1.** Contractor shall provide a complete and accurate Internal Revenue Service form W9 to the State prior to accepting an Order from any Purchasing Entity. Upon a request by a Purchasing Entity, Contractor shall provide a complete and accurate Internal Revenue Service form W9 to that Purchasing Entity.

**2.1.2.** Each Purchasing Entity may complete an Order in accordance with its own rules and policies, as available to Contractor, using the appropriate documentation for that organization to issue an Order.

**2.1.3.** Contractor shall have the capability to accept procurement credit cards.

**2.1.4.** Contractor shall communicate directly with each Purchasing Entity related to that Purchasing Entity's Orders.

**2.1.5.** Contractor shall ensure that all Orders it accepts have the proper information contained in them for Contractor to be able to comply with all reporting requirements of this Participating Addendum.

**2.1.6.** If Contractor provides for ordering through an internet-based portal or electronic catalog, Contractor shall maintain all of Contractor's necessary hardware, software, backup-capacity and network connections required to operate that internet-based portal

or electronic catalog.

- 2.1.7. Contractor's internet-based portal and electronic catalogs shall clearly designate that they are part of this Participating Addendum and shall have a link to the State's price agreement web location, as determined by the State. Contractor shall ensure that all Environmentally Preferable Products are clearly listed on internet-based portal and electronic catalogs.
- 2.1.8. If Contractor provides an internet-based portal or electronic catalog, Contractor shall also provide paper catalogs or catalogs on other digital media to each Purchasing Entity upon request by that Purchasing Entity.
- 2.1.9. If Contractor's catalog will be either hosted on or accessed through the State's eCommerce system, then Contractor shall comply with all policies, procedures and directions from the State in relation to hosting its catalog on or making its catalog accessible through that system. Contractor shall ensure that all information made available through the State's eCommerce system is accurate and complies with this Participating Addendum.
- 2.1.10. Any quote Contractor provides shall be honored for ninety (90) calendar days.

## 2.2. Equipment Acquisition Options

2.2.1. **Equipment Purchase.** A Purchasing Entity may do an up-front purchase of Equipment, Software, Supplies and Maintenance, in accordance with their own purchasing policies and in compliance with the Master Agreement, this Participating Addendum and Contractor Order terms.

### 2.2.2. Postage Meter Rental

- 2.2.2.1. A Purchasing Entity may only rent postage meters, pursuant to the terms and conditions identified herein, and in **Attachment 2, Quadient Postage Meter Rental Terms.**
- 2.2.2.2. A Postage Meter Rental Agreement issued prior to the expiration or termination of this Participating Addendum shall survive the termination of this Participating Addendum and the Master Agreement.
- 2.2.2.3. All postage meter rental payments shall be billed on a quarterly basis during the initial rental term.
- 2.2.2.4. After the initial rental term, Purchasing Entity shall have the option to renew the rental on an annual basis.
- 2.2.2.5. A Postage Meter Rental Agreement shall not be subject to automatic renewals.
- 2.2.2.6. A Purchasing Entity shall not incur any penalties for early termination of a Postage Meter Rental Agreement.
- 2.2.2.7. At the end of the Initial and/or Rental term, the postage meter shall be

returned to Contractor at Purchasing Entity's sole expense.

**2.2.2.8.** Postage meter pickups/returns must be performed within thirty (30) calendar days of the end of the Initial or Renewal Term, or, if the Purchasing Entity is responsible for returning the postage meter, then it must be returned within thirty (30) calendar days of receiving the return shipping instructions from the Contractor.

### **2.2.3. Equipment Leasing**

#### **2.2.3.1. Leasing Overview**

- a) A Purchasing Entity may lease Equipment pursuant to the terms and conditions identified herein, and in **Attachment 3, Quadient Equipment Lease Terms**.
- b) In the event that the term of a Lease Agreement extends beyond the term of the Participating Addendum, the terms and conditions of the Participating Addendum shall continue to apply.
- c) A Lease Agreement issued prior to the expiration or termination of this Participating Addendum shall survive the termination of this Participating Addendum and the Master Agreement.
- d) A Purchasing Entity shall have the option to renew a FMV Lease on a month-to-month basis after the Initial Lease Term, but at no time shall the renewal period exceed the Useful Life of the Equipment.
- e) A Lease Agreement shall not be subject to automatic renewals.
- f) With the exception of a \$1 Buyout Lease arrangement, or unless exercising the purchase option on an FMV Lease, a Purchasing Entity shall return the Equipment at the end of the Initial Lease Term, or at the end of the Renewal Lease Term, or the Contractor may pick the Equipment up, without any further financial obligations to the Purchasing Entity.
- g) Equipment pickups must be performed within thirty (30) calendar days of the end of the Initial or Renewal Term, or, if the Purchasing Entity is responsible for returning the Equipment, then it must be returned within thirty (30) calendar days of receiving the return shipping instructions from the Contractor and/or Leasing company.
- h) Any Equipment that is returned to the Contractor shall be at the Purchasing Entity's sole expense.
- i) The total lease term, including any renewals, shall not exceed 60 months or the Useful Life of the Equipment, whichever occurs first.

#### **2.2.3.2. Leasing Options**

- a) **FMV Lease**

- i. A Purchasing Entity shall have the option to enter into an initial 24, 36, 48, or 60 month-term at the sole discretion of the Contractor.
- ii. Upon the expiration of the Initial Lease Term, a Purchasing Entity may do one of the following:
  - 1) Exercise their purchase option;
  - 2) Renew the lease on a month-to-month basis (if in compliance with Section 2.2.3.1 (i) above); or
  - 3) Return the Equipment to a location designated by the Contractor and/or the leasing company, or have the Contractor pick the Equipment up.

**b) \$1 Buyout Lease**

- i. A Purchasing Entity shall have the option to enter into an initial 24, 36, 48, or 60 month-term at the sole discretion of the Contractor.
- ii. Upon the expiration of the Initial Lease Term, the Contractor shall provide title to the Equipment to the Purchasing Entity, and the Purchasing Entity shall not be subject to any additional expense in order to assume possession of the Equipment.

**2.2.3.3. Leasing Terms and Conditions**

**a) Possession and Return of Lease and Rental Equipment**

- i. The Purchasing Entity shall have possession of the Equipment for the term set forth in **Attachment 3**, unless the applicable Order is terminated early, such as with the case of Non-Appropriation of Funds.
- ii. Prior to the end of the Initial FMV Lease Term, the Purchasing Entity shall provide the Contractor with a 30-day written notice regarding their intent to renew, purchase or return the Equipment. If the Purchasing Entity fails to send Contractor a written notice, then Contractor shall ensure that the Purchasing Entity receives instructions to return the Equipment at the end of the initial term.
- iii. If the Purchasing Entity has renewed their FMV Lease Agreement beyond the initial term, then they shall provide the Contractor with a 30-day prior written notice of their intent to terminate the renewal term.
- iv. Contractor warrants that it has good title to the Equipment.
- v. At the expiration of the Initial Lease or Renewal Term, Contractor shall provide the Purchasing Entity with return

shipping and packaging instructions, or arrange for pickup at the Purchasing Entity's location.

- vi.** Risk of loss of the Equipment rests with Contractor until the Equipment is delivered to the Purchasing Entity's designated location and the Purchasing Entity accepts delivery.
  - vii.** The term for a lease Order shall commence upon acceptance of the Equipment as stated in §2.4 of this Exhibit C.
  - viii.** The return of lease Equipment shall be subject to any applicable data handling and disposition obligations under the NASPO ValuePoint Master Agreement and this Participating Addendum.
- b) Equipment Upgrade or Downgrade.** A Purchasing Entity may do an Equipment Upgrade or Downgrade on a Lease at anytime throughout the term of the Lease Agreement. The Purchasing Entity and the Contractor shall negotiate the price of the Equipment Upgrade or Downgrade.
  - c) Equipment Trade-In.** A Purchasing Entity may, at the Contractor's sole discretion, and based upon State regulations and laws, and Purchasing Entity policies, to do an Equipment Trade-In, when entering into a new Lease Agreement. The value for the Equipment Trade-In shall be negotiated by the Purchasing Entity and the Contractor, and shall not include any disposal or shipping fees.
  - d) Pricing.** Service and supply pricing shall remain firm for the initial term of the Lease Agreement. Renewal pricing may be negotiated; however, pricing can never exceed the Master Agreement pricing.

### **2.3. Delivery of Equipment and Performance of Services**

- 2.3.1.** Unless specifically agreed to otherwise in an Order, Contractor shall deliver all Equipment under an Order in good, working and undamaged condition. All Equipment shall be free on board ("F.O.B.") destination to the location specified in the Order.
- 2.3.2.** Equipment must be installed by the Contractor within twenty (20) business days of Order placement, or a delivery time mutually agreed upon, in writing, between Purchasing Entity and Contractor. Contractor shall notify the Purchasing Entity in advance of delivery of Equipment so that the Purchasing Entity can make necessary arrangements.
- 2.3.3.** Contractor shall be responsible for removing all debris associated with the delivery and installation of the Equipment.
- 2.3.4.** Delivery of start-up Supplies shall be made upon or before delivery of Equipment.
- 2.3.5.** Delivery shall be made in accordance with instructions provided in the Order by the Purchasing Entity.

- 2.3.6.** Software related to the Equipment must be installed within five (5) working days of Equipment installation, or as mutually agreed upon between the Contractor and the Purchasing Entity. Any unforeseen delay on the part of the Purchasing Entity shall not constitute a breach of this section.
- 2.3.7.** All deliveries and installations shall be performed during Regular Business Hours, Monday through Friday, unless otherwise mutually agreed to in writing between Contractor and Purchasing Entity.
- 2.3.8. Warranty and Maintenance of Equipment.** All Services performed under an Order shall be of competent quality, consistent with the standards of the trade, profession or industry. Contractor shall assign to the Purchasing Entity all Manufacturer's warranties on the Equipment as stated in Section X., Warranty, of the Master Agreement, which shall not be less than a full twelve (12) months warranty, excludes software maintenance, software support and software care. Contractor shall be responsible for ongoing service and maintenance of the Equipment for the duration of any Lease Term.
- 2.3.9.** Moves, Equipment pickups and Equipment Trade-Ins, must be performed within thirty (30) days of the Purchasing Entity request. In the event that there will be a delay in these Services, Contractor shall communicate with Purchasing Entity to agree on a mutually beneficial timeframe.
- 2.3.10.** If the ordered Equipment is out of stock, Contractor may only provide substitute Equipment if it has notified the Purchasing Entity, in writing, that the Equipment is out of stock and has received the Purchasing Entity's approval to provide the substitute Equipment. Purchasing Entities may request additional information comparing the substitute Equipment with the original Equipment in the Purchasing Entity's sole discretion.
- 2.3.11.** Design layout Services must be provided at no cost by the Contractor, with the exception of Production Equipment and software consulting Services. The total number of hours/days required for Services shall be mutually agreed to in writing between Contractor and Purchasing Entity before any design Services or software consulting Services begin. Contractor shall only charge for actual costs incurred, which costs may not exceed Master Agreement pricing.
- 2.4. Inspection and Acceptance**
- 2.4.1.** Equipment delivered to a Purchasing Entity under an Order shall not be deemed accepted prior to that Purchasing Entity inspecting the Equipment in accordance with the Order and accepting the Equipment in accordance with the terms and conditions set forth in this Participating Addendum and the Master Agreement.
- 2.4.2.** A Purchasing Entity may establish a process, in accordance with industry standard, to determine whether the Equipment meets the performance requirements or specifications prior to acceptance.
- 2.4.3.** The Acceptance Testing period shall be thirty (30) calendar days, starting from the day



after the Equipment is delivered or, if installed by Contractor, the day after the Equipment is installed and Contractor certifies that the Equipment is ready for Acceptance Testing.

- 2.4.4.** If Purchasing Entity rejects the Equipment during the Acceptance Testing period, Contractor shall have thirty (30) calendar days to cure the failure. If after this cure period, the Equipment still has not met the standard of performance or specifications, the Purchasing Entity shall, at its option: (a) declare Contractor to be in breach and terminate the Order, (b) demand replacement Equipment from Contractor at no additional cost to Purchasing Entity, or (c) continue the cure period for an additional time period as mutually agreed upon between Contractor and Purchasing Entity.
- 2.4.5.** Contractor shall pay all cost related to the preparation and shipment of Equipment should it fail Acceptance Testing and be returned pursuant to this section.
- 2.4.6.** A Purchasing Entity shall be deemed to have accepted any Equipment to which it does not indicate non-conformity within thirty (30) days of delivery of said Equipment.
- 2.4.7.** Services provided to a Purchasing Entity under an Order shall not be deemed completed until that Purchasing Entity has reviewed the Services, ensured that all Services were completed in accordance with the Order and have been accepted by the Purchasing Entity in accordance with the terms and conditions set forth in this Participating Addendum and the Master Agreement.

## **2.5. Ordering Support**

- 2.5.1.** Contractor shall provide the State and each Purchasing Entity with the contact information for the individual or individuals within Contractor's organization who are assigned to handle questions and resolve problems that Purchasing Entity may have in relation to the Work or an Order. This includes, but is not limited to, technical assistance regarding the installation or operation of the Equipment.
- 2.5.2.** Contractor shall make personnel available from 8:00 a.m. to 5:00 p.m. Mountain Time, as adjusted for daylight savings time, at a minimum, each Business Day as necessary to handle questions from Purchasing Entities and resolve problems.
- 2.5.3.** Contractor shall make all of these individuals available by phone (both through a local number and a toll-free number), fax and email at all times that the individual is available to handle questions and resolve problems received by Contractor.
- 2.5.4.** Contractor shall provide all of these individuals with the ability to access the account information and other information relating to the State or Purchasing Entities to be able to respond to questions and resolve problems relating to any Order, including, without limitation, the status of Orders, delivery, back-orders, pricing, discounts, product availability, product information, and accounts and billing.
- 2.5.5.** Contractor shall provide all training to Purchasing Entities necessary for those Purchasing Entities to place Orders and properly use the Goods and Services.

- 2.5.6. Training on placing Orders shall include, without limitation, training on aspects of ordering, online ordering, product delivery, product returns, and Contractor's customer service processes, as requested by the Purchasing Entity.
- 2.5.7. Training on properly using the Goods and Services shall include, without limitation, training and providing information on energy efficiency of Goods, new features, opportunities for manufacturer/certified set up and training, Environmentally Preferable Products, and other services or options that are offered or available related to the Goods and Services, as requested by the Purchasing Entity.
- 2.5.8. If a Purchasing Entity gives Contractor notice of breach or terminates an Order because of Contractor's breach of that Order, Contractor shall provide notice to the State of that breach or termination within five (5) Business Days following Contractor's receipt of that notice of breach or termination.

## **2.6. Marketing**

- 2.6.1. If Contractor desires to distribute any materials, notices or literature with the intent to market the Goods or Services ("Marketing Materials"), Contractor shall deliver all such Marketing Materials to the State for review and approval prior to distributing any such materials to a Purchasing Entity.
- 2.6.2. The State will review submitted Marketing Materials and may approve, deny or request changes to any Marketing Materials in its sole discretion. If the State requests changes, Contractor may make those changes or may choose to rescind its submission for review and approval.
- 2.6.3. Contractor shall not distribute any marketing materials to any Purchasing Entity prior to receiving the State's approval of those Marketing Materials.
- 2.6.4. The State shall not be responsible for maintaining any mailing lists or creating, printing, mailing or distributing any of Contractor's Marketing Materials, though the State may distribute Marketing Materials in its sole discretion.

## **3. EQUIPMENT COMPLIANCE**

### **3.1. EnergyStar**

All equipment identified as EnergyStar compliant shall be delivered and installed with the EnergyStar or similar power management features enabled.

### **3.2. Remanufactured Equipment**

- 3.2.1. Contractor shall offer Remanufactured or Refurbished equipment that is certified by the Manufacturer. All Remanufactured or Refurbished equipment will be clearly labeled as Remanufactured equipment.
- 3.2.2. Pricing will be based on a quote and on an Individual Case Basis (ICB). All quotes will also provide the fixed annual maintenance rate, per the Master Agreement, for years 2-5.

- 3.2.3.** Remanufactured equipment shall come with a one (1) year all-inclusive as new-warranty and Contractor shall be able to provide maintenance for years 2-5 that includes all service, labor, software maintenance, and parts.
- 3.2.4.** If Contractor is not able to provide maintenance (including parts), then Contractor shall provide, entirely at their expense, a replacement piece of equipment and/or software.
- 3.2.5.** Any replacement equipment shall have the equal or greater performance and functionality as the original equipment, and shall incorporate the remaining duration of the original five (5) year maintenance plan (including maintenance on the replacement equipment) at no additional charge.

#### **4. TRAINING**

##### **4.1. Training**

- 4.1.1.** Upon delivery and installation of specified equipment, the Contractor shall provide training to personnel designated by the Purchasing Entity.
- 4.1.2.** Operational training must be provided to the designated personnel until the personnel are able to operate the equipment independently.
- 4.1.3.** The amount of training is determined by the complexity of the Equipment.
- 4.1.4.** Installed product and system training shall be included in the price.
- 4.1.5.** All training will be performed at the Purchasing Entity's specified location, via remote or electronic delivery.
- 4.1.6.** Site required training will be at no additional charge if the equipment is either under warranty or under an active maintenance plan.
- 4.1.7.** Contractor shall provide additional training at the Purchasing Entity's request, throughout the Useful Life of the Equipment. This training will be conducted upon mutual written agreement between Contractor and Purchasing Entity.
- 4.1.8.** Contractor shall be responsible for the cost of all travel, lodging and food incurred on Contractor's behalf; no charges will be passed onto the Purchasing Entity.

##### **4.2. Instruction Manuals**

A detailed Instruction Manual shall be provided to the Purchasing Entity at no additional cost for each piece of equipment that is purchased or leased.

#### **5. INSTALLATION AND INTEGRATION**

- 5.1.** All equipment prices shall include installation, with the exception of integrated software solutions and Production Equipment.
- 5.2.** Contractor may charge the contracted rate for integrated software and Production Equipment installation. The total number of hours/days needed shall be agreed to, in writing, before any installation or integration services may be initiated. The Contractor shall charge only for actual costs incurred.

- 5.3. If a Contractor needs to utilize special rigging (e.g. a crane) where the Purchasing Entity does not have an elevator accessible for moving the equipment, they may charge the hourly installation/integration rate. However, all rigging charges shall be mutually agreed to, in writing, before Work begins.
- 5.4. Contractor shall affix a label or a decal to the equipment at the time of installation which shows warranty period by dates, and the name, address, and telephone number of Contractor or Authorized Dealer responsible for warranty service of the equipment.
- 5.5. Contractor and the Purchasing Entity shall, prior to Order placement, review the installation location to ensure the proposed location meets the Manufacturer's installation criteria.
- 5.6. If special installation is required, the Contractor and Purchasing Entity shall agree in writing, to the total cost of the installation.
- 5.7. Should the proposed installation location not meet established installation criteria, the Contractor and the Purchasing Entity shall attempt to locate an alternate mutually agreeable location for the equipment.

## 6. SOFTWARE PURCHASES OR SUBSCRIPTIONS

- 6.1. Software acquired under this Participating Addendum shall be specific to the needs of mail operations.
- 6.2. All Orders shall reference a manufacturer's most recent release or version of the product, unless the Purchasing Entity specifically requests in writing a different version.
- 6.3. Maintenance shall be available for all software licenses purchased.
- 6.4. Software subscriptions shall not be subject to automatic renewals.
- 6.5. Software maintenance shall include all software updates and patches and shall be available to all Purchasing Entities. Any new releases of software versions (upgrades) would be chargeable to all Purchasing Entities.
- 6.6. Contractor shall be responsible for communicating all updates, patches, and new releases/versions to all Purchasing Entities.
- 6.7. No additional fee shall be charged for installation of the software upgrades.
- 6.8. Contractor shall be responsible for postage scale software licensing.
- 6.9. **Embedded Software.** Transfer of title to the Equipment that included embedded software must include an irrevocable and perpetual license to use any Embedded Software in the Equipment.

## 7. EQUIPMENT MAINTENANCE

### 7.1. Overview

- 7.1.1. Contractor shall offer a full service maintenance agreement, which includes, but is not limited to, all parts, labor and time, and Preventative Maintenance.
- 7.1.2. It shall be at the Purchasing Entity's discretion as to whether they choose to enter into

a maintenance agreement with Contractor for purchased equipment.

- 7.1.3.** Contractor shall provide technical support throughout the duration of the maintenance agreement.
- 7.1.4.** If a Purchasing Entity requires a 24 hr/7 days per week maintenance agreement, then Contractor shall provide pricing based on an Individual Case Basis (ICB), through a quote process.
- 7.1.5.** Maintenance shall be available from Contractor for five (5) years beyond the equipment purchase date, and ten (10) years beyond the purchase date of Legacy equipment.
- 7.1.6.** All leased Equipment and postage meters shall come with a full service maintenance agreement.
- 7.1.7.** Preventative Maintenance shall be scheduled according to manufacturer requirements.
- 7.1.8.** Consumable Supplies shall be billed separately from maintenance payments.
- 7.1.9.** If Contractor is called due to non-performance of Equipment, and Contractor determines that the issue is due to an excluded event per Section 7.2 below, they will notify the Purchasing Entity of such. If the Equipment is under a Maintenance Agreement or within the initial 12-month warranty period, Contractor will not charge Purchasing Entity for the diagnostic call. If however, the Equipment is no longer under warranty or the Purchasing Entity does not have a Maintenance Agreement, then Contractor shall charge the Purchasing Entity their hourly service rate, providing such rate does not exceed Master Agreement pricing.

## **7.2. Coverage Exclusions**

- 7.2.1.** De-installation or Equipment moves.
- 7.2.2.** Maintenance or repairs due to Purchasing Entity's failure to maintain or use the equipment according to Contractor specifications.
- 7.2.3.** Maintenance or repairs due to Purchasing Entity's changes to the design of the Equipment, or mechanical, electrical, electronic interconnections, or the attachment of other parts or components to the equipment.
- 7.2.4.** Maintenance repairs due to Purchasing Entity negligence, accidents, or relocation of products.
- 7.2.5.** Maintenance or repairs due to Purchasing Entity or third-party performing unauthorized maintenance on Equipment.
- 7.2.6.** Maintenance or repairs due to Purchasing Entity exceeding published performance specifications or recommended monthly volume limits for the Equipment.
- 7.2.7.** Maintenance or repairs due to Purchasing Entity's use of parts, consumables, or other supplies that do not comply with Contractor's specifications.
- 7.2.8.** Rebuilding or major overhauls of the Equipment which Contractor determines are

necessary.

**7.2.9.** Purchasing Entity training on Equipment, and application configuration and set-up, beyond the initial training provided by Contractor.

**7.3. Purchased Equipment**

**7.3.1.** The initial term of the maintenance agreement shall be for one (1) year.

**7.3.2.** Maintenance Agreements shall not be subject to automatic renewals.

**7.4. Leased Equipment and Postage Meter Rentals**

The term of the maintenance agreement shall be equal to the term of the \$1 Buyout or FMV Lease.

**8. SERVICE LEVEL STANDARDS**

**8.1.** Contractor shall adhere to a two (2) hour response time (acknowledgement), within regular business hours, of all written or oral notices of a service requirement due to an equipment breakdown.

**8.2.** A service technician shall be on site at the Purchasing Entity's location before close of business or within four (4) hours at the start of the next business day.

**8.3.** All parts that require maintenance by a service technician are to be included and considered part of the service repair plan. Failed and/or defective parts shall be replaced at no additional charge to the Purchasing Entity.

**8.4.** Contractor shall provide software support for all applicable equipment.

**8.5.** Contractor shall maintain a service log for each piece of equipment at each Purchasing Entity location, and the service log shall be available for review upon request by the State or Purchasing Entity.

**8.6.** Contractor shall supply loaner for non-production equipment at equal or greater functionality, at no additional charge, for any inoperable equipment exceeding three (3) business days from time of diagnosis.

**8.7.** Contractor may offer, in lieu of loaner equipment, an alternative that is mutually agreed to in writing by Contractor and Purchasing Entity. This alternative shall not exceed the standard repair period, and must be agreed upon prior to the Purchasing Entity's equipment being picked up for repair.

**8.8.** If a Contractor is called due to non-performance of a device, and the Contractor determines that the issue is with an excluded item and not their product, they will notify the Purchasing Entity. If the equipment is under a maintenance agreement or in the initial one-year warranty period, there will be no cost to the Purchasing Entity for the diagnostic call. If the equipment is not under warranty or a maintenance plan, then the Contractor may charge their hourly contracted rate.

**9. EQUIPMENT PERFORMANCE**

- 9.1. Equipment at each Purchasing Entity location shall maintain, at all times, a 95% or better uptime.
- 9.2. Downtime shall be computed from the time the Contractor is notified of equipment failure until the equipment is fully operational.
- 9.3. Equipment that does not meet the performance standard of 95% for a two (2) consecutive month period or for three (3) months in a rolling twelve (12) month period, shall be replaced by the Contractor with equal or better equipment.
- 9.4. Equipment failure may not be attributed to the use of recycled paper and/or recycled/remanufactured supplies, as long as those products meet the specifications set by the USPS.
- 9.5. Contractor shall grant a credit to the Purchasing Entity for any Equipment which fails to perform at the level defined in this Section 9. The credit shall be equivalent to the percentage of down time experienced within that month.
- 9.6. Contractor may elect to replace a defective component in Production Equipment. The Purchasing Entity shall notify the Contractor in writing if the replacement does not resolve the issue. This written notification will act as a cure notice, allowing the Contractor thirty (30) days to have a resolution in place.
- 9.7. After the warranty period has expired, the amount of the credit that Contract shall provide to the Purchasing Entity shall be equal to the amount the Purchasing Entity paid at the time of purchase, or has paid on their lease.
- 9.8. If any Equipment or software is not functional after sixty (60) days from date of delivery, the Purchasing Entity may return the Equipment or software for a full refund of any amounts paid, including lease and maintenance payments. Purchasing Entity shall also be able to cancel their lease agreement without incurring any fees or charges to do so, including any charges associates with the return of the Equipment or software.

## 10. EQUIPMENT RELOCATION SERVICES

- 10.1. Equipment Relocation Services include dismantling, packing, transporting and re-installing equipment at the Purchasing Entity's request.
- 10.2. No additional charges shall be incurred for fuel or tolls.
- 10.3. Contractor shall charge for equipment moves, according to the following table:

Move Zone	Distance from the Original Device Placement	Allowable Charge
Zone 1	100 yards or less; or within the same building	No charge allowed*
Zone 2	Between Zone 1 and 50 miles	Flat fee
Zone 3	Greater than 50 miles	Per mile fee

\*Contractor may charge Purchasing Entity a mutually agreed upon price for special rigging in

the event a Purchasing Entity's demographics require such rigging for Move Zone 1 relocations. The price shall be agreed upon in writing by Contractor and Purchasing Entity prior to any equipment relocation in Zone 1.

## **11. REPLACEMENT OF UNSATISFACTORY EQUIPMENT**

- 11.1.** Contractor shall grant a credit for any equipment which fails to perform at the effectiveness level defined in §9.1 of this Exhibit C.
- 11.2.** The credit shall be equivalent to the percentage of down time experienced within that month.
- 11.3.** Contractor may elect to replace an individual component or section that is defective in Production equipment. The Purchasing Entity shall notify the Contractor in writing if the repair does not resolve the issue. This written notification will act as a cure letter allowing thirty (30) days to have resolution plan in place.
- 11.4.** During the warranty period, unsatisfactory equipment performance will require an even exchange of equipment of equal or greater performance at no additional cost.
- 11.5.** After the warranty period, the credit value shall be the amount paid at the time of purchase.
- 11.6.** If Equipment or software is not functional after sixty (60) days of delivery, the Purchasing Entity may return it for a full refund, or cancel any rental or lease agreement with no fees or charges of any kind.

## **12. SUPPLIES RETURN POLICY**

- 12.1.** Contractor shall reimburse Purchasing Entity for the price paid for products (excluding ink and toner) received back in resalable condition (unused/unopened) within ninety (90) days of the purchase date.
- 12.2.** If the return is due to a defect in the product, or the Purchasing Entity upgrades their equipment, Contractor shall reimburse the price paid for the products if received back within six (6) months of the purchase date.
- 12.3.** Shipping and handling charges associated with the product shall not be reimbursed by Contractor, unless the return is due to damaged/defective product, or as a result of an incorrect shipment. All reimbursements will be applied to the original method of payment for the product.

## **13. PERIODIC BUSINESS REVIEWS**

- 13.1.** The State may schedule periodic business reviews to review Contractor's performance under this Participating Addendum.
- 13.2.** Contractor shall ensure personnel assigned to the Participating Addendum are available for these meetings with the State as scheduled by the State.
- 13.3.** Contractor's key personnel designated in §1.2 of this **Exhibit C** shall be available for all regularly scheduled meetings between Contractor and the State, unless the State has granted prior, written approval otherwise.



## 14. CLOSEOUT PERIOD

- 14.1.** This Participating Addendum shall have a Closeout Period that begins thirty (30) days prior to the expiration of this Participating Addendum and continues until the State has determined that all Work has been completed.
- 14.2.** During the Closeout Period, Contractor shall complete all of the following, as directed by the State:
- 14.2.1.** Notify any Subcontractors of the termination of the Participating Addendum, as directed by the State.
- 14.2.2.** Upon expiration or termination of this Participating Addendum, remove all references to the State's Participating Addendum from its websites, materials and other documentation, and inform entities that Contractor no longer has a Participating Addendum with the State.
- 14.2.3.** The Closeout Period may extend past the termination of the Participating Addendum. The State will perform a closeout review to ensure that Contractor has completed all requirements of the Closeout Period. If Contractor has not completed all of the requirements of the Closeout Period by the date of the termination of the Participating Addendum, then any incomplete requirements shall survive termination of the Participating Addendum.

## 15. PRICING AND PRODUCTS

### 15.1. Price Lists

- 15.1.1.** The pricing is located on the State's dedicated website, and is incorporated into this Participating Addendum by reference.
- 15.1.2.** The State may publish any pricing information under this Participating Addendum, including, without limitation, the pricing shown in **Exhibit D, Product and Price List**, on the State's website and any other website as the State determines is necessary or efficient to facilitate the use of this Participating Addendum by Purchasing Entities.
- 15.1.3.** If Contractor modifies any of its prices in accordance with the Master Agreement, or discontinues any item shown on the existing pricing information, Contractor shall provide updated pricing information to the State for the State to publish.
- 15.1.4.** Changes in product and pricing must be approved by the lead state and shall be effective when published on the dedicated State website.

### 15.2. Ceiling Prices

The prices listed in **Exhibit D** are Ceiling Prices. Contractor may offer lower prices to Purchasing Entities, and Purchasing Entities may negotiate lower prices with Contractor, without the review or approval of the State.

## 16. ADDITIONAL TERMS

- 16.1.** Contractor shall complete the Work as described in this Participating Addendum and in

accordance with any Purchasing Entity's Order. Contractor personnel shall work cooperatively with State and Purchasing Entity staff to ensure the completion of the Work.

- 16.2.** Any additional terms and conditions on any invoice, statement, Contractor time-sheet, website, electronic license or use agreement or any other form, including, without limitation, terms regarding indemnification, limitation of liability, cancellation fees, choice of law and binding arbitration shall be void and unenforceable except to the extent that they are specifically included in this Participating Addendum or an Order. The signature of any employee of a Purchasing Entity on any such form shall be effective to establish completion of Services and shall not make any term of that form enforceable.

## EXHIBIT D, PRODUCTS AND PRICE LIST

### 1. PRODUCT CATEGORIES

#### A. Bursting Equipment Production

- i) Able to burst cut sheet.
- ii) Able to burst at the perforation.
- iii) Stack sequentially and continuous multipart documents.
- iv) Burst at the horizontal perforations.
- v) Burst various locations of perforations.

#### B. Check Imprinting/Endorsing

- i) Minimum monthly volume of 25,000.
- ii) Utilize both cut sheet and continuous style documents.
- iii) Able to provide a variety of options with regards to signature, date stamps, seals and logos on various locations on the document.
- iv) Counter that can be reset and non-reset for audit purposes.
- v) Offers both tri-color and ultraviolet ink roll options.

#### C. Envelope Addressing System – Ink Jet – Low Volume

- i) Label speed up to 2,500, #10 envelopes per hour.
- ii) Applies address information directly to envelopes.
- iii) Adjustable printing positioning from side-to-side and top-to-bottom of document.
- iv) Adjustable print resolution.
- v) Scalable fonts.
- vi) Interface with Windows-based software.
- vii) Includes digital counter.

#### D. Envelope Addressing System – Ink Jet – Medium Volume

- i) Label speed up to 5,000, #10 envelopes per hour.
- ii) Applies address information directly to envelopes.
- iii) Adjustable printing positioning from side-to-side and top-to-bottom of document.
- iv) Adjustable print resolution.
- v) Interface with Windows-based software.
- vi) Includes digital counter.

**E. Envelope Addressing System – Ink Jet – High Volume**

- i) Label speed up to 24,999, #10 envelopes per hour.
- ii) Applies address information directly to envelopes.
- iii) Adjustable printing positioning from side-to-side and top-to-bottom of document.
- iv) Adjustable print resolution.
- v) Multiple print heads.
- vi) Print USPS Bar Codes.
- vii) Scalable fonts.
- viii) Interface with Windows-based software.
- ix) Includes digital counter.

**F. Envelope Addressing System – Ink Jet – Production**

- i) Label speed up to 25,000, #10 envelopes per hour.
- ii) Applies address information directly to envelopes.
- iii) Adjustable printing positioning from side-to-side and top-to-bottom of document.
- iv) Adjustable print resolution.
- v) Multiple print heads.
- vi) Movable print heads.
- vii) Print USPS Bar Codes.
- viii) Scalable fonts.
- ix) Interface with Windows-based software.
- x) Includes digital counter.

**G. Envelope Mail Labeler – Low Volume**

- i) Label speed up to 5,000, #10 size envelopes per hour.
- ii) Applies permanent (peel off) labels ranging in size from 1” to 4” high and maximum backing strip of 6”.
- iii) Adjustable label positioning from side-to-side and top-to-bottom of document.
- iv) Motor driven take-up reel for label backing and control for adjusting for different types of labels and backing.
- v) Includes digital counter.

**H. Envelope Mail Labeler – Medium Volume**

- i) Label speed up to 10,000, #10 envelopes per hour.

- ii) Applies permanent (peel off) labels ranging in size from 1" to 4" high and maximum backing strip of 6".
- iii) Adjustable label positioning from side-to-side and top-to-bottom of documents.
- iv) Motor driven take-up reel for label backing and control for adjusting for different types of labels and backing.
- v) Includes digital counter.

**I. Envelope Mail Labeler – High Volume**

- i) Label speed up to 15,000, #10 envelopes per hour.
- ii) Applies permanent (peel off) labels ranging in size from 1" to 4" high and maximum backing strip of 6".
- iii) Adjustable label positioning from side-to-side and top-to-bottom of documents.
- iv) Motor driven take-up reel for label backing and control for adjusting for different types of labels and backing.
- v) Includes digital counter.

**J. Envelope Mail Labeler – Production**

- i) Label speed up to 25,000, #10 envelopes per hour.
- ii) Applies permanent (peel off) labels ranging in size from 1" to 4" high and maximum backing strip of 6".
- iii) Adjustable label positioning from side-to-side and top-to-bottom of documents.
- iv) Motor driven take-up reel for label backing and control for adjusting for different types of labels and backing.
- v) Includes digital counter.

**K. Extractors**

- i) Processes up to 3,000 pieces per hour.
- ii) One, two or three-sided opening.
- iii) Includes counting and monitoring system that counts pieces processed.
- iv) Capable of processing various sizes of intermixed mail up to and including #11 envelopes with heights up to 5 ¼".

**L. Folders/Inserters - Low Volume**

- i) Automatic.
- ii) Completes standard or customer folds.
- iii) Handles paper from 3 1/8"x4" and 9 ½"x14".
- iv) Processes up to 1,500 sheets per hour minimum.

- v) Feeds, collates, folds, and inserts material into envelopes.
- vi) Jobs can be pre-programmed.

**M. Folder/Inserters - Medium Volume**

- i) Automatic.
- ii) Completes standard or custom folds.
- iii) Handles paper from 3-1/8" x 4" x 9.5" x 14"
- iv) Processes up from 1,501 – 4,999 sheets per hour minimum.
- v) Feeds, collates, folds and inserts material into envelopes.
- vi) Jobs can be pre-programmed.

**N. Folders/Inserters - High Volume**

- i) Automatic.
- ii) Completes standard or custom folds.
- iii) Handles paper from 3-1/8" x 4" x 9.5" x 14"
- iv) Processes up from 5,000 – 9,999 sheets per hour minimum.
- v) Feeds, collates, folds and inserts material into envelopes.
- vi) Jobs can be pre-programmed.

**O. Folders/Inserters - Production**

- i) Automatic.
- ii) Completes standard or custom folds.
- iii) Handles paper from 3-1/8" x 4" x 9.5" x 14"
- iv) Processes over 10,000 sheets per hour minimum.
- v) Feeds, collates, folds and inserts material into envelopes.
- vi) Jobs can be pre-programmed.

**P. Inserters - Production**

- i) Processes up to 5,500 sheets per hour minimum.
- ii) Feeds, collates, folds and inserts material into envelopes.
- iii) Jobs can be pre-programmed.

**Q. Integrated Postal Scales**

- i) Capable of interfacing with postage meter.
- ii) Includes variety of rates including: Standard, First Class, Priority Mail, Certified Mail, Return Receipt Registered, C.O.D., Insured, Registered, Bulk Rates, etc.

- iii) Includes keyboard graphics, operator prompts and menu selections.
- iv) Special carrier rates.
- v) Capable of weighing to a 32<sup>nd</sup> of an ounce, displaying in increments of 0.5 oz.
- vi) Must set postage meter electronically by the touch of one button.
- vii) Must include postal rate changes at no additional cost throughout the lease or maintenance contract.

**R. Letter Folders - Low Volume**

- i) Automatic.
- ii) Folds up to 10,000 sheets per hour minimum.
- iii) Completes standard or custom folds.
- iv) Handles at a minimum, 3 1/8 "x4" and 9 1/2"x14"paper.

**S. Letter Folders - High Volume**

- i) Automatic.
- ii) Folds more than 20,000 sheets per hour minimum.
- iii) Completes standard or customer folds.
- iv) Handles at a minimum, 3 1/8"x4" and 12"x18" paper.
- v) Able to process multiple folds.

**T. Letter Openers - Low Volume**

- i) Includes feeder and stacker, variable trim control.
- ii) Processing speed up to 10,000 pieces per hour minimum.
- iii) Self-sharpening trim blade adjusts to allow for narrow or wide cut.
- iv) Includes tray that collects eighty (80) #10 opened envelopes and trimmings.

**U. Letter Openers - High Volume**

- i) Includes feeder and stacker, variable trim control.
- ii) Processing speed over 20,000 pieces per hour minimum.
- iii) Self-sharpening trim blade adjusts to allow for narrow or wide cut.
- iv) Includes tray that collects 150 opened envelopes and trimmings.

**V. Mailing Equipment – Mailing Systems – Ultra Low Volume**

- i) Digital or IBI (Information Based Indicia) Operation to conform with all USPS requirements.
- ii) Manual feed.

- iii) Must meter and date envelopes.
- iv) Handles mail envelopes from 3 ½"x5" to 12"x15".
- v) Interfaces with postage scales.
- vi) Must include locking key or security feature.
- vii) Must imprint postage for \$0.01 to \$99.99
- viii) Must have replaceable ink cartridge.
- ix) Must have wet or dry tape system for oversize packages.

**W. Mailing Equipment – Mailing Systems – Low Volume**

- i) Digital or IBI (Information Based Indicia) Operation to conform with all USPS requirements.
- ii) Minimum feed speed of 30 pieces/minute.
- iii) Must meter, seal and date envelopes.
- iv) Handles mail envelopes from 3 ½"x5" to 12"x15".
- v) Interfaces with postage scales.
- vi) Must include locking key or security feature.
- vii) Must imprint postage for \$0.01 to \$99.99
- viii) Must have replaceable ink cartridge.
- ix) Must have wet or dry tape system for oversize packages.

**X. Mailing Equipment – Mailing Systems – Medium Volume**

- i) Digital or IBI (Information Based Indicia) Operation to conform with all USPS requirements.
- ii) Minimum feed speed of 45 pieces/minute.
- iii) Must meter, seal and date envelopes.
- iv) Handles letters and large envelopes up to 3/8" thick and 7 ½" wide.
- v) Interfaces with postage scales up to 100 lbs.
- vi) Includes tape dispenser for parcel.
- vii) Must include locking key or security feature.
- viii) Must imprint postage for \$0.01 to \$99.99
- ix) Must have replaceable ink cartridge.
- x) Must include water reservoir with water level indicator.
- xi) Must have sealed and non-sealed modes.



**Y. Mailing Equipment – Mailing Systems – High Volume**

- i) Digital or IBI (Information Based Indicia) Operation to conform with all USPS requirements.
- ii) Minimum feed speed of 200 pieces/minute.
- iii) Must meter, seal and date envelopes.
- iv) Handles letters and large envelopes up to 3”x5” to 13”x13”.
- v) Interfaces with postage scales up to 100 lbs.
- vi) Includes tape dispenser for parcel.
- vii) Must include locking key or security feature.
- viii) Must imprint postage for \$0.01 to \$99.99
- ix) Must have replaceable ink cartridge.
- x) Must include water reservoir with water level indicator.
- xi) Must have sealed and non-sealed modes.

**Z. Mailing Equipment – Mailing Systems – Production**

- i) Digital or IBI (Information Based Indicia) Operation to conform with all USPS requirements.
- ii) Minimum feed speed of 300+ pieces/minute.
- iii) Must meter, seal and date envelopes.
- iv) Handles letters and large envelopes up to 3”x5” to 13”x13”.
- v) Interfaces with postage scales up to 100 lbs.
- vi) Includes tape dispenser for parcel.
- vii) Must include locking key or security feature.
- viii) Must imprint postage for \$0.01 to \$99.99
- ix) Must have replaceable ink cartridge.
- x) Must include water reservoir with water level indicator.
- xi) Must have sealed and non-sealed modes.

**AA. Mailroom Furniture**

Furniture offered under this category must be utilized for mailroom operations only, and must compliment or enhance the features or usability of the Equipment listed in this **Exhibit D**.

**BB. Postage Meter (includes Legacy Postage Meters)**

- i) Digital postage meters must have display that provides date, piece-count, postage used, and postage unused.

- ii) Must be refillable by phone and/or electronically on a master account or paid by a credit card.
- iii) Must imprint postage from \$0.01 to \$99.99.
- iv) No administrative fees for postage meter refills.

**CC. Pre-sorting Equipment - Production**

- i) Minimum monthly volume of 100,000.
- ii) Ability to sort various sizes of envelopes, flats and packages.
- iii) Multiple Stations.
- iv) Various rates of speed.
- v) Ability to process the entire range of USPS.

**DD. Pressure Sealing – Production**

- i) Creates a single piece mailer from a full range of stock or custom forms.
- ii) Creates a single piece mailer with a continuous seal formed to ensure security and confidentiality.
- iii) Must be able to detect when “double documents” are processed.
- iv) Must be able to detect document jams during production.
- v) Must have emergency shut off/safety device.

**EE. Software Integration**

Consulting services provided by Contractor that includes, but is not limited to, the process of ensuring that mailroom applications are synergistic.

**FF. Software License and Subscription**

- i) Commercial off-the-shelf (COTS) and customized mail room related software utilized by mailing equipment (e.g. tracking software or accounting software) and purchased/leased on either a monthly or annual basis.
- ii) All software is specifically utilized only for mailing equipment operations.
- iii) Includes licensing, software maintenance, technical support, and updates.
- iv) All installations performed by Contractor.
- v) Updates performed by Contractor or Purchasing Entity.

**GG. Supplies/Consumables**

- i) All Supplies/Consumables needed to operate the mailing device or equipment.
- ii) Regular paper is not included.
- iii) Labels for addressing and other mail room purposes are included.

**HH. Tabbers – Low Volume**

- i) Complies with all USPS regulations.
- ii) Single-tab speeds up to 15,000/hr.
- iii) Multiple tabbing options (paper, clear translucent, with/without perforation, etc.)
- iv) Easy programming and set-up.
- v) Automatic size adjusting (accepts various tab sizes).
- vi) Accepts various types and sizes of media.

**II. Tabbers – Medium Volume**

- i) Complies with all USPS regulations.
- ii) Single-tab speeds up to 15,001 – 22,000/hr.
- iii) Multiple tabbing options (paper, clear translucent, with/without perforation, etc.)
- iv) Easy programming and set-up.
- v) Automatic size adjusting (accepts various tab sizes).
- vi) Accepts various types and sizes of media.

**JJ. Tabbers – High Volume**

- i) Complies with all USPS regulations.
- ii) Single-tab speeds up to 22,001 – 50,000/hr.
- iii) Multiple tabbing options (paper, clear translucent, with/without perforation, etc.)
- iv) Easy programming and set-up.
- v) Automatic size adjusting (accepts various tab sizes).
- vi) Accepts various types and sizes of media.

**KK. Tabbers – Production**

- i) Complies with all USPS regulations.
- ii) Single-tab speeds greater than 50,000/hr.
- iii) Multiple tabbing options (paper, clear translucent, with/without perforation, etc.)
- iv) Easy programming and set-up.
- v) Accepts various types and sizes of media.

**2. PRICING**

The pricing is located on the State's dedicated website, and is incorporated into this Participating Addendum by reference.

## ATTACHMENT 1, QUADIENT EQUIPMENT PURCHASE TERMS



### PRODUCT PURCHASE AGREEMENT

In this Product Purchase Agreement (the "Purchase Agreement"), the words "You" and "Your" mean the entity that is the Customer identified on the Product Purchase Agreement order form ("Order Form"). "We," "Us" and "Our" mean the seller, Quadiënt, Inc. ("Quadiënt").

1. **Purchase of Products.** You agree to purchase from Us the hardware products, software licenses and services listed on the Order Form, together with all existing accessories, attachments, replacements, and additions (collectively the "Products") upon the terms stated herein. For the avoidance of doubt, postage meters for use in mailing machines are excluded from the definition of Products. This Purchase Agreement is binding on You as of the date You sign it. This Purchase Agreement is not binding on Us until We sign it or until the Products are shipped, whichever happens first.
2. **Payment Terms.** You promise to pay to Us the amounts shown on the Order Form, plus all other amounts stated herein. Payment is due within forty-five (45) days after the date of Our invoice. In addition, if any check is dishonored, You shall pay Us Our then-current fee for checks returned unpaid.
3. **Shipping; Delivery; and Security Interest.** Products shall be shipped FOB Destination to the Installation Address specified on the Order Form or, if no such location is specified, to Your Billing Address. Your acceptance of the Products occurs upon delivery, inspection and acceptance of the Products. Title and risk of loss shall pass to You at this time.
4. **Maintenance and Notice of Reused Components.** We warrant that the Products shall be free from defects in material and workmanship for ninety (90) days after delivery. GUIDED BY QUADIËNT, INC.'S SUSTAINABLE DESIGN AND RESPONSIBLE MANUFACTURING POLICY, THE PRODUCTS MAY CONTAIN REUSED COMPONENTS. For more information visit <https://www.quadiënt.com/about-us/sustainable-design-and-manufacturing>.
5. **RESERVED**

## Terms and Conditions

6. **Disclaimer of Warranties.** EXCEPT AS EXPRESSLY STATED HEREIN, WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE CONDITION OF THE PRODUCTS, POSTAGE METER, SOFTWARE, HARDWARE, OR SERVICE, OR THEIR MERCHANTABILITY, FREEDOM FROM INFRINGEMENT, OR OTHERWISE.
7. **Limitation of Liability.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND ARISING OUT OF, OR IN CONNECTION WITH THIS AGREEMENT, WHETHER OR NOT SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS PURCHASE AGREEMENT, EXCEPT FOR DIRECT DAMAGES RESULTING FROM PERSONAL INJURY OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE TOTAL OF THE AMOUNTS PAID TO US HEREUNDER BY YOU. THIS LIMITATION OF LIABILITY SHALL BE IN ADDITION TO ANY INSURANCE COVERAGE REQUIRED UNDER THE CONTRACT, BUT IN NO EVENT WILL THE LIABILITY COVERAGE EXCEED ACTUAL DAMAGES INCURRED.
8. **Assignment.** No right or interest in this Purchase Agreement may be assigned by You, without Our prior written consent.
9. **Notice.** All notices, requests and other communications hereunder shall be in writing, and shall be addressed to You or Us, as applicable and shall be considered given when: (i) delivered personally, or (ii) sent by commercial overnight courier with written verification receipt.
10. **Integration.** There are no unwritten oral agreements between You and Us. This Purchase Agreement can be changed only by a signed, written agreement between You and Us.
11. **Severability.** In the event any provision of this

Purchase Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.

12. **Waiver or Delay.** A waiver of any default hereunder or of any term or condition of this Purchase Agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed. We may accept late payments, partial payments, checks, or money orders marked "payment in full," or with a similar notation, without compromising any rights under this Purchase Agreement.
13. **Choice of Law; Venue; and Attorney's Fees.** This Purchase Agreement shall be governed under the laws of the State of Colorado, without regard to conflicts of law, and jurisdiction shall lie exclusively in a court of competent jurisdiction in Denver County, Colorado. In any litigation or other proceeding by which one party either seeks to enforce its rights under this Purchase Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Purchase Agreement, the prevailing party shall be awarded its reasonable attorney fees, and costs and expenses incurred.

### POSTAGE METER RENTAL AGREEMENT

1. **Postage Meter Rental.** In this Postage Meter Rental Agreement (the "Rental Agreement"), the words "You" and "Your" mean the customer named on the Postage Meter Rental Agreement order form ("Order Form"). "We," "Us" and "Our" mean Quadient, Inc. You agree to rent from Us the postage meter(s) identified on the Order Form (the "Postage Meter") upon the terms stated herein.
2. **Provisions as to Use.** You acknowledge that: (i) as required by United States Postal Service regulations, the Postage Meter(s) is being rented to You and that it is Our property; (ii) the Postage Meter will be surrendered by You upon demand by Us; (iii) You are responsible for the control and use of the Postage Meter; (iv) You will comply with all applicable laws regarding Your use or possession of the Postage Meter; (v) the use of the Postage Meter is subject to the conditions established from time to time by the United States Postal Service; and (vi) the Postage Meter is to be used only for generating an indicia to evidence the prepayment of postage and to account for postal funds. It is a violation of Federal law to misuse or tamper with the Postage Meter and, if You do so, We may terminate this Rental Agreement upon notice to You.
3. **Rental Fee, Payment and Term.** The initial rental term for the Postage Meter is set forth on the Order Form ("Initial Term"). The rental fee for the Initial Term is also set forth on the Order Form. The Initial Term of this Rental Agreement will begin on the date the Postage Meter is installed and first used by You. You promise to pay to Us the amounts shown on the Order Form in accordance with the payment schedule set forth thereon, plus all other amounts stated on the Order Form or in this Rental Agreement. You shall make all payments to the address indicated on Our invoice within thirty (30) days of the date of Our invoice. A late fee of 1% per month will be charged on the outstanding balance of Your account if payment is not received within forty-five (45) days of the day of Our invoice. You agree to pay Us the then-current fee charged by Our financial institution for checks returned unpaid and for ACH direct debit transactions which are rejected. You also agree to pay all setting fees and charges incurred in connection with the download of funds to the Postage Meter. The Postage Meter rental fee does not include the cost of consumable supplies. This Rental Agreement is NON-CANCELABLE during the Initial Term and any Renewal Period (as defined below). At least thirty (30) days before the end of the Initial Term, You shall: (i) notify Us that You intend to return the Postage Meter at the end of the Initial Term by calling 1-800-636-7678; and send written notice to Us in the manner We instruct You when You call, or (ii) notify Us that You intend to renew this Rental Agreement on a month to month basis. We will not notify You that the Initial Term or any Renewal Term is ending. In the event You fail to notify Us of your intentions, then We will provide You with return shipping instructions at the end of Your Initial Term or Renewal Term. You may terminate this Rental Agreement at the conclusion of any Renewal Period by giving Us thirty (30) days prior written notice of Your intent to do so.
4. **Return of Postage Meter and Products.** Upon the termination of this Rental Agreement,

unless directed otherwise by Us, You shall, after receiving an Equipment Return Authorization (“ERA”) number from Us, promptly send the Postage Meter and any other products, at Your expense plus shipping and handling costs, to any location(s) that We designate in the contiguous United States. The Postage Meter must be properly packed for shipment with the ERA number clearly visible, freight prepaid and fully insured, and must be received in good condition, less normal wear and tear. Furthermore, You agree that if you fail to return a postage meter within thirty (30) days of receipt of the Equipment Return Authorization then You will forfeit any remaining postage that may be left on the meter. You will also be subject to a \$100 lost meter charge, billable upon the 31<sup>st</sup> day.

5. **Postage Meter Maintenance, Inspections, and Location.** We will keep the Postage Meter in good working condition during the term of this Rental Agreement. The United States Postal Service regulations may require Us to periodically inspect the Postage Meter. You agree to cooperate with Us regarding such inspections. We may, from time to time, access and download information from Your Postage Meter to provide Us with information about Your postage usage and We may share that information with the United States Postal Service and our servicing dealership. You agree to promptly update Us whenever there is any change in Your name, address, telephone number, the licensing post office, or the location of the Postage Meter.
6. **Loss; Damage; Insurance.** You shall: (i) bear the risk of loss and damage to the Postage Meter during the Initial Term and any Renewal Period, (ii) shall continue performing all of Your other obligations hereunder even if the Postage Meter becomes damaged or there is a loss, and (iii) keep the Postage Meter insured against all risks of loss and damage in an amount at least equal to its full replacement cost.
7. **Postage Advances.** We do not sell postage. In the event You require an emergency advance for postage, We, at Our sole discretion, may advance You money to reset the Postage Meter. If We do provide such an advance, You agree to repay Us within five (5) days from the time of such advance: (i) the amount of the emergency advance; and (ii) the then-current advance fee.
8. **Default.** In the event You fail to perform in accordance with the terms set forth in this

Rental Agreement, or any other Agreement with Us or Quadient Finance USA, Inc., then We may, with a thirty (30) day written notice to You: (i) repossess the Postage Meter(s); (ii) disable the Postage Meter; or (iii) immediately terminate this Rental Agreement. Furthermore, upon the return of the Postage Meter, You hereby authorize Us to offset any amount of postage remaining in the Postage Meter, prior to any refund to You, against any amount due to Us.

9. **Rate Updates.**

- A. **Maintenance of Postal Rates.** It is Your sole responsibility to ensure that correct amounts are applied as payment for mailing and shipping services. We shall not be responsible for returns for delivery delays, refusals, or any other problems caused by applying the incorrect rate to mail or packages.
- B. **Rate Updates with Online Services.** If the Order Form indicates that You are enrolled in Our Online Services program, then We will make available periodic updates for Your covered products and/or Postage Meter, including updates to maintain accurate USPS rates for the USPS services that are compatible with such products or Postage Meter. **The rate updates that are offered with Our Online Services program are only available for products that are Integrated (as defined below) into Your mailing machine.** For the purposes of this section, “Integrated” means that the covered hardware cannot properly operate on a stand-alone basis and it has been incorporated into the mail machine. Products that are not Integrated including, but not limited to, all Software and scales with “ST-77,” or “SE” in the model number will not receive updated rates as part of Our Online Services program (collectively “Excluded Products”).
- C. **Rate Updates with Rate Change Protection and Software Advantage.** If You have any of Our Excluded Products, You may have elected to purchase Rate Change Protection (“RCP”) from Us for Your hardware products or Software Advantage for Your Software. If the Order Form indicates that You have selected RCP or Software Advantage, We will make available the following updates

for Your covered products or Software:  
 (i) updates to maintain accurate rates for the services offered by the USPS and other couriers that are compatible with Your covered products or Software; and  
 (ii) updates for major zip or zone changes that are compatible with Your covered products or Software. If any reprogramming is required because You have moved the products or Postage Meter to a new location, none of the services described in this Section cover the cost to do so. Customers with an outstanding Accounts Receivable balance may not receive a rate update until the open balance is resolved.

**10. United States Postal Service Acknowledgement of Deposit Requirement.**

By signing this Postage Meter Rental Agreement, You acknowledge and agree that You have read the United States Postal Service Acknowledgement of Deposit (the "Acknowledgement") and will comply with its terms and conditions, as it may be amended from time to time.

**11. Additional United States Postal Service Terms.**

- A. By signing this Postage Meter Rental Agreement, You acknowledge that You are also entering into an Agreement with the United States Postal Service ("USPS") in accordance with the Domestic Mail Manual ("DMM") 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (collectively, "Postage Evidencing Systems" or "PES") and accept responsibility for control and use of the PES contained therein.
- B. You also acknowledge You have read the DMM 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (Postage Evidencing Systems) and agree to abide by all rules and regulations governing its use.
- C. Failure to comply with the rules and regulations contained in the DMM or use of the PES in any fraudulent or unlawful scheme or enterprise may result in the revocation of this Rental Agreement.
- D. You further acknowledge that any use of this PES 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, fictitious or fraudulent

statement can result in imprisonment of up to five (5) years and fines of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (3 U.S.C. 3802).

- E. You further understand that the rules and regulations regarding use of this PES as documented in the USPS Domestic Mail Manual may be updated from time to time by the USPS and it is Your obligation to comply with any current or future rules and regulations regarding its use.
- F. You are responsible for immediately reporting (within seventy- two hours or less) the theft or loss of the postage meter that is subject to this Rental Agreement. Failure to comply with this notification provision in a timely manner may result in the denial of refund of funds remaining on the postage meter at the time of the loss or theft.

**12. RESERVED**

- 13. Disclaimer of Warranties.** EXCEPT AS EXPRESSLY STATED HEREIN, WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE SUITABILITY OF ANY PRODUCTS OR POSTAGE METER, ITS CONDITION, ITS MERCHANTABILITY, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS FREEDOM FROM INFRINGEMENT, OR OTHERWISE.

- 14. Limitation of Liability.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER OR NOT SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS RENTAL AGREEMENT, EXCEPT FOR DIRECT DAMAGES RESULTING FROM PERSONAL INJURY OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE TOTAL OF THE AMOUNTS PAID TO US HEREUNDER BY YOU. THIS LIMITATION OF LIABILITY SHALL BE IN ADDITION TO ANY INSURANCE COVERAGE REQUIRED UNDER THE

CONTRACT, BUT IN NO EVENT WILL THE LIABILITY COVERAGE EXCEED ACTUAL DAMAGES INCURRED.

15. **Assignment.** No right or interest in this Rental Agreement may be assigned by You, without Our prior written consent.
16. **Notice. All notices related to this Rental Agreement to Us shall be made by You, or an attorney representing You. Notice of non-renewal of this Rental Agreement shall be made as outlined in Section 3 herein by calling 1-800-636-7678.** All other notices, requests and other communications hereunder shall be in writing, and shall be considered given when: (i) delivered personally, or (ii) sent by commercial overnight courier with written confirmation of delivery. Written notices to Us shall be sent to: Quadiant, Inc., 478 Wheelers Farms Road, Milford, CT 06461 (“Notice Address”).
17. **Integration.** There are no unwritten oral agreements between You and Us. This Rental Agreement can be changed only by a signed, written agreement between You and Us.
18. **Severability.** In the event any provision of this Rental Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.
19. **Waiver or Delay.** A waiver of any default hereunder or of any term or condition of this Rental Agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed. We may accept late payments, partial payments, checks or money orders marked “payment in full,” or with a similar notation, without compromising any rights under this Rental Agreement.
20. **Choice of Law; Venue; and Attorney’s Fees.** This Rental Agreement shall be governed under the laws of the State of Colorado, without regard to conflicts of law, and jurisdiction shall lie exclusively in a court of competent jurisdiction in Denver County, Colorado. In any litigation or other proceeding by which one party either seeks to enforce its rights under this Rental Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Rental

Agreement, the prevailing party shall be awarded its reasonable attorney fees, and costs and expenses incurred.

**21. Termination – Non-Appropriation.**

- A. You warrant and represent that You intend to enter into this Rental Agreement for the entire Stated Term, and you acknowledge that We have relied upon such represented intention when determining the applicable pricing plan.
- B. You may terminate this Rental Agreement at the end of Your current fiscal year, or at the end of any subsequent fiscal year, if appropriated funds are not available to You for the Rental Payments that will be due in the next fiscal year. In the event of such a non-appropriation, then You shall provide written notice to Us that states: Sufficient funds have not been and will not be appropriated for the remaining payments due under the Rental Agreement.

**POSTAGE FUNDING ACCOUNT AGREEMENT**

1. **Incorporation of Certain Terms.** You acknowledge that You have entered a Postage Meter Rental Agreement with Quadiant, Inc. (“Rental Agreement”). If you have an eligible Postage Meter or an eligible Postage on Call account, then you will have access to a postage funding account and this Postage Funding Account Agreement (“Account Agreement”) shall govern Your use of such account. Any defined terms in the Rental Agreement shall have the same meanings in this Account Agreement, except that “We,” “Us,” and “Our,” refer to Quadiant Finance USA, Inc., an affiliate of Quadiant, Inc. Sections 10 through 19 of the Rental Agreement are hereby incorporated into this Account Agreement except that any reference in those sections to the “Rental Agreement” refers to this Account Agreement.
2. **Establishment and Activation of Account.** You hereby authorize Us, to establish an account in Your name (“Account”) for funding the purchase of postage from the United State Postal Service (“USPS”) for use in the Postage Meter. Your Account may also be used to purchase supplies, rent Postage Meters, and obtain certain other products and services from Quadiant Inc. The establishment of Your Account shall be subject to Our approval of Your creditworthiness. Any use of the Account shall constitute Your acceptance of all the terms and conditions of this Account



Agreement and all other documents executed or provided in connection with the Account. The Account may not be used for personal, family, or household purposes.

3. **Operation of Account.** Each time an employee or agent of Yours with the express, implied, or apparent authority to do so (each an "Authorized User") uses the Account to receive a postage meter reset or obtain other products or services that Quadient, Inc. is authorized to provide, Quadient, Inc. will notify Us of the amount to be applied to Your Account balance. If the Account is used to obtain postage, then We will transfer the requested amount of postage to the USPS on Your behalf and Your Account will be charged for the amount of postage requested and any related fees, if applicable. You can continue to pre-pay the USPS for postage and understand that pre-paid postage funds will be used first to pay for postage meter resets. You further understand that the Account will provide additional available postage funds when Your pre-paid account balance is zero (\$0). When You request a Postage Meter reset, if You have the funds on account with the USPS, those funds automatically will be withdrawn first to pay for postage, and any additional amounts due for postage and related fees will be billed through the Account under the terms and conditions of this Account Agreement. If the Account is used to acquire products or services that Quadient, Inc. is authorized to provide, then We shall pay the applicable amount to Quadient, Inc. and add such amount to Your Account balance.
4. **Payment Terms.** You will receive a billing statement for each monthly billing cycle in which You have any activity on Your Account. Payments are due on the due date shown on Your billing statement. You may pay the entire balance due or a portion of the balance, provided that You pay at least the minimum amount shown on the statement. However, if You have exceeded the Account Limit on Your Account, then You must pay the entire amount of any overage, as well as the minimum payment amount shown on the statement. Whenever there is an unpaid balance outstanding on Your Account which is not paid in full within forty-five (45) days of the invoice date, We will charge You, and You agree to pay, one percent (1%) interest on the unpaid balance of the Account. The Account balance that is subject to a finance charge will include outstanding balances, minus any payments and

credits received by Us on Your Account that day. Each payment will be applied to reduce the outstanding balance of Your Account and replenish the amount available to You. We may refuse to extend further credit if the amount of a requested charge plus Your existing balance exceeds Your Account Limit.

5. **Account Limit and Account Fees.** You agree that We will establish a credit limit on Your Account (the "Account Limit"). The exact amount of the initial Account Limit will be indicated on Your invoice. We may, in Our sole discretion, allow Your balance to exceed the Account Limit. In the event We do so, You agree to pay Us an additional fee equal to one percent (1%) of the amount by which the Account Limit is exceeded for each transaction that You initiate after Your Account has reached the Account Limit. Such amount will be charged to Your Account on the date that the relevant transaction(s) occurs. Unless prohibited by applicable law, You agree to pay the amounts set forth in this Account Agreement, which may include, without limitation, the amounts specified above, a fee for a late payment, a fee for any checks that are returned as a result of insufficient funds, a fee for any ACH direct debit transactions which are rejected, and an annual account fee. All such fees shall be added to Your Account balance.
6. **Cancellation and Suspension.** We may, upon thirty (30) days written notice, close or suspend Your Account or temporarily refuse to allow further charges to Your Account. You can cancel Your Account at any time by notifying Us in writing at the address provided on Your Account statement of Your desire to do so. No cancellation or suspension will affect Your obligation to pay any amounts You then owe under this Account Agreement. We will notify You of the Account balance in the event of any termination and all outstanding obligations will survive the termination of this Account Agreement by either party.
7. **Default.** We may declare You in default if You: (i) have made any misrepresentations to Us; (ii) at any time, have done or allowed anything that indicates to Us that You may be unable or unwilling to repay the balance of Your Account as required under this Account Agreement; or (iii) are in default under this Account Agreement or any lease, rental, or other agreement with Us, or Quadient, Inc.. If You are in default, or upon any cancellation of Your Account, We shall not be obligated to continue

to provide the Account service or extend further credit under this Account Agreement.

8. **Remedies.** If We have declared that You are in default under this Account Agreement, then We may: (i) refuse to make further advances on Your behalf to reset Your Postage Meter; and (ii) exercise any other rights that We may have available under law. In addition, You agree that any default under this Account Agreement shall constitute a default under any agreement You may have with , Quadient, Inc., and Quadient Leasing USA, Inc.
9. **Amendments.** We may amend this Account Agreement, or any of its provisions, at any time by at least thirty (30) days written notice to You, and such written notice may be included on Your billing statement. Any such amendment will become effective on the date stated in the notice and will apply to any transactions after such date, as well as to any outstanding balance on Your Account.
10. **Notice:** Any notice required to be given under this Account Agreement by either party hereto shall be given if to You, at the address shown on Your Order Form, and if to Us at 478 Wheelers Farms Road, Milford, CT 06461.
11. **Miscellaneous.** You understand that We may obtain credit reports in connection with Your Account now and in the future. This Account Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to its conflict-of-laws rules, and any applicable federal laws. The sole jurisdiction and venue for actions related to the subject matter hereof shall be in a State or Federal Court within the State of Colorado.

### MAINTENANCE AGREEMENT

1. **Incorporation of Certain Terms.** You acknowledge that You have entered a Product Purchase Agreement with Quadient, Inc., or one of its affiliates ("Purchase Agreement"). Any defined terms in the Purchase Agreement shall have the same meanings in this Maintenance Agreement. Sections 5 through 13 of the Purchase Agreement are hereby incorporated into this Maintenance Agreement, except that any reference in those sections to the "Purchase Agreement" refer to this Maintenance Agreement
2. **Quadient's Terms and Conditions for Maintenance Services.** If the Order Form indicates that You have purchased maintenance services, then Quadient, Inc. will

provide maintenance services for the Products for twelve (12) months (the "Initial Maintenance Term") in accordance with Quadient's NASPO ValuePoint Master Agreement maintenance terms and pricing for the level of maintenance services that You have purchased. You agree that You have access to such terms and that they are incorporated into this Maintenance Agreement by this reference and that You shall be bound by such terms as if they were fully stated herein. At the end of the Initial Maintenance Term, each year We will send You an invoice for an additional year of maintenance services. By paying such invoice, You agree to continue the maintenance service in accordance with this Maintenance Agreement. All maintenance payments are non-refundable. **Notwithstanding the foregoing, maintenance services are not available on HD Office Printer Series products.**

3. **Auto Ink Program.** If the Order Form indicates that You have elected to participate in Our Auto Ink Program (the "Program"), then you hereby authorize Us to ship You a new ink cartridge for the Product whenever the Product indicates that the then-current ink cartridge reaches twenty percent (20%) of its capacity. You authorize Us to charge the then-current fee for such cartridge, per the pricing in the Master Agreement (plus applicable taxes and shipping charges) to Your Postage Funding Account. You may opt out of the Program at any time by sending an email to CIMneworders@quadient.com.

### ONLINE SERVICES AND SOFTWARE AGREEMENT

1. **Incorporation of Certain Terms.** You acknowledge that You have entered a Product Purchase Agreement with Quadient, Inc. (the "Purchase Agreement"). Any defined terms in the Purchase Agreement shall have the same meanings in this Online Services and Software Agreement ("OSS Agreement"). Sections 5 through 13 of the Purchase Agreement are hereby incorporated into this OSS Agreement, except that any reference in those sections to the "Purchase Agreement" refers to this OSS Agreement.
2. **License Grant and Additional Terms.** In exchange for the license fees that are included in Your Purchase Payment, We hereby grant to You a nonexclusive, nontransferable license to use the Software products, including related documentation, described on the Order Form

solely for Your own use on or with the Products. You warrant and represent that You will not sell, transfer, disclose or otherwise make available such Software products or copies thereof to third parties; provided, however, that the Software products may be used by Your employees or independent contractors using the Products. No title or ownership of the Software products or any portion thereof is transferred to You.

3. **Software Support.** Unless otherwise specified in the applicable Software terms, if You have purchased support for the Software, We will provide the following for a period of one (1) year: (i) software updates and, if applicable, carrier rate updates that keep You current and compliant with supported carrier rates fees, zone schedules, label, barcode and forms changes; (ii) updates to the Software; (iii) corrective bug fixes as released; and (iv) technical support for the Software (collectively "Software Maintenance"). At the conclusion of each year of Software Maintenance, and upon a thirty (30) day prior written notice from You, You shall have the option to renew the Software Maintenance for additional one-year periods at Our then current fee, per the Master Agreement. If you fail to notify us of Your intent, Your Software Maintenance services shall be terminated. You acknowledge that the Software may fail to comply with applicable

regulations if you do not have Software Maintenance and that We shall not have any liability in connection with any such failure. If You allow the Software Maintenance to lapse, You may reinstate such services; provided that you pay all fees that would have been due from the expiration of Your last Software Maintenance period through the reinstatement date.

4. **Use of Websites and SaaS Services.** Quadient, Inc. and/or any of Our affiliates, or suppliers, including, but not limited to, Quadient Finance USA, Inc. may, from time to time, make certain content and/or services available to You via the Internet ("Websites") in order to provide You with certain services, including, but not limited to, software as a subscription services. If You access any such Websites, You acknowledge and agree that Your use of the Website is subject to the terms of use and/or subscription terms in effect at the time You use the Website. Such terms are available on the Websites for Your review. You acknowledge and agree that such terms may be supplemented and modified from time to time ("Supplemental Terms"). Your use of a Website after Supplemental Terms have been issued will signify Your acceptance of those terms. In the event of a conflict between the terms of this OSS Agreement and the Supplemental Terms, the Supplemental Terms shall control.

## ATTACHMENT 2, QUADIENT POSTAGE METER RENTAL TERMS



### Terms and Conditions

#### POSTAGE METER RENTAL AGREEMENT

- 1. Postage Meter Rental.** In this Postage Meter Rental Agreement (the "Rental Agreement"), the words "You" and "Your" mean the customer named on the Postage Meter Rental Agreement order form ("Order Form"). "We," "Us" and "Our" mean Quadiënt, Inc. You agree to rent from Us the postage meter identified on the Order Form, as well as any other products listed on the Order Form, together with all existing accessories, embedded software programs, attachments, replacements, additions and repairs, (the "Postage Meter") upon the terms stated herein.
- 2. Provisions as to Use and Notice of Reused Components.** You acknowledge that: (i) as required by United States Postal Service regulations, the Postage Meter(s) is being rented to You and that it is Our property; (ii) the Postage Meter will be surrendered by You upon demand by Us; (iii) You are responsible for the control and use of the Postage Meter; (iv) You will comply with all applicable laws regarding Your use or possession of the Postage Meter; (v) the use of the Postage Meter is subject to the conditions established from time to time by the United States Postal Service; and (vi) the Postage Meter is to be used only for generating an indicia to evidence the prepayment of postage and to account for postal funds. It is a violation of Federal law to misuse or tamper with the Postage Meter and, if You do so, We may terminate this Rental Agreement upon notice to You. GUIDED BY QUADIËNT, INC.'S SUSTAINABLE DESIGN AND RESPONSIBLE MANUFACTURING POLICY, THE PRODUCTS MAY CONTAIN REUSED COMPONENTS. For more information visit <https://www.quadiënt.com/about-us/sustainable-design-and-manufacturing>.
- 3. Rental Fee, Payment and Term.** The initial rental term for the Postage Meter is set forth on the Order Form ("Initial Term"). The rental fee for the Initial Term is also set forth on the Order Form. The Initial Term of this Rental Agreement will begin on the date the Postage Meter is installed. You promise to pay to Us the amounts shown on the Order Form in accordance with the payment schedule set forth thereon, plus all other amounts stated on the Order Form or in this Rental Agreement. You shall make all payments to the address indicated on Our invoice within thirty (30) days of the date of Our invoice. A late fee of 1% per month will be charged on the outstanding balance of Your account if payment is not received forty-five (45) days after the date of invoice. You agree to pay Us the then-current fee charged by Our financial institution for checks returned unpaid and for ACH direct debit transactions which are rejected. You also agree to pay all setting fees and charges incurred in connection with the download of funds to the Postage Meter. The Postage Meter rental fee does not include the cost of consumable supplies. This Rental Agreement is NON-CANCELABLE during the Initial Term and any Renewal Period (as defined below). At least thirty (30) days before the end of the Initial Term, You shall: (i) notify Us that You intend to return the Postage Meter at the end of the Initial Term by calling 1-800-636-7678; and send written notice to Us in the manner We instruct You when You call, or (ii) notify Us that You intend to renew this Rental Agreement on a month to month basis. We will not notify You that the Initial Term or any Renewal Term is ending. In the event you fail to notify Us of your intentions, then We will provide You with return shipping instructions at the end of Your Initial Term or

Renewal Term. You may terminate this Rental Agreement at the conclusion of any Renewal Period by giving Us thirty (30) days prior written notice of Your intent to do so.

4. **Return of Postage Meter and Products.** Upon the termination of this Rental Agreement, unless directed otherwise by Us, You shall, after receiving an Equipment Return Authorization (“ERA”) number from Us, promptly send the Postage Meter and any other products, at Your expense plus shipping and handling costs, to any location(s) that We designate in the contiguous United States. The Postage Meter must be properly packed for shipment with the ERA number clearly visible, freight prepaid and fully insured, and must be received in good condition, less normal wear and tear. Furthermore, You agree that if you fail to return a postage meter within thirty (30) days of receipt of the ERA from Us, then You will forfeit any remaining postage that may be left on the meter. You will also be subject to a \$100 lost meter charge, billable upon the 31<sup>st</sup> day.
5. **Postage Meter Maintenance, Inspections, and Location.** We will keep the Postage Meter in good working condition during the term of this Rental Agreement. The United States Postal Service regulations may require Us to periodically inspect the Postage Meter. You agree to cooperate with Us regarding such inspections. We may, from time to time, access and download information from Your Postage Meter to provide Us with information about Your postage usage and We may share that information with the United States Postal Service and our servicing dealership. You agree to promptly update Us whenever there is any change in Your name, address, telephone number, the licensing post office, or the location of the Postage Meter.
6. **Loss; Damage; Insurance.** You shall: (i) bear the risk of loss and damage to the Postage Meter during the Initial Term and any Renewal Period, (ii) shall continue performing all of Your other obligations hereunder even if the Postage Meter becomes damaged or there is a loss, and (iii) keep the Postage Meter insured against all risks of loss and damage in an amount at least equal to its full replacement cost.
7. **Postage Advances.** We do not sell postage. In the event You require an emergency advance for postage, We, at Our sole discretion, may advance You money to reset the Postage Meter. If We do provide such an advance, You agree to repay Us within five (5) days from the time of such advance: (i) the amount of the emergency advance; and (ii) the then-current advance fee.
8. **Default.** In the event You fail to perform in accordance with the terms set forth in this Rental Agreement, or any other Agreement with Us or Quadient Finance USA, Inc., then We may, with a thirty (30) day written notice to You: (i) repossess the Postage Meter(s); (ii) disable the Postage Meter; or (iii) immediately terminate this Rental Agreement. Furthermore, upon the return of the Postage Meter, You hereby authorize Us to offset any amount of postage remaining in the Postage Meter, prior to any refund to You, against any amount due to Us.
9. **Rate Updates.**
  - A. Maintenance of Postal Rates. It is Your sole responsibility to ensure that correct amounts are applied as payment for mailing and shipping services. We shall not be responsible for returns for delivery delays, refusals, or any other problems caused by applying the incorrect rate to mail or packages.
  - B. Rate Updates with Online Services. If the Order Form indicates that You are enrolled in Our Online Services program, then We will make available periodic updates for Your covered products and/or Postage Meter, including updates to maintain accurate USPS rates for the USPS services that are compatible with such products or Postage Meter. **The rate updates that are offered with Our Online Services program are only available for products that are Integrated (as defined below) into Your mailing machine.** For the purposes of this section, “Integrated” means that the covered hardware cannot properly operate on a stand-alone basis and it has been incorporated into the mail machine.

Products that are not Integrated including, but not limited to, all Software and scales with "ST-77," or "SE" in the model number will not receive updated rates as part of Our Online Services program (collectively "Excluded Products").

- c. Rate Updates with Rate Change Protection and Software Advantage. If You have any of Our Excluded Products, You may have elected to purchase Rate Change Protection ("RCP") from Us for Your hardware products or Software Advantage for Your Software. If the Order Form indicates that You have selected RCP or Software Advantage, We will make available the following updates for Your covered products or Software: (i) updates to maintain accurate rates for the services offered by the USPS and other couriers that are compatible with Your covered product or Software; and (ii) updates for major zip or zone changes that are compatible with Your covered product or Software. If any reprogramming is required because You have moved the products or Postage Meter to a new location, none of the services described in this Section cover the cost to do so. Customers with an outstanding Accounts Receivable balance may not receive a rate update until the open balance is resolved.

**10. United States Postal Service Acknowledgement of Deposit Requirement.**

By signing this Postage Meter Rental Agreement, You acknowledge and agree that You have read the United States Postal Service Acknowledgement of Deposit (the "Acknowledgement") and will comply with its terms and conditions, as it may be amended from time to time.

**11. Additional United States Postal Service Terms.**

- A. By signing this Postage Meter Rental Agreement, You acknowledge that You are also entering into an Agreement with the United States Postal Service ("USPS") in accordance with the Domestic Mail Manual ("DMM") 604.4, Postage Payment Methods, Postage Meters and PC Postage

Products (collectively, "Postage Evidencing Systems" or "PES") and accept responsibility for control and use of the PES contained therein.

- B. You also acknowledge You have read the DMM 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (Postage Evidencing Systems) and agree to abide by all rules and regulations governing its use.
- C. Failure to comply with the rules and regulations contained in the DMM or use of the PES in any fraudulent or unlawful scheme or enterprise may result in the revocation of this Rental Agreement.
- D. You further acknowledge that any use of this PES 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, fictitious or fraudulent statement can result in imprisonment of up to five (5) years and fines of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (3 U.S.C. 3802).
- E. You further understand that the rules and regulations regarding use of this PES as documented in the USPS Domestic Mail Manual may be updated from time to time by the USPS and it is Your obligation to comply with any current or future rules and regulations regarding its use.
- F. You are responsible for immediately reporting (within seventy-two hours or less) the theft or loss of the postage meter that is subject to this Rental Agreement. Failure to comply with this notification provision in a timely manner may result in the denial of refund of funds remaining on the postage meter at the time of the loss or theft.
- 12. Disclaimer of Warranties.** EXCEPT AS EXPRESSLY STATED HEREIN, WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING ANY MATTER WHATSOEVER, INCLUDING, BUT NOT

LIMITED TO, THE SUITABILITY OF ANY PRODUCTS OR POSTAGE METER, ITS CONDITION, ITS MERCHANTABILITY, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS FREEDOM FROM INFRINGEMENT, OR OTHERWISE.

13. **Limitation of Liability.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER OR NOT SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. NOTWITHSTANDING ANY OTHER PROVISION OF THIS RENTAL AGREEMENT, EXCEPT FOR DIRECT DAMAGES RESULTING FROM PERSONAL INJURY OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE TOTAL OF THE AMOUNTS PAID TO US HEREUNDER BY YOU. THIS LIMITATION OF LIABILITY SHALL BE IN ADDITION TO ANY INSURANCE COVERAGE REQUIRED UNDER THE CONTRACT, BUT IN NO EVENT WILL THE LIABILITY COVERAGE EXCEED ACTUAL DAMAGES INCURRED.
14. **Assignment.** No right or interest in this Rental Agreement may be assigned by You, without Our prior written consent.
15. **Notice.** All notices related to this Rental Agreement to Us shall be made by You, or an attorney representing You. Notice of non-renewal of this Rental Agreement shall be made as outlined in Section 3 herein by calling 1-800-636-7678. All other notices, requests and other communications hereunder shall be in writing, and shall be considered given when: (i) delivered personally, or (ii) sent by commercial overnight courier with written confirmation of delivery. Written notices to Us shall be sent to: Quadient, Inc., 478 Wheelers Farms Road, Milford, CT 06461 ("Notice Address").
16. **Integration.** There are no unwritten oral agreements between You and Us. This Rental Agreement can be changed only by a signed,

written agreement between You and Us.

17. **Severability.** In the event any provision of this Rental Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.
18. **Waiver or Delay.** A waiver of any default hereunder or of any term or condition of this Rental Agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed. We may accept late payments, partial payments, checks or money orders marked "payment in full," or with a similar notation, without compromising any rights under this Rental Agreement.
19. **Choice of Law; Venue; and Attorney's Fees.** This Rental Agreement shall be governed under the laws of the State of Colorado, without regard to conflicts of law, and jurisdiction shall lie exclusively in a court of competent jurisdiction in Denver County, Colorado. In any litigation or other proceeding by which one party either seeks to enforce its rights under this Rental Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Rental Agreement, the prevailing party shall be awarded its reasonable attorney fees, and costs and expenses incurred.
20. **Termination – Non-Appropriation.**
  - A. You warrant and represent that You intend to enter into this Rental Agreement for the entire Stated Term, and you acknowledge that We have relied upon such represented intention when determining the applicable pricing plan.
  - B. You may terminate this Rental Agreement at the end of Your current fiscal year, or at the end of any subsequent fiscal year, if appropriated funds are not available to You for the Rental Payments that will be due in the next fiscal year. In the event of such a non-appropriation, then You shall

provide written notice to Us that states: Sufficient funds have not been and will not be appropriated for the remaining payments due under the Rental Agreement.

### POSTAGE FUNDING ACCOUNT AGREEMENT

1. **Incorporation of Certain Terms.** You acknowledge that You have entered a Postage Meter Rental Agreement with Quadient, Inc. (the "Rental Agreement"). If you have an eligible Postage Meter, then you will have access to a postage funding account and this Postage Funding Account Agreement ("Account Agreement") shall govern Your use of such account. Any defined terms in the Rental Agreement shall have the same meanings in this Account Agreement, except that "We," "Us," and "Our," refer to Quadient Finance USA, Inc., an affiliate of Quadient, Inc. Sections 10 through 19 of the Rental Agreement are hereby incorporated into this Account Agreement except that any reference in those sections to the "Rental Agreement" refers to this Account Agreement.
2. **Establishment and Activation of Account.** You hereby authorize Us, to establish an account in Your name ("Account") for funding the purchase of postage from the United State Postal Service ("USPS") for use in the Postage Meter. Your Account may also be used to purchase supplies, pay for the Postage Meter rental, and obtain certain other products and services from Quadient Inc. The establishment of Your Account shall be subject to Our approval of Your creditworthiness. Any use of the Account shall constitute Your acceptance of all the terms and conditions of this Account Agreement and all other documents executed or provided in connection with the Account. The Account may not be used for personal, family, or household purposes.
3. **Operation of Account.** Each time an employee or agent of Yours with the express, implied, or apparent authority to do so (each an "Authorized User") uses the Account to receive a postage meter reset or obtain other products or services that Quadient, Inc. is authorized to provide, Quadient, Inc. will
4. **Payment Terms.** You will receive a billing statement for each billing cycle in which You have any activity on Your Account. Payments are due on the due date shown on Your billing statement. You may pay the entire balance due or a portion of the balance, provided that You pay at least the minimum payment amount shown on Your statement. However, if You have exceeded the Account Limit, then You must pay the entire amount of any overage, as well as the minimum payment amount shown on Your statement. Whenever there is an unpaid balance outstanding on Your Account which is not paid in full within forty-five (45) days of the invoice date, , We will charge You, and You agree to pay, one percent (1%) interest on the unpaid balance of the Account. The Account balance that is subject to a finance charge will include outstanding balances, minus any payments and credits received by Us on Your Account that day. Each payment will be applied to reduce the outstanding balance of Your Account and replenish the amount available

notify Us of the amount to be applied to Your Account balance. If the Account is used to obtain postage, then We will transfer the requested amount of postage to the USPS on Your behalf and Your Account will be charged for the amount of postage requested and any related fees, if applicable. You can continue to pre- pay the USPS for postage and understand that pre-paid postage funds will be used first to pay for postage meter resets. You further understand that the Account will provide additional available postage funds when Your pre-paid account balance is zero (\$0). When You request a Postage Meter reset, if You have the funds on account with the USPS, those funds automatically will be withdrawn first to pay for postage, and any additional amounts due for postage and related fees will be billed through the Account under the terms and conditions of this Account Agreement. If the Account is used to acquire products or services that Quadient Inc. is authorized to provide, then We shall pay the applicable amount to Quadient, Inc. and add such amount to Your Account balance.



to You. We may refuse to extend further credit if the amount of a requested charge plus Your existing balance exceeds Your Account Limit.

5. **Account Limit and Account Fees.** You agree that We will establish a credit limit on Your Account (the "Account Limit"). The exact amount of the Account Limit will be indicated on Your invoice. We may, in Our sole discretion, allow Your balance to exceed the Account Limit. In the event We do so, You agree to pay Us an additional fee equal to one percent (1%) of the amount by which the Account Limit is exceeded for each transaction that You initiate after Your Account has reached the Account Limit. Such amount will be charged to Your Account on the date that the relevant transaction(s) occurs. Unless prohibited by applicable law, You agree to pay the amounts set forth in this Account Agreement, which may include, without limitation, the amounts specified above, a fee for a late payment, a fee for any checks that are returned as a result of insufficient funds, a fee for any ACH direct debit transactions which are rejected, and an annual account fee. All such fees shall be added to Your Account balance.
6. **Cancellation and Suspension.** We may, upon thirty (30) days written notice, close or suspend Your Account or temporarily refuse to allow further charges to Your Account. You can cancel Your Account at any time by notifying Us in writing at the address provided on Your Account statement of Your desire to do so. No cancellation or suspension will affect Your obligation to pay any amounts You then owe under this Account Agreement. We will notify You of the Account balance in the event of any termination and all outstanding obligations will survive the termination of this Account Agreement by either party.
7. **Default.** We may declare You in default if You: (i) have made any misrepresentations to Us; (ii) at any time, have done or allowed anything that indicates to Us that You may be unable or unwilling to repay the balance of Your Account as required under this Account Agreement; or (iii) are in default under this Account Agreement or any lease, rental, or other

agreement with Us, or Quadient, Inc. If You are in default, or upon any cancellation of Your Account, We shall not be obligated to continue to provide the Account service or extend further credit under this Account Agreement.

8. **Remedies.** If We have declared that You are in default under this Account Agreement, then We may: (i) refuse to make further advances on Your behalf to reset Your Postage Meter; and (ii) exercise any other rights that We may have available under Law. In addition, You agree that any default under this Account Agreement shall constitute a default under any agreement You may have with Quadient, Inc., Quadient Leasing USA, Inc.
9. **Amendments.** We may amend this Account Agreement, or any of its provisions at any time by at least thirty (30) days written notice to You, and such written notice may be included in Your billing statement. Any such amendment will become effective on the date stated in the notice and will apply to any transactions after such date, as well as to any outstanding balance on Your Account.
10. **Notice:** Any notice required to be given under this Account Agreement by either party hereto shall be given if to You, at the address shown on Your Order Form, and if to Us at 478 Wheelers Farms Road, Milford, CT 06461.
11. **Miscellaneous.** You understand that We may obtain credit reports in connection with Your Account now and in the future. This Account Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to its conflict-of-laws rules, and any applicable federal laws. The sole jurisdiction and venue for actions related to the subject matter hereof shall be in a State or Federal Court within the State of Colorado.

#### **ONLINE SERVICES AND SOFTWARE AGREEMENT**

1. **Incorporation of Certain Terms.** You acknowledge that You have entered a Postage Meter Rental Agreement with Quadient, Inc. (the "Rental Agreement"). Any defined terms in the Rental Agreement shall have the same meanings in this Online Services and Software Agreement ("OSS Agreement"). Sections 12

through 20 of the Rental Agreement are hereby incorporated into this OSS Agreement, except that any reference in those sections to the "Rental Agreement" refers to this OSS Agreement.

2. **License Grant and Additional Terms.** In exchange for the license fees that are included in Your Rental Payment, We hereby grant to You a nonexclusive, nontransferable license to use the Software products, including related documentation, described on the Order Form solely for Your own use on or with the Postage Meter and other products. You warrant and represent that You will not sell, transfer, disclose or otherwise make available such Software products or copies thereof to third parties; provided, however, that the Software products may be used by Your employees or independent contractors using the Postage Meter and other products. No title or ownership of the Software products or any portion thereof is transferred to You.
3. **Software Support.** Unless otherwise specified in the applicable Software terms, if You have purchased support for the Software, We will provide the following for a period of one (1) year: (i) software updates and, if applicable, carrier rate updates that keep You current and compliant with supported carrier rates, fees, zone schedules, label, barcode and forms changes; (ii) updates to the Software; (iii) corrective bug fixes as released; and (iv) technical support for the Software (collectively "Software Maintenance"). At the conclusion of each year of Software Maintenance, and upon a thirty (30) day prior written notice from You, You shall have the

option to renew the Software Maintenance for additional one-year periods at Our then-current fee, per the Master Agreement. If you fail to notify us of Your intent, Your Software Maintenance services shall be terminated. You acknowledge that the Software may fail to comply with applicable regulations if you do not have Software Maintenance and that We shall not have any liability in connection with any such failure. If You allow the Software Maintenance to lapse, You may reinstate such services; provided that you pay all fees that would have been due from the expiration of Your last Software Maintenance period through the reinstatement date.

4. **Use of Websites and SaaS Services.** Quadient, Inc. and/or any of Our affiliates, or suppliers, including, but not limited to, Quadient Leasing USA, Inc. may, from time to time, make certain content and/or services available to You via the Internet ("Websites") in order to provide You with certain services, including, but not limited to, software as a service solutions. If You access any such Websites, You acknowledge and agree that Your use of the Website is subject to the terms of use and/or subscription terms in effect at the time You use the Website. Such terms are available on the Websites for Your review. You acknowledge and agree that such terms may be supplemented and modified from time to time ("Supplemental Terms"). Your use of a Website after Supplemental Terms have been issued will signify Your acceptance of those terms. In the event of a conflict between the terms of this OSS Agreement and the Supplemental Terms, the Supplemental Terms shall control.

## ATTACHMENT 3, QUADIENT EQUIPMENT LEASE TERMS



### Terms and Conditions

#### GOVERNMENT PRODUCT LEASE AGREEMENT

In this Government Product Lease Agreement (the "Lease"), the words "You" and "Your" mean the lessee, which is the entity that is identified as the Customer on the Government Product Lease Agreement Order Form ("Order Form"). "We," "Us" and "Our" mean the lessor, Quadient Leasing USA, Inc. "Supplier" refers to either Quadient, Inc., or any other third party that has manufactured, or is providing services related to, the Products.

**1. Lease of Products. THIS LEASE IS UNCONDITIONAL AND NON- CANCELABLE**

(except as provided in Section 24, below) during the Initial Term (as defined below). You agree to lease from Us the equipment, embedded software, Software, services and other products listed on the Order Form, together with all existing accessories, embedded software programs, attachments, replacements, updates, additions and repairs, (collectively the "Products") upon the terms stated herein. The term "Software" means any software that is subject to this Lease, other than software programs that are embedded in the hardware. Software is subject to the additional terms as may be provided by the Supplier.

**2. Promise to Pay.** You promise to pay to Us the lease payment shown on the Order Form ("Lease Payment") in accordance with the payment schedule set forth thereon, plus all other amounts stated in this Lease.

**3. Initial Term; Renewal.**

**A. FMV Lease.** The Initial Term of this Lease will begin on the date the Products are accepted, per the Master Agreement, and will continue for the number of months shown on the applicable Order Form ("Initial Term"). Unless You have opted for an LTOP Lease as described in Section 23, You must notify Us in writing at least thirty (30) days before the end of the Initial

Term that You intend to either: (i) return the Products at the end of the Initial Term; (ii) purchase the Products pursuant to Section 22, or (iii) renew the Lease on a month to month basis (each a "Renewal Period"). If you fail to give us such notice, then We will provide return shipping instructions at the end of the Initial Term. The amount You pay for the Products will remain unchanged during each Renewal Period. We will not notify You that the Initial Term or any Renewal Period is ending. You may terminate this Lease at the conclusion of any Renewal Period by giving Us thirty (30) days prior written notice of Your intent to do so. If You notify Us in writing that You intend to terminate the Lease, as set forth above, You shall either return the Products pursuant to Section 12 of this Lease or purchase the products pursuant to Section 22.

**B. LTOP Lease.** If you have opted for an LTOP Lease as described in Section 23, then the term of this Lease will begin on the date the Products are accepted and will continue for the number of months shown on the applicable Order Form ("Initial Term"). At the conclusion of the Initial Term of an LTOP Lease, we shall: (i) transfer title of all hardware Products to You as set forth in Section 23; and (ii) Your license to use any Software Products shall continue without the need to make any further license payments to Us.

**4. Payments.** Lease Payments, and other charges provided for herein, are payable in arrears periodically as stated on the Order Form. You agree to make Lease Payments to Us at the address specified on Our invoices, or at any other place designated by Us within thirty (30) days of the date of Our invoice.

**5. Delivery and Location of Products.** The

Products will be delivered to You at the installation address specified on the Order Form (“Installation Address”) or, if no such location is specified, to Your billing address. Your acceptance of the Products occurs upon delivery, inspection, and acceptance of the Products. You shall not remove the Products from the Installation Address unless You first get Our written permission to do so.

- 6. Ownership, Use, and Maintenance of Products.** We will own and have title to the Products during the Lease. You agree that the Products are and shall remain Our personal property. You authorize Us to record (and amend, if appropriate) a UCC financing statement to protect Our interests. You represent that the Products will be used solely for commercial purposes and not for personal, family or household purposes. You agree to maintain the Products in accordance with the applicable operation manuals and to keep the Products in good working order, ordinary wear and tear excepted.
- 7. Assignment of Supplier’s Warranties and Notice of Reused Components.** We hereby assign to You any warranties relating to the Products that We may have received from the Supplier. GUIDED BY QUADIENT, INC.’S SUSTAINABLE DESIGN AND RESPONSIBLE MANUFACTURING POLICY, THE PRODUCTS MAY CONTAIN REUSED COMPONENTS. For more information visit <https://www.quadient.com/about-us/sustainable-design-and-manufacturing>.
- 8. Relationship of the Parties.** You agree that You, not We, selected the Products and the Supplier, and that We are a separate company from the Supplier and that the Supplier is not Our agent. IF YOU ARE A PARTY TO ANY MAINTENANCE, SERVICE, SOFTWARE LICENSE, SUPPLIES OR OTHER CONTRACT WITH ANY SUPPLIER, WE ARE NOT A PARTY THERETO, AND SUCH CONTRACT IS NOT PART OF THIS LEASE (EVEN THOUGH WE MAY, AS A CONVENIENCE TO YOU AND THE SUPPLIER, BILL AND COLLECT MONIES OWED BY YOU TO THEM).
- 9. Default.** You will be in default under this Lease if You fail to pay any amount within forty-five

(45) days of the date of Our invoice, or fail to perform or observe any other obligation in this Lease. If You default, We may, upon a thirty (30) day written notice to You, do any one or more of the following, at Our option, concurrently or separately: (A) cancel this Lease; (B) require You to return the Products pursuant to Section 12 below; (C) take possession of and/or render the Products unusable, and for such purposes You hereby authorize Us and Our designees to enter Your premises, with prior reasonable notice or other process of law; and (D) require You to pay to Us, an amount equal to the sum of: (i) all Lease Payments and other amounts then due and past due; (ii) all remaining Lease Payments for the then-current term, and (iii) in the event that You fail to promptly return the Products to Us within thirty (30) calendar days of Our notice of default,, an amount equal to the residual value of the Products at the end of the then-current term. We are not required to re-lease or sell the Products if We repossess them. These remedies shall be cumulative and not exclusive, and shall be in addition to any and all other remedies available to Us by Law.

- 10. Finance Lease.** You agree that this Lease is a “finance lease” as defined in Article 2A of the Uniform Commercial Code (“UCC”). To the extent permitted by law, You hereby waive any and all rights and remedies conferred upon You under UCC Sections 2A-303 and 2A- 508 through 2A-522, or any similar laws.
- 11. Loss; Damage; Insurance.** You shall: (i) bear the risk of loss and damage to the Product(s) during the Initial Term and any Renewal Period; and (ii) keep the Product(s) insured, at Your expense, against all risks of loss and damage in an amount at least equal to its full replacement cost.
- 12. Return of Products.** Unless You take title to the tangible Products pursuant to Section 22 or Section 23, then You are required to return such Products under this Lease. In such a case, at the end of the Lease, You shall, after receiving an Equipment Return Authorization (“ERA”) number from Us, promptly send the Products, at Your expense plus shipping and handling costs, to any location(s) that We

designate in the contiguous United States. The Products must be properly packed for shipment with the ERA number clearly visible, freight prepaid and fully insured, and must be received in good condition, less normal wear and tear.

13. **Assignment.** YOU SHALL NOT SELL, TRANSFER, ASSIGN, SUBLEASE, PLEDGE OR OTHERWISE ENCUMBER (COLLECTIVELY, "TRANSFER") THE PRODUCTS OR THIS LEASE IN WHOLE OR IN PART.
14. **Disclaimer of Warranties.** WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE SUITABILITY OF THE PRODUCT(S), ITS CONDITION, ITS MERCHANTABILITY, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS FREEDOM FROM INFRINGEMENT, OR OTHERWISE. WE PROVIDE THE PRODUCTS TO YOU "AS IS," "WHERE IS" AND "WITH ALL FAULTS."
15. **Limitation of Liability.** WE SHALL NOT BE LIABLE TO YOU AND YOU SHALL NOT MAKE A CLAIM AGAINST US FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE OF ANY KIND ARISING DIRECTLY OR INDIRECTLY FROM THE DELIVERY, INSTALLATION, USE, RETURN, LOSS OF USE, DEFECT, MALFUNCTION, OR ANY OTHER MATTER RELATING TO THE PRODUCTS (COLLECTIVELY, "PRODUCT MATTERS"). NOTWITHSTANDING ANY OTHER PROVISION OF THIS LEASE, EXCEPT FOR DIRECT DAMAGES RESULTING FROM PERSONAL INJURY OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE TOTAL OF THE AMOUNTS PAID TO US HEREUNDER BY YOU. THIS LIMITATION OF LIABILITY SHALL BE IN ADDITION TO ANY INSURANCE COVERAGE REQUIRED UNDER THE CONTRACT, BUT IN NO EVENT WILL THE LIABILITY COVERAGE EXCEED ACTUAL DAMAGES INCURRED.
16. **Notice.** All notices, requests and other communications to Us shall be in writing and sent to: Quadient Leasing USA, Inc., 478

Wheelers Farms Road, Milford, CT 06461 ("Notice Address"). Such notices shall be considered given when: (i) delivered personally, or (ii) sent by commercial overnight courier with written confirmation of delivery. In the event that We do not accept Your offer to enter this Lease, then You have the right to a written statement that specifies the reasons that Your offer was not accepted. You can request such a statement by writing to Us at the Notice Address.

17. **Integration.** The Lease represents the final and only agreement between You and Us. There are no unwritten oral agreements between You and Us. The Lease can be changed only by a written agreement between You and Us. Any additional terms and conditions referenced on any Purchase Order shall be void and have no effect on this Lease.
18. **Severability.** In the event any provision of this Lease shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.
19. **Waiver or Delay.** A waiver of any default hereunder or of any term or condition of this Lease shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed. We may accept late payments, partial payments, checks, or money orders marked "payment in full," or with a similar notation, without compromising any rights under this Lease.
20. **Survival of Obligations.** Your obligations under this Lease shall survive any expiration or termination of the Master Agreement or Colorado Participating Addendum that governs it. Any obligations and duties which by their nature extend beyond the expiration or termination of this Lease shall survive the expiration or termination of this Lease.
21. **Choice of Law; Venue; and Attorney's Fees.** This Lease shall be governed under the laws of

the State of Colorado, without regard to conflicts of law, and jurisdiction shall lie exclusively in a court of competent jurisdiction in Denver County, Colorado. In any litigation or other proceeding by which one party either seeks to enforce its rights under this Lease (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Lease, to the extent allowable by law, the prevailing party shall be awarded its reasonable costs and expenses incurred.

**22. FMV Leases.** If this Lease is a fair market value lease, as indicated by the lease rate that has been used by Us to calculate Your Lease Payment then, unless You are in default, You may elect to purchase the hardware Products at the end of this Lease on an “as is, where is” basis for their fair market value, as reasonably determined by Us. In the event that You elect to do so, You must give us thirty (30) days prior written notice of Your election to purchase such Products.

**23. LTOP Leases.** If this Lease is a lease to purchase, as indicated by the lease rate that has been used by Us to calculate Your Lease Payments then, at the end of the Initial Term and after You have made all of the Lease Payments, We shall transfer title to all hardware Products that are subject to this Lease to You on an “as is, where is” basis.

**24. Non-Appropriation.**

**A.** You warrant and represent that You intend to enter into this Lease for at least the entire Initial Term and that You are doing so for an essential government purpose. You agree that, prior to the expiration of the Initial Term, you shall not terminate this Lease in order to obtain the same or similar Products from another vendor.

**B.** You may terminate this Lease at the end of Your current fiscal year, or at the end of any subsequent fiscal year, if appropriated funds are not available to You for the Lease Payments that will be due in the next fiscal year. In the event of such a non-appropriation, then You shall provide written notice to Us that states: Sufficient funds have not been and will not be appropriated for the remaining payments

due under the Lease.

**C. Convenience.** You may terminate this Lease at any time and for any reason or for no reason (“Termination for Convenience”); provided that You comply with the provisions of this paragraph. In the event of a Termination for Convenience, You shall pay Us a termination charge equal to the net present value of the periodic payments remaining in the Initial Term or, if applicable, the then-current Renewal Term, discounted to the present value at an interest rate equal to six percent (6%) per annum. Such amount must be received by Us within thirty (30) days of the effective date of the termination.

**25. Additional Postage Meter Terms.** If the Products require a postage meter, then You agree that Quadient’s Postage Meter Rental Agreement shall govern your rental of such postage meter.

**POSTAGE METER RENTAL AGREEMENT**

**1. Incorporation of Certain Terms.** Customer acknowledges that: (i) it has entered a Government Product Lease Agreement with Quadient Leasing USA, Inc. (the “Lease”); and (ii) if the Products that are subject to the Lease includes a mailing machine, then the terms of this Postage Meter Rental Agreement (“Rental Agreement”) shall govern its rental of the Postage Meter (as defined below) for such machine. Any defined terms in the Lease shall have the same meanings in this Rental Agreement, except that “We,” “Us,” and “Our,” refers to Quadient, Inc., and any reference to “Products” shall refer to the Postage Meter. Sections 11 through 21, 24 and 25 of the Lease are hereby incorporated into this Rental Agreement, except that any reference in those sections to the “Lease” refer to this Rental Agreement.

**2. Provisions as to Use.** You acknowledge that: (i) as required by United States Postal Service (“USPS”) regulations, the postage meter(s) identified on the Order Form (the “Postage Meter”) is being rented to You and that it is Our property; (ii) the Postage Meter will be surrendered by You upon demand by Us; (iii)

You are responsible for the control and use of the Postage Meter; (iv) You will comply with all applicable laws regarding Your use or possession of the Postage Meter; (v) the use of the Postage Meter is subject to the conditions established from time to time by the United States Postal Service; and (vi) the Postage Meter is to be used only for generating an indicia to evidence the prepayment of postage and to account for postal funds. It is a violation of Federal law to misuse or tamper with the Postage Meter and, if You do so, We may terminate this Rental Agreement upon notice to You.

- 3. Rental Fee, Term, and Taxes.** The rental fee for the Postage Meter rental during the Initial Term is included in the Lease Payment. For each Renewal Term, You agree to pay Our then-current fee, per the Master Agreement, for the Postage Meter rental. The Postage Meter rental fee does not include the cost of consumable supplies. The term of the rental shall be equal to the term of the Lease and is NON-CANCELABLE. You agree to pay all applicable taxes related to Your acquisition, possession, and/or use of the Postage Meter including all property taxes on the Postage Meter. Notwithstanding the foregoing, in the event You are tax exempt, upon providing Us a certificate, You will not be required to pay any taxes covered by such certificate. You agree that you will return the Postage Meter at the end of the Lease term and that You will do so in the manner set forth in Section 12 of the Lease. Furthermore, You agree that if you fail to return a postage meter within thirty (30) days of receipt of the Equipment Return Authorization from Us, then You will forfeit any remaining postage that may be left on the meter. You will also be subject to a \$100 lost meter charge, billable upon the 31<sup>st</sup> day.
- 4. Postage Meter Maintenance, Inspections, and Location.** We will keep the Postage Meter in good working condition during the term of this Rental Agreement. The United States Postal Service regulations may require Us to periodically inspect the Postage Meter. You agree to cooperate with Us regarding such inspections. We may, from time to time, access

and download information from Your Postage Meter to provide Us with information about Your postage usage and We may share that information with the United States Postal Service and our servicing dealership. You agree to promptly update Us whenever there is any change in Your name, address, telephone number, the licensing post office, or the location of the Postage Meter.

- 5. Postage Advances.** We do not sell postage. In the event You require an emergency advance for postage, We, at Our sole discretion, may advance You money to reset the Postage Meter. If We do provide such an advance, You agree to repay Us within five (5) days from the time of such advance: (i) the amount of the emergency advance; and (ii) the then-current advance fee.
- 6. Default.** In the event You fail to perform in accordance with the terms set forth in this Rental Agreement, or any other Agreement with Us or Quadient Leasing USA Inc., and Quadient Finance USA, Inc., then We may, with a thirty (30) day written notice to You: (i) repossess the Postage Meter(s); (ii) disable the Postage Meter; or (iii) immediately terminate this Rental Agreement. Furthermore, upon the return of the Postage Meter, You hereby authorize Us to offset any amount of postage remaining in the Postage Meter, prior to any refund to You, against any amount due to Us.
- 7. Rate Updates.**

  - A. Maintenance of Postal Rates.** It is Your sole responsibility to ensure that correct amounts are applied as payment for mailing and shipping services. We shall not be responsible for returns for delivery delays, refusals, or any other problems caused by applying the incorrect rate to mail or packages.
  - B. Rate Updates with Online Services.** If the Order Form indicates that You are enrolled in Our Online Services program, then We will make available periodic updates for Your covered Products and/or Postage Meter, including updates to maintain accurate USPS rates for the USPS services that are compatible with such Products or Postage Meter. **The rate**

**updates that are offered with Our Online Services program are only available for products that are Integrated (as defined below) into Your mailing machine.** For the purposes of this section, “Integrated” means that the covered hardware cannot properly operate on a stand-alone basis and it has been incorporated into the mail machine. Products that are not Integrated including, but not limited to, all Software and scales with “ST-77,” or “SE” in the model number will not receive updated rates as part of Our Online Services program (collectively “Excluded Products”).

- C. Rate Updates with Rate Change Protection and Software Advantage.** If You have any of Our Excluded Products, You may have elected to purchase Rate Change Protection (“RCP”) from Us for Your hardware products or Software Advantage for Your Software. If the Order Form indicates that You have selected RCP or Software Advantage, We will make available the following updates for Your covered Products or Software: (i) updates to maintain accurate rates for the services offered by the USPS and other couriers that are compatible with Your covered Products or Software; and (ii) updates for major zip or zone changes that are compatible with Your covered Products or Software. If any reprogramming is required because You have moved the Products or Postage Meter to a new location, none of the services described in this Section cover the cost to do so. If You have not selected RCP or Software Advantage, You agree that We may send You periodic rate updates as needed and You agree to either: (i) promptly pay the then-current price for such update; or (ii) return the unused, update to Us within ten (10) business days of receiving it. Customers with an outstanding Accounts Receivable balance may not receive a rate update until the open balance is resolved.

**8. United States Postal Service Acknowledgement of Deposit Requirement.**

By signing this Postage Meter Rental Agreement, You acknowledge and agree that You have read the United States Postal Service Acknowledgement of Deposit (the “Acknowledgement”) and will comply with its terms and conditions, as it may be amended from time to time.

**9. Additional United States Postal Service Terms.**

- A.** By signing this Postage Meter Rental Agreement, You acknowledge that You are also entering into an Agreement with the United States Postal Service (“USPS”) in accordance with the Domestic Mail Manual (“DMM”) 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (collectively, “Postage Evidencing Systems” or “PES”) and accept responsibility for control and use of the PES contained therein.
- B.** You also acknowledge You have read the DMM 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (Postage Evidencing Systems) and agree to abide by all rules and regulations governing its use.
- C.** Failure to comply with the rules and regulations contained in the DMM or use of the PES in any fraudulent or unlawful scheme or enterprise may result in the revocation of this Rental Agreement.
- D.** You further acknowledge that any use of this PES 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, fictitious or fraudulent statement can result in imprisonment of up to five (5) years and fines of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (3 U.S.C. 3802).
- E.** You further understand that the rules and regulations regarding use of this PES as documented in the USPS Domestic Mail Manual may be updated from time to time by the USPS and it is Your obligation to



comply with any current or future rules and regulations regarding its use.

- F. You are responsible for immediately reporting (within seventy-two hours or less) the theft or loss of the postage meter that is subject to this Rental Agreement. Failure to comply with this notification provision in a timely manner may result in the denial of refund of funds remaining on the postage meter at the time of the loss or theft.

### POSTAGE FUNDING ACCOUNT AGREEMENT

1. **Incorporation of Certain Terms.** You acknowledge that You have entered a Government Product Lease Agreement with Quadient Leasing USA, Inc. (the "Lease") and a Postage Meter Rental Agreement with Quadient, Inc. (the "Rental Agreement"). If you have an eligible postage meter, then you will have access to a postage funding account and this Postage Funding Account Agreement ("Account Agreement") shall govern Your use of such account. Any defined terms in the Lease or Rental Agreement shall have the same meanings in this Account Agreement, except that "We," "Us," and "Our," refer to Quadient Finance USA, Inc. Sections 14 through 20 of the Lease are hereby incorporated into this Account Agreement except that any reference in those sections to the "Lease" refers to this Account Agreement.

2. **Establishment and Activation of Account.** You hereby authorize Us, to establish an account in Your name ("Account") for funding the purchase of postage from the United State Postal Service ("USPS") for use in the postage meter. Your Account may also be used to purchase supplies, pay for the Postage Meter rental, and obtain certain other products and services from Quadient, Inc. The establishment of Your Account shall be subject to Our approval of Your creditworthiness. Any use of the Account shall constitute Your acceptance of all the terms and conditions of this Account Agreement and all other documents executed or provided in connection with the Account. The Account may not be used for personal, family, or household purposes.

3. **Operation of Account.** Each time an employee or agent of Yours with the express, implied, or apparent authority to do so (each an "Authorized User") uses the Account to receive a postage meter reset or obtain other products or services that Quadient, Inc. is authorized to provide, Quadient, Inc. will notify Us of the amount to be applied to Your Account balance. If the Account is used to obtain postage, then We will transfer the requested amount of postage to the USPS on Your behalf and Your Account will be charged for the amount of postage requested and any related fees, if applicable. You can continue to pre-pay the USPS for postage and understand that pre-paid postage funds will be used first to pay for my postage meter resets. You further understand that the Account will provide additional available postage funds when Your pre-paid account balance is zero (\$0). When You request a postage meter reset, if You have the funds on account with the USPS, those funds automatically will be withdrawn first to pay for postage, and any additional amounts due for postage and related fees will be billed through the Account under the terms and conditions of this Account Agreement. If the Account is used to acquire products or services from that Quadient, Inc. is authorized to provide, then We shall pay the applicable amount to Quadient, Inc. and add such amount to Your Account balance.

4. **Payment Terms.** You will receive a billing statement for each billing cycle in which You have any activity on Your Account. Payments are due on the due date shown on Your billing statement. You may pay the entire balance due or a portion of the balance, provided that You pay at least the minimum payment amount shown on Your statement. However, if You have exceeded the Account Limit, then You must pay the entire amount of any overage, as well as the minimum payment amount shown on Your statement. Whenever there is an unpaid balance outstanding on Your Account which is not paid in full within forty-five (45) days of the invoice date, We will charge You, and You agree to pay one percent (1%), interest on the unpaid balance of the Account. The

Account balance that is subject to a finance charge will include outstanding balances, minus any payments and credits received by Us on Your Account that day. Each payment will be applied to reduce the outstanding balance of Your Account and replenish the amount available to You. We may refuse to extend further credit if the amount of a requested charge plus Your existing balance exceeds Your Account Limit.

5. **Account Limit and Account Fees.** You agree that We will establish a credit limit on Your Account (the "Account Limit"). The exact amount of the Account Limit will be indicated on Your invoice. We may, in Our sole discretion, allow Your balance to exceed the Account Limit. In the event We do so, You agree to pay Us an additional fee equal to one percent (1%) of the amount by which the Account Limit is exceeded for each transaction that You initiate after Your Account has reached the Account Limit. Such amount will be charged to Your Account on the date that the relevant transaction(s) occurs. Unless prohibited by applicable law, You agree to pay the amounts set forth in this Account Agreement, which may include, without limitation, the amounts specified above, a fee for a late payment, a fee for any checks that are returned as a result of insufficient funds, and a fee for any ACH direct debit transactions which are rejected, and an annual account fee. All such fees shall be added to Your Account balance.
6. **Cancellation and Suspension.** We may, at any time, close or suspend Your Account or temporarily refuse to allow further charges to Your Account. You can cancel Your Account at any time by notifying Us in writing at the address provided on Your Account statement of Your desire to do so. No cancellation or suspension will affect Your obligation to pay any amounts You then owe under this Account Agreement. We will notify You of the Account balance in the event of any termination and all outstanding obligations will survive the termination of this Account Agreement by either party.
7. **Default.** We may declare You in default if You:

(i) have made any misrepresentations to Us; (ii) at any time, have done or allowed anything that indicates to Us that You may be unable or unwilling to repay the balance of Your Account as required under this Account Agreement; or (iii) are in default under this Account Agreement or any lease, rental, or other agreement with Us, or Quadient, Inc. If You are in default, or upon any cancellation of Your Account, We shall not be obligated to continue to provide the Account service or extend further credit under this Account Agreement.

8. **Remedies.** If We have declared that You are in default under this Account Agreement, then We may: (i) refuse to make further advances on Your behalf to reset Your postage meter; and (ii) exercise any other rights that We may have available under law. In addition, You agree that any default under this Account Agreement shall constitute a default under any agreement You may have with Quadient, Inc., and Quadient Leasing USA, Inc.
9. **Amendments.** We may amend this Account Agreement, or any of its provisions, including without limitation any fees and charges and/or the Annual Percentage Rate, at any time by at least thirty (30) days written notice to You, and such written notice may be included in Your billing statement. Any such amendment will become effective on the date stated in the notice and will apply to any transactions after such date, as well as to any outstanding balance on Your Account.
10. **Notice:** Any notice required to be given under this Account Agreement by either party hereto shall be given if to You, at the address shown on Your Order Form, and if to Us at 478 Wheelers Farms Road, Milford, CT 06461.
11. **Miscellaneous.** You understand that We may obtain credit reports in connection with Your Account now and in the future. This Account Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to its conflict-of-laws rules, and any applicable federal laws. The sole jurisdiction and venue for actions related to the subject matter hereof shall be in a State or Federal Court within the State of Colorado.

## MAINTENANCE AGREEMENT

1. **Incorporation of Certain Terms.** You acknowledge that You have entered a Government Product Lease Agreement with Quadient USA, Inc. (the "Lease"). Any defined terms in the Lease shall have the same meanings in this Maintenance Agreement, except that "We," "Us," and "Our," refer to Quadient, Inc. Sections 13 through 24 of the Lease are hereby incorporated into this Maintenance Agreement, except that any reference in those sections to the "Lease" refers to this Maintenance Agreement.
2. **Quadient's Terms and Conditions for Maintenance Services.** If the Order Form indicates that You have purchased maintenance services, then Quadient, Inc., or one of its affiliates, will provide maintenance services for the Products in accordance with Quadient, Inc.'s then-current maintenance terms and pricing, per the NASPO ValuePoint Master Agreement, for the level of maintenance services that You have purchased. Those services will be provided for the entire term of the Lease and are NON-CANCELABLE. **Notwithstanding the foregoing, maintenance services are not available on HD Office Printer Series products.**

## ONLINE SERVICES AND SOFTWARE AGREEMENT

1. **Incorporation of Certain Terms.** You acknowledge that You have entered a Government Product Lease Agreement with Quadient Leasing USA, Inc. (the "Lease"). Any defined terms in the Lease shall have the same meanings in this Online Services and Software Agreement ("OSS Agreement"), except that "We," "Us," and "Our," refer to Quadient, Inc. Sections 13 through 24 of the Lease are hereby incorporated into this OSS Agreement, except that any reference in those sections to the "Lease" refer to this OSS Agreement.
2. **License Grant and Additional Terms.** In exchange for the license fees that are included in Your Lease Payment, We hereby grant to You a nonexclusive, nontransferable license to use the Software products, including related documentation, described on the Order Form solely for Your own use on or with the

Products. You warrant and represent that You will not sell, transfer, disclose or otherwise make available such Software products or copies thereof to third parties; provided, however, that the Software products may be used by Your employees or independent contractors using the Products. No title or ownership of the Software products or any portion thereof is transferred to You. **Software Support.** Unless otherwise specified in the applicable Software terms, if You have purchased support for the Software, We will provide the following for a period of one (1) year: (i) software updates and, if applicable, carrier rate updates that keep You current and compliant with supported carrier rates, fees, zone schedules, label, barcode and forms changes; (ii) updates to the Software; (iii) corrective bug fixes as released; and (iv) technical support for the Software (collectively "Software Maintenance"). At the conclusion of each year of Software Maintenance, and upon a thirty (30) day prior written notice from You, You shall have the option to renew the Software Maintenance for additional one-year periods at Our then-current fee, per the Master Agreement. If you fail to notify us of Your intent, Your Software Maintenance services shall be terminated. You acknowledge that the Software may fail to comply with applicable regulations if you do not have Software Maintenance and that We shall not have any liability in connection with any such failure. If You allow the Software Maintenance to lapse, You may reinstate such services; provided that you pay all fees that would have been due from the expiration of Your last Software Maintenance period through the reinstatement date.

3. **Use of Websites.** Quadient, Inc. and/or any of Our affiliates, suppliers, including, but not limited to, Quadient Leasing USA, Inc. may, from time to time, make certain websites available to You in order to provide You with certain services ("Websites"). If You access any such Websites, You acknowledge and agree that Your use of the Website is subject to the terms of use and/or license terms in effect at the time You use the Website. Such terms are

available on the Websites for Your review. You acknowledge and agree that such terms may be supplemented and modified from time to time (“Supplemental Terms”). Your use of a Website after Supplemental Terms have been

issued will signify Your acceptance of those terms. In the event of a conflict between the terms of this OSS Agreement and the Supplemental Terms, the Supplemental Terms shall control.

## ATTACHMENT 4, PARCEL LOCKER MAINTENANCE AGREEMENT



### Terms and Conditions

#### Parcel Locker Maintenance Agreement

In this Parcel Locker Maintenance Program Agreement (the "Agreement"), the words "You" and "Your" mean the entity that is the Customer identified below and on the Sales Quote dated \_\_\_\_\_ ("Order Form"). "We," "Us" and "Our" mean the seller, Quadient, Inc.

1. **Coverage.** Maintenance services, as described herein, will be provided for the parcel locker(s) ("Product") at the Delivery Location. We agree to provide the parts and labor associated with the ordinary maintenance of the Product as required due to normal wear and tear for a maximum of up to sixteen (16) hours per year, as well as the help desk support services described below ("Maintenance Services"). After We have performed sixteen (16) hours of Maintenance Services, We shall bill You at Our then-current NASPO ValuePoint Master Agreement rate, for any additional labor and any parts in connection with any additional services that are performed. Maintenance Services do not include consumable parts and/or wearable parts, if any, as defined by Us. Maintenance Service time shall be measured from the time the service personnel arrive on site to the time they depart. Travel time shall not be included in the allotted Maintenance Service time. Maintenance Services also include up to one (1) preventative maintenance call per year which We shall provide upon request from You. We may, at Our option, designate a third party to provide Maintenance Services. We, in Our sole discretion, may service the Product by replacing it with new or like-new Product; provided that such replacement is substantially similar to the Product. Maintenance Services will be provided between the hours of 8:30 a.m. and 5:00 p.m. on weekdays (excluding holidays) local time based on the location of the Product ("Normal Working Hours"). Any parts that are replaced by Us while performing Maintenance Services become the property of Us.
2. **Help Desk Support.** We will provide You with Unlimited telephone support for the Product during weekdays between the hours of 8:30 a.m. and 5:00 p.m. (excluding holidays).
3. **Payment and Fees.** You shall commence paying for the Maintenance Services when the Product is installed. All fees for Maintenance Services ("Maintenance Fees") on purchased Products are invoiced annually, in advance. The initial Maintenance Fees are set forth on the Order Form. In addition to the Maintenance Fees, You agree to pay: (a) for labor, parts, and expenses for any maintenance or repair that is part of an Excluded Service (as defined below); (b) for travel expenses for any on-site maintenance services that in Our opinion are deemed unnecessary; (collectively "Additional Charges"). All Additional Charges shall be at Our then-current Master Agreement rates for time and materials. Charges for labor for Additional Charges shall include travel expenses (including travel time, gas, tolls, mileage, etc.). All payments for Maintenance Services and Additional Charges are nonrefundable. We may adjust the Maintenance Fees at the end of the Initial Maintenance Term (as defined below) and any renewal term, as long as those fees do not exceed Master Agreement pricing.
4. **Term.** Unless otherwise specified in the Agreement, the initial term of these Maintenance Services is one (1) year (the "Initial Maintenance Term"). Unless You provide thirty (30) days written notice to Us prior to the end of the Initial Maintenance Term, or any renewal term of your intent to renew the Maintenance

Services, the Maintenance Services shall automatically terminate at the end of the Initial Maintenance Term.

5. Requesting Maintenance Services. In order to receive Maintenance Services on the Product, You must notify Us of a need for service by contacting Us or, if directed by Us, another authorized service provider, in the manner directed by Us. We may, in Our sole discretion, attempt to resolve Product performance issues over the telephone. If We determine that on-site service is necessary, We shall provide such on-site service in accordance with the terms set forth herein.
6. Exclusions from Coverage. Maintenance Services do not include:
- De-installation of the Product, or moving the Product (however, these services are available for an additional fee);
  - Services provided outside of Normal Working Hours (however, service is available outside of those hours for an additional fee);
  - Maintenance or repairs made necessary by the Your failure to maintain or use the Product in conformance with the manufacturer's specifications;
  - Maintenance or repairs made necessary by changes in the design of the Product made by You or mechanical, electrical, or electronic interconnections, or the attachment of other parts or components to the Product by You;
  - Maintenance or repairs made necessary by vandalism, accidents or natural disasters;
  - Maintenance or repairs made necessary by Your negligence or willful misconduct;
  - Maintenance or repairs made necessary by software that is installed in the Product by You (and not at Our direction);
  - Maintenance or repairs made necessary by changes to the Product made by You or anyone other than Us or Our authorized service representatives;
  - Damage or repair necessitated by relocation of the Product except to the extent such relocation was done by Us or our authorized service representatives;
  - Maintenance or repairs made necessary by the use of parts, consumables, or other supplies that do not comply with the manufacturer's specifications;
  - Recovery of any data stored within the Product or the maintaining of any back-up data;
  - Rebuilding or major overhauls to the Product which We determine are necessary ("Reconditioning"); and
  - Any assistance with obtaining any permits, licenses, or similar authorizations that may be required in connection with the installation or operation of the Product (however, such service is available for an additional fee).

All of the foregoing are "Excluded Services." Excluded Services also include operator training beyond the initial training provided by Us upon installation. In the event You request Us to perform an Excluded Service, You shall pay Us Our then-current Master Agreement hourly rate for those services (including travel time), as well as Our then-current Master Agreement price for any parts required in connection with such services.

7. Your Other Obligations. You agree to maintain the Product in accordance with the manufacturer's published specifications. You are solely responsible for all data stored on the Product and making copies of all such data prior to Us performing Maintenance Services. You shall provide a suitable environment for the Product (including appropriate electrical and internet connections) as specified by the manufacturer. You shall allow Us full and free access to the Product and the use of necessary data communications facilities and equipment at no charge to Us. You shall not cause modifications or interconnections to be made, or accessories, attachments, or features to be added to the Product without Our prior written approval.
8. Termination. We may terminate the Maintenance Services, upon thirty (30) days written notice to You,

if: (i) You default on any payment due under this Agreement; (ii) the Product is modified, damaged, altered or serviced by personnel other than the Us or Our authorized service representatives; (iii) parts, accessories, consumables, supplies, or components not meeting machine specifications are used with the Product; (iv) any services are necessary because You have done (or failed to do) something that requires the performance of an Excluded Service; or (v) You decide not to proceed with any Reconditioning that is deemed necessary by Us.

- 9. Disclaimer. We shall not be liable in any manner for any property that may be stored within the Product.

The parties have caused this Parcel Locker Maintenance Program Agreement to be executed by their duly authorized representatives on the date(s) shown below.

\_\_\_\_\_

**Quadient, Inc.**

**Customer**

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Printed \_\_\_\_\_

Printed \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

## ATTACHMENT 5, SAMPLE DELIVERY & ACCEPTANCE (D&A) CERTIFICATE

To: Quadient, Inc.

Pursuant to the provisions of the Master Agreement and Participating Addendum, Purchasing Entity hereby certifies and warrants that (a) all Equipment described in the Order has been delivered and installed; (b) Purchasing Entity has inspected the Equipment, and all such testing as it deems necessary has been performed by Purchasing Entity and/or Contractor to the Satisfaction of Purchasing Entity; and (c) Purchasing Entity accepts the Equipment for all purposes of the Order.

**Insert name of Purchasing Entity**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_