

**PARTICIPATING ADDENDUM
to NASPO ValuePoint
Mailroom Equipment, Supplies & Maintenance
Administered by the State of Arizona
with Neopost USA Inc.
Master Agreement No. ADSP016-169901
And
The State of Colorado
Participating Addendum No. 2018-011**

1. PARTIES AND SCOPE

This Participating Addendum, including all of its attached Exhibits, Attachments, and other documents incorporated by reference (the "Participating Addendum"), is entered into by and between Neopost USA Inc. (the "Contractor"), and the State of Colorado (the "State"). This Participating Addendum covers participation in the Mailroom Equipment, Supplies & Maintenance category, led by the State of Arizona, as amended (the "Master Agreement"), for use by State agencies and other entities located in the State, and authorized by the State's statutes 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 C, Products and Price List**.

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. 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

To the extent not modified by this Participating Addendum, all terms and conditions of the Master Agreement 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 a Purchasing Entity 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.

4. EQUIPMENT AND SOFTWARE OPTIONS

- i. A Purchasing Entity may purchase or lease Equipment and software under this Participating Addendum. Only Straight Leases are authorized. Fair Market Value (FMV) and Capital Leases are not.
- ii. Purchasing Entity's may only take ownership of Equipment through an up-front purchase by use of **Exhibit E, Neopost Purchase Agreement Terms**, or by securing third party financing.
- iii. Ownership is not an option through a Straight Lease.

- iv. The State has reviewed and approved the terms and conditions in the Contractor's documents, which are attached hereto as **Exhibits D through H**, and **Attachments 1 through 3**, 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. 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 **Exhibits D through H**, or **Attachments 1 through 3**, this Participating Addendum shall govern, except to the extent such conflict would cause either party to be noncompliant with United States Postal Service Regulations.
- v. In the event the Purchasing Entity receives or obtains copies of the language in Exhibits D through H, and/or Attachments 1 through 3, and the language varies from what is listed in said Exhibits and/or Attachments, the language in the Exhibits and Attachments incorporated into this Participating Addendum, shall prevail.
- vi. Purchasing Entities requiring the use of a postage meter shall comply with all United States Postal Service regulations.

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, without a formal amendment to this Participating Addendum no later than five (5) days following the date on which the change occurs. The Contractor's primary contact shall be ultimately responsible for ensuring that all Goods are delivered and all Services are completed in accordance with this Participating Addendum.

Primary Contact for the State:
 Nikki Pollack, State Procurement
 Administrator
 State Purchasing & Contracts Office
 1525 Sherman Street, 3rd Floor
 Denver, Co 80203
 (303) 866-5671
 nikki.pollack@state.co.us

Primary Contact for the Contractor:
 Larry Waters, Government Account
 Manager
 Neopost USA Inc.
 478 Wheelers Farms Rd.
 Milford, CT 06461
 (281) 216-4596
 L.waters@neopost.com

6. SUBCONTRACTORS

- i. The Contractor may only use Subcontractors, as defined in **Exhibit A**, under this Participating Addendum if the State has provided written approval for the Contractor to use that Subcontractor. All such approved Subcontractors authorized in the State of Colorado, as shown on the dedicated State website, are approved to provide sales and service support to the State and any Purchasing Entity in the State.
- ii. Contractor shall remain the primary Contractor fully accountable to the State for ensuring that its Subcontractors comply with the terms of this Participating Addendum.
- iii. Contractor shall provide written notice to the State with respect to any changes to their list of Authorized Dealers in Colorado, and shall obtain written approval from the State, which shall not be unreasonably withheld, prior to adding additional dealers to the list of providers.

- iv. The State may remove an Authorized Dealer from Contractor's list, at any time, and without further explanation or process.

7. ORDERS



- i. Any Order placed by a Purchasing Entity in the State of Colorado for a Good or Service available from this Participating Addendum shall be deemed to be a sale under (and governed by the prices and other terms and conditions) the Master Agreement and this Participating Addendum.
- ii. Any Order entered into while this Participating Addendum is in effect, shall survive the termination of this Participating Addendum, and shall still be bound by the original terms and conditions, as amended, of this Participating Addendum.
- iii. All Orders issued by Purchasing Entities as defined in this Participating Addendum, shall state the Participating Addendum Number: 2018-011 and the Master Agreement Number: ADSPO16-169901.
- iv. Additional requirements for Orders are set forth in **Exhibit B, General Work Requirements**.


8. ORDER OF PRECEDENCE

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

- A. Colorado Special Provisions in §16 of Participating Addendum Exhibit A, State Specific Terms
- B. The provisions of the main body of this Participating Addendum
- C. All other sections of Participating Addendum Exhibit A, State Specific Terms
- D. Participating Addendum Exhibit B, General Work Requirements
- E. Participating Addendum Exhibit C, Products and Price List
- F. Participating Addendum Exhibits D through H, with equal precedence
- G. Participating Addendum Attachments 1 through 3, with equal precedence


THE PARTIES HERETO HAVE EXECUTED THIS PARTICIPATING ADDENDUM

<p align="center">CONTRACTOR Neopost USA Inc.</p> <p>By: Kevin O'Connor Title: VP Marketing</p> <p align="center"> _____ Signature</p> <p>Date: <u>1/16/2018</u></p>	<p align="center">STATE OF COLORADO John W. Hickenlooper, Governor Department of Personnel and Administration State Purchasing & Contracts Office June Taylor, Executive Director</p> <p align="center"> _____ By: John Chapman, State Purchasing Manager</p> <p>Date: <u>Jan 16, 2018</u></p>
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<p align="center">STATE OF COLORADO Governor's Office of Information Technology Suma Nallapati, Secretary of Technology and Chief Information Officer</p> <p align="center"> _____ By: Brenda Berlin, Deputy Chief Information Officer and Chief Financial Officer</p> <p align="center">Date: <u>1/30/18</u></p>

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.

<p align="center">STATE CONTROLLER Robert Jaros, CPA, MBA, JD</p> <p>By:  _____</p> <p>Name: <u>CLARK W. BOLGER</u></p> <p align="center">Effective Date: <u>1/31/18</u></p>

PARTICIPATING ADDENDUM EXHIBIT A, STATE SPECIFIC TERMS

1. AUTHORITY

Authority to enter into this Participating Addendum exists in the Colorado Procurement Code, 24-101-101 *et. seq.* C.R.S., and its associated rules.

2. DEFINITIONS

The following terms shall be construed and interpreted as follows:

- A. **"Attachments"** means the following Attachments attached to this Participating Addendum:
 - i. **Attachment 1**, Neopost EMS End User License Agreement Terms
 - ii. **Attachment 2**, Neopost OMS-500 License Agreement Terms
 - iii. **Attachment 3**, Neopost WTS-P License Agreement Terms
- B. **"Authorized Dealer"** means the Contractor's agent or Subcontractor who is authorized and certified by the Contractor to sell the Contractor's products under this Participating Addendum, and perform machine installation and maintenance.
- C. **"Business Day"** means any day other than Saturday, Sunday, or a Legal Holiday as listed in §24-11-101(1), C.R.S.
- D. **"Buyout to Return"** means the early termination option on a Straight Lease Agreement, and consists of any current amounts due, plus the remaining stream of Equipment Payments.
- E. **"Ceiling Price"** means the maximum price Contractor or a Subcontractor may charge for a Good or Service under this Participating Addendum.
- F. **"Chief Procurement Officer"** means the individual to whom the Executive Director has delegated his or her authority pursuant to §24-102-202(6), C.R.S. to procure or supervise the procurement of all Goods and Services needed by the State.
- G. **"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.
- H. **"Confidential Information"** means any and all information that is normally considered confidential in nature, and includes, but is not limited to, all State Records, Purchasing Entity Records, PII, PHI, PCI, Tax Information, CJI, and State personnel records not subject to disclosure under the Colorado Open Records Act, §§24-72-200.1, *et seq.* C.R.S. ("CORA").
- I. **"Consumable Supplies"** means supplies necessary to keep Neopost mail center management solutions running smoothly. This includes but is not limited to items such as genuine, manufacturer-certified ink cartridges for your Neopost mailing system, printer ink, roll tapes, tabbing supplies, labels, cleaning supplies, binders, envelopes and power conditioners.
- J. **"CORA"** means the Colorado Open Records Act, §§24-72-200.1, *et. seq.*, C.R.S.

- K. **“Deliverable”** means the outcome to be achieved or output to be provided, in the form of a tangible or intangible object that is produced as a result of Contractor’s Work that is intended to be delivered to the Purchasing Entity by Contractor.
- L. **“Effective Date”** means the date on which this Participating Addendum is approved and signed by the Colorado State Controller or designee.
- M. **“Equipment Lease Payment”** means the Equipment portion of the payment, less any service, supplies, maintenance, or postage meter payments.
- N. **“Equipment Trade-In”** means an agreed upon transaction between the Purchasing Entity and the Contractor, in which the Contractor takes ownership of the Purchasing Entity’s owned Equipment, often for a discounted amount.
- O. **“Equipment Upgrade or Downgrade”** means the Purchasing Entity’s existing leased Equipment is replaced with a different piece of Equipment. A new lease term 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 then closed out, and the Equipment is returned to Contractor.
- P. **“Exhibits”** means the following Exhibits attached to this Participating Addendum:
 - i. **Exhibit A**, State Specific Terms
 - ii. **Exhibit B**, General Work Requirements
 - iii. **Exhibit C**, Product and Price List
 - iv. **Exhibit D**, Neopost Postage Meter Rental Agreement Terms
 - v. **Exhibit E**, Neopost Purchase Agreement Terms
 - vi. **Exhibit F**, Neopost Straight Lease Agreement Terms
 - vii. **Exhibit G**, Neopost Master Services Agreement
 - viii. **Exhibit H**, Neopost Hosted Tracking Services Agreement
- Q. **“FTI Data”** means federal tax information or State of Colorado tax information including, without limitation, federal and State tax returns, return information, and such other tax-related information as may be protected by federal and State law and regulation. FTI includes, but is not limited to, all information defined as federal tax information in Internal Revenue Service Publication 1075.
- R. **“Goods”** (also referred to as “Equipment”) means any movable material acquired, produced, or delivered by Contractor as set forth in this Participating Addendum or the NASPO ValuePoint Master Agreement, and shall include any movable material acquired, produced, or delivered by Contractor in connection with the Services.
- S. **“Incident”** means an accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of communication and information resources of the State pursuant to §24-37.5-401 *et seq.*, C.R.S. Incidents include, but are not limited to (i) successful attempts to gain unauthorized access to a State system or State Information regardless of where such information is located; (ii) unwanted disruption or denial of service; (iii) the unauthorized use of a State system for the processing or storage of data; or (iv) changes to State system hardware, firmware, or software characteristics without the State’s knowledge, instruction, or consent.

- T. **“Initial Lease and/or Postage Meter Rental Term”** means the length of time (i.e. 36, 48, or 60 months) that a Purchasing Entity enters into a Lease or Postage Meter Rental agreement.
- U. **“Minimum Monthly Payment”** means the Equipment and service portion of the payment, less any supply payments.
- V. **“Order”** means any purchase order, delivery order, Lease Agreement, Postage Meter Rental Agreement, maintenance agreement, software agreement, contract, or other authorized commitment voucher used by a Purchasing Entity to order the Goods or Services provided in the Participating Addendum. An Order amended consistent with the requirements of any Purchasing Entity shall also be governed by the same terms and conditions presented in this Participating Addendum.
- W. **“Party”** means the State or Contractor, and **“Parties”** means both the State and Contractor.
- X. **“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.
- Y. **“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. PII includes, but is not limited to, all information defined as personally identifiable information in §24-72-501 C.R.S.
- Z. **“Postage Meter Rental Agreement”** means a rental agreement that is governed by the United States Postal Service regulations.
- AA. **“Preventative Maintenance”** means maintenance that is performed on the Equipment to ensure it adheres to the manufacturer performance standards. Services include cleaning, lubrication, parts replacement and any necessary adjustments.
- BB. **“Purchasing Entity”** means a state agency, city, county, district, or other political subdivision of the State, and qualifying nonprofit organizations, who issue Orders against the Participating Addendum and become financially committed to the purchase.
- CC. **“Purchasing Entity Records”** means any and all Purchasing Entity data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.
- DD. **“Renewal Lease Term and/or Rental Term”** means a month to month extension of the Initial Lease Term and/or the Postage Meter Rental Term.
- EE. **“Services”** means the services to be performed by Contractor as set forth in this Participating Addendum or the NASPO ValuePoint Master Agreement, and shall include any services to be rendered by Contractor in connection with the Goods.
- FF. **“State Fiscal Rules”** means that fiscal rules promulgated by the Colorado State Controller pursuant to §24-30-202(13)(a).
- GG. **“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.

- HH. "State Records"** means any and all State data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.
- II. "Straight Lease Agreement or Lease Agreement"** means a contract in which one Party conveys the use of an asset to another Party for a specific period of time at a predetermined rate.
- JJ. "Subcontractor"** means agents, Authorized Dealers, or third-parties, if any, engaged by Contractor to aid in performance of the Work.
- KK. "Tax Information"** means federal and State of Colorado tax information including, without limitation, federal and State tax returns, return information, and such other tax-related information as may be protected by federal and State law and regulation. Tax Information includes, but is not limited to all information defined as federal tax information in Internal Revenue Service Publication 1075.
- LL. "Work"** means the delivery of the Goods and performance of the Services described in this Participating Addendum.
- MM. "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, information, 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 term used in this Participating Addendum that is defined in another Exhibit or in the main body of this Participating Addendum shall be construed and interpreted as defined in that portion of this Participating Addendum.

3. TERM

A. Initial Term - Work Commencement

The Parties' respective performances under this Participating Addendum shall commence on the Effective Date and shall terminate on the date on which the NASPO ValuePoint Master Agreement terminates, unless this Participating Addendum is terminated earlier as described in this Participating Addendum or the State cancels its participation as described in the Master Agreement (the "Term").

B. Extension of Term

If the term of the NASPO ValuePoint Master Agreement is extended for any reason, then 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.

4. STATEMENT OF WORK

Contractor shall complete the Work as described in this Participating Addendum and in accordance with the provisions of **Exhibit B, General Work Requirements**, and any Order.

5. PAYMENTS

A. Payments to Contractor

- i. A Purchasing Entity issuing a valid Order shall be bound by the terms and conditions of this Participating Addendum, including, without limitation, the obligation to pay Contractor for Goods and/or Services in accordance with the provisions of this §5, using the methods set forth below.
- ii. The State of Colorado shall not be liable for payment of Orders placed by Purchasing Entities, nor shall the Contractor seek compensation from the State of Colorado for such Orders.

B. Invoicing/Billing

i. Invoices

- a) Contractor shall invoice Purchasing Entities for Goods and/or Services provided to, and accepted by, the Purchasing Entity, at the prices as provided pursuant to the Master Agreement, as amended. A statement showing transactions for a period is not an invoice, though the Contractor may provide such documents as information to the Purchasing Entity on a regular basis or upon the request of a Purchasing Entity. Unless otherwise specified in the Order, Purchasing Entities will pay Contractor based on submission of invoices to the Purchasing Entity that detail the dates, quantity, and description of Goods delivered and/or Services performed, the billing rate, and the Order number. Incorrect payments to Contractor due to omission, error, fraud, or defalcation may be recovered from the Contractor by deduction from subsequent payments, or other methods of collection of debt, due under Orders or other contracts between the Purchasing Entity and the Contractor.
- b) The Contractor's and Purchasing Entities' rights and obligations shall be governed solely by the terms and conditions of this Participating Addendum, the Master Agreement, and any other ordering documentation mutually agreed to by Contractor and Purchasing Entity, so long as said documentation does not conflict with the terms and conditions of this Participating Addendum and the Master Agreement.

ii. Remittance

Purchasing Entities will remit payments by mail or via State procurement credit cards or as otherwise agreed by Contractor and Purchasing Entity, to the address listed on the Contractor's invoice.

iii. Payment by Purchasing Entities; Interest

a) State Agencies

Contractor shall allow state agencies a minimum of thirty (30) days after receipt of an invoice to pay for products or services provided by Contractor. State law and regulations provide that payments made within forty-five (45) days are not considered delinquent, and unless otherwise agreed, state agencies will pay interest on any unpaid balance beginning on the 46th day at the rate of one (1) percent 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 state agencies separately for accrued interest on delinquent amounts due.

b) Non-State Agencies

For Orders placed by non-state agencies (political subdivisions, non-profit organizations, higher education, or other non-state eligible entities), terms for payment shall be specified in the written Orders. Non-state agencies generally remit payment within forty-five (45) days of invoice; however, it is the Contractor's responsibility to confirm all payment terms with each non-state agency at the time an Order is placed.

c) Available Funds - Contingency Termination

- 1) State agencies are prohibited by law from making commitments beyond the term of the Participating State's current fiscal year. Therefore, Contractor's compensation beyond the Participating State's current fiscal year is contingent upon the continuing availability of State appropriations as provided in the Colorado Special Provisions, §16 hereof. State agencies shall only make payments for Work ordered by a state agency under this Participating Addendum from available state agency contract funds that have been encumbered for that Work, and the state agency's liability for such payments shall be limited to the amount remaining of such encumbered contract funds. If Participating State or federal funds are not appropriated, or otherwise become unavailable to fund any Order placed by a state agency under this Participating Addendum, the state agency may terminate the Order immediately, in whole or in part, without further liability in accordance with the provisions hereof.
- 2) A non-state agency may have its own fiscal requirements regarding available funds for payment of Orders, which may be agreed upon in writing between the non-state agency and the Contractor.

d) Erroneous Payments

- 1) State agency payments made to the Contractor in error for any reason, including, but not limited to, omission, error, fraud, or defalcation, over payments or improper payments, and unexpended or excess funds received by Contractor, may be recovered from Contractor by deduction (set-off) from subsequent payments, or other methods of collection of debt, under a state agency Order. Such funds shall not be paid to any person or entity other than the applicable state agency.
- 2) Non-state agencies may have their own fiscal requirements regarding erroneous payments, which may be agreed upon in writing between the non-state agency and the Contractor.

C. Administrative Fee Payments

For each State Fiscal Year quarter, the Contractor shall remit to the State an administrative fee equal to 1% of the total spend by all Purchasing Entities under this Participating Addendum during that quarter. The Contractor shall remit all administrative fees to the State's Primary Contact identified in this Participating Addendum, and with the payee as "State of Colorado", within thirty (30) days following the State Fiscal Year quarter to which the administrative fee applies.

6. REPORTING – NOTIFICATION

A. 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 ten (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 described in this Participating Addendum.

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

With the State's prior written approval, Contractor may perform, or subcontract to perform, Services outside the State of Colorado and/or the United States. The State shall approve or deny any such Contractor request on a case-by-case basis.

To the extent not previously disclosed in accordance with §24-102-206, C.R.S., and with the State's prior written approval, Contractor shall provide written notice to the State's primary contact described in this Participating Addendum, within twenty (20) days of the earlier to occur of Contractor's decision to perform, 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. Knowing failure by Contractor to provide notice to the State under this section shall constitute a breach of this Participating Addendum.

7. CONFIDENTIAL INFORMATION-STATE RECORDS

A. Confidentiality

Contractor shall hold and maintain any and all Confidential Information provided to Contractor or made available to Contractor by the State or its Purchasing Entities in confidence for the sole and exclusive benefit of the State or Purchasing Entity that provided such Confidential Information. Contractor shall not, without prior written approval of the State, use for Contractor's own benefit, publish, copy, or otherwise disclose to any third party, or permit the use by any third party for its benefit or to the detriment of the State or any Purchasing Entity, any State Records or Purchasing Entity Records, except as otherwise stated in this Participating Addendum. Any request or demand to Contractor by any third party for the State's Confidential Information shall be immediately forwarded to the State's primary contact described in the Participating Addendum.

B. Confidential Information Indemnification

Disclosure or use of Confidential Information by Contractor in violation of §7.A of this **Exhibit A** may be cause for legal action by third parties against Contractor, the State, Purchasing Entities, or their respective agents. Contractor shall indemnify, save, and hold harmless the State, its employees, agents, assignees, and Purchasing Entities against any and all claims, damages, liabilities, losses, costs, expenses (including attorneys' fees and costs) incurred by the State or Purchasing Entity in relation to any act or omission by Contractor, or its employees, assigns, or Subcontractors in violation of §7.A of this **Exhibit A**.

C. Notification

Contractor shall notify its employees, Subcontractors and assigns that may come into contact with State Records or Purchasing Entity Records that each is subject to the confidentiality requirements set forth herein, and shall provide each with a written

explanation of such requirements before permitting them to access such State Records or Purchasing Entity Records.

D. Use, Security, and Retention

State Records or Purchasing Entity Records of any kind shall be stored, processed, or transferred only in, or to, facilities located within the United States, and shall not be distributed or sold to any third party, retained in any files or otherwise, or used by Contractor or its agents in any way, except as authorized by this Participating Addendum or approved in writing by the State or the Purchasing Entity, as applicable. Contractor shall provide and maintain a secure environment that ensures confidentiality of all Confidential Information wherever located.

E. Protection

Contractor is responsible for the security of all State Records or Purchasing Entity Records provided to it by the State or a Purchasing Entity. If Contractor provides physical or logical storage, processing or transmission of, or retains, stores, or is given, State Records or Purchasing Entity Records, Contractor shall, and shall cause its Subcontractors to:

- i. Provide physical and logical protection for all related hardware, software, applications, and data that meet or exceed industry standards and requirements as set forth in this Participating Addendum or an Order;
- ii. Contractor shall provide the State or a Purchasing Entity with access, subject to Maintain network, system, and application security, which includes, but is not limited to, network firewalls, intrusion detection (host and network), and annual security testing;
- iii. Comply with State and federal regulations and guidelines related to security, confidentiality, integrity, availability, and auditing;
- iv. Ensure that security is not compromised by unauthorized access to computers, programs, software, databases, or other electronic environments; and
- v. Shall promptly report all breaches to a representative of the Office of Information Security (OIS).

Contractor's reasonable access security requirements, during normal business hours, for the purpose of inspecting and monitoring access and use of State Records or Purchasing Entity Records, maintaining State or Purchasing Entity systems, and evaluating physical and logical security control effectiveness.

Neither Contractor nor its Subcontractors shall have any rights to use or access any Office of Information Technology (OIT) or other State agency data or information, except with the prior written approval of OIT or the other State agency.

F. Compliance

Contractor shall review, on a semi-annual basis, all OIS policies and procedures which OIS has promulgated pursuant to C.R.S. §§24-37.5-401 through 406 and 8 CCR §1501-5 and posted at <http://oit.state.co.us/ois>, to ensure compliance with the standards and guidelines published therein. Contractor shall cooperate, and shall cause its Subcontractors to cooperate, with the performance of security audit and penetration tests by OIS or its designee.

G. Background Checks

Contractor shall perform, and shall cause its Subcontractors to perform, in a form reasonably acceptable to the State or Purchasing Entity, current background checks on all of its respective employees and agents performing Services or having access to State Records or Purchasing Entity Records provided under the Participating Addendum. A background check performed within thirty (30) days prior to the date such employee or Subcontractor begins performance or obtains access shall be deemed to be current.

H. Security Breach Remediation

- i. If Contractor or Subcontractor becomes aware of an Incident involving any State Records or Purchasing Entity Records, it shall notify OIS, the State, and the Purchasing Entity immediately and cooperate with the State, OIS, and the Purchasing Entity regarding recovery, remediation, and the necessity to involve law enforcement, if any. Unless Contractor can establish that Contractor and any of its Subcontractors are not the cause or source of the Incident, Contractor shall be responsible for the cost of notifying each Colorado resident and residents of other states whose personal information may have been compromised by the Incident. Notice shall be made as soon as possible within the legitimate needs of law enforcement and according to the requirements of the State and OIS.
- ii. Contractor shall be responsible for performing an analysis to determine the cause of the Incident, and for producing a remediation plan to reduce the risk of incurring a similar type of breach in the future.
- iii. Contractor shall present such analysis and remediation plan to the State and OIS within ten (10) days of notifying the State, OIS, and the Purchasing Entity of the Incident. The State reserves the right to adjust this plan, in its sole discretion. If Contractor cannot produce the required analysis and plan within the allotted time, the State and/or OIS, in its sole discretion, may elect to perform such analysis, produce a remediation plan, and Contractor shall reimburse the State and/or OIS for the reasonable costs thereof.

I. Rights in Data, Documents, and Computer Software

- i. Except to the extent specifically provided elsewhere in this Participating Addendum, any State Records or Purchasing Entity Records, pre-existing State software, research, reports, studies, data, photographs, negatives or other documents, drawings, models, materials, or Work Product of any type, including drafts, prepared by Contractor in the performance of its obligations under this Participating Addendum or any Order, shall be the exclusive property of the State or Purchasing Entity (collectively, "State Materials" or "Purchasing Entity Materials"). All State Materials or Purchasing Entity Materials shall be delivered to the State or Purchasing Entity by Contractor upon completion of an Order or termination thereof. The State's or Purchasing Entity's exclusive rights in such State Materials or Purchasing Entity Materials shall include, but not be limited to, the right to copy, publish, display, transfer, and prepare derivative works. Contractor shall not use, or willingly allow, cause or permit such State Materials or Purchasing Entity Materials to be used for any purpose other than the performance of Contractor's obligations hereunder without the prior written consent of the State or Purchasing Entity.
- ii. 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 Participating Addendum, whether incorporated in a Deliverable or necessary to use a Deliverable (collectively, "Contractor Property"). Contractor Property shall be licensed to the State or Purchasing Entity as set forth in a State or Purchasing Entity approved license agreement: (a) entered into as Exhibits to this Participating Addendum, (b) obtained by the State or Purchasing Entity from the applicable third-party vendor, or (c) in the case of open source software, the license terms set forth in the applicable open source license agreement.

J. Delivery and Support

The State or a Purchasing Entity, in its sole discretion, may securely deliver State Records or Purchasing Entity Records directly to the facility where such data is used to perform the Work. State Records or Purchasing Entity Records are not to be maintained or forwarded to or from any other facility or location except for the authorized and approved purposes of backup and disaster recovery purposes.

K. End of Agreement Data Handling

Upon request by the State or Purchasing Entity made before or within sixty (60) days after the effective date of termination of this Participating Addendum, Contractor will make available to the State or Purchasing Entity a complete and secure (i.e. encrypted and appropriately authenticated), download file of all data, including, but not limited to, all State Records or Purchasing Entity Records, schema and transformation definitions, and/or delimited text files with documented, detailed schema definitions along with attachments in their native format. The Parties agree that upon termination of the provision of data processing services, the Contractor shall, at the choice of the State or Purchasing Entity, return all State Records or Purchasing Entity Records provided by the State or Purchasing Entity, and any copies thereof to the State or Purchasing Entity, or Contractor shall destroy all such State Records or Purchasing Entity Records and certify to the State or Purchasing Entity that it has done so. If legislation applicable to the Contractor prevents it from returning or destroying all or part of the State Records or Purchasing Entity Records provided by the State or Purchasing Entity to Contractor, Contractor warrants that it will guarantee thereafter the confidentiality of the State Records or Purchasing Entity Records provided by the State or Purchasing Entity to Contractor and will not actively process such data anymore.

L. Disposition of Data

The State and Purchasing Entities retain the right to use the established operational services to access and retrieve State Records or Purchasing Entity Records stored on Contractor's infrastructure at their sole discretion. Contractor and its Subcontractors warrant that upon request of the State, a Purchasing Entity, and/or OIS, Contractor will make available its data processing facilities for an audit of the measures referred to in §7.E. The State and Purchasing Entities reserve all right, title and interest, including all intellectual property and proprietary rights, in and to system data, State Records or Purchasing Entity Records, and all related data and content.

M. Safeguarding PII Data

If Contractor or any of its Subcontractors will or may receive PII Data under the Participating Addendum or any Order, Contractor shall provide for the security of such PII Data, in a manner acceptable to the State or Purchasing Entity, including, without limitation, non-disclosure, use of appropriate technology, security practices, computer

access security, data access security, data storage encryption, data transmission encryption, security inspections and audits. Contractor shall take full responsibility for the security of all PII Data in its possession or in the possession of its Subcontractors, and shall hold the State and Purchasing Entities harmless for any damages or liabilities resulting from the unauthorized disclosure or loss thereof.

N. Safeguarding FTI Data

If Contractor or any of its Subcontractors will or may receive FTI Data under the Participating Addendum or any Order, Contractor shall provide for the security of the FTI Data, in a manner acceptable to the State or Purchasing Entity and in accordance with State and federal law. Security safeguards shall include, without limitation, supervision by responsible employees, approval of Subcontractors as required by State or federal law, non-disclosure of information other than as necessary in the performance of Contractor's or its Subcontractor's obligations under the Participating Addendum or any Order, non-disclosure protections, proper accounting and storage of information, civil and criminal penalties for non-compliance as provided by law, certifications and inspections. Contractor shall comply with the requirements of IRS Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies, revised and effective January 1, 2014, found at: <http://www.irs.gov/pub/irs-pdf/p1075.pdf> and incorporated herein by this reference.

O. Safeguarding PCI Data

If Contractor or any of its Subcontractors will or may receive PCI Data under the Participating Addendum or any Order, Contractor shall provide for the security of the PCI Data, in accordance with the latest PCI Data Security Standard (DSS), but no less than DSS 1.1. Security safeguards shall include, without limitation, supervision by responsible employees, approval of Subcontractors as required by State or federal law, non-disclosure of information other than as necessary in the performance of Contractor's or its Subcontractor's obligations under the Participating Addendum or any Order, non-disclosure protections, proper accounting and storage of information, civil and criminal penalties for non-compliance as provided by law, certifications and inspections.

P. Safeguarding CJI Data

If Contractor or any of its Subcontractors will or may receive CJI Data under this Participating Addendum, Contractor shall provide for the security of CJI Data in accordance with the U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services (CJIS) Security Policy, Version 5.3, and dated 8/4/2014, found online at: <http://www.fbi.gov/about-us/cjis/cjis-security-policy-resource-center> and incorporated herein by this reference.

Q. Intellectual Property Indemnification

Contractor shall indemnify, hold harmless, and defend, at Contractor's sole expense, the State and Purchasing Entities and their respective employees and agents against any and all loss, cost, expenses or liability, including but not limited to attorneys fees, court costs, and other legal expenses and damages arising out of a claim that any Goods or Services, software, or Work Product provided by Contractor or Subcontractor under this Participating Addendum or any Order, or the use thereof, infringes a patent, copyright, trademark, trade secret, or any other intellectual property right. Contractor's obligation hereunder shall not extend to the combination of the Goods with any other product, system, or method, unless the other product, system, or method is (i) provided by Contractor or Contractor's

subsidiaries or affiliates, or (ii) specified by Contractor to work with the Goods, or (iii) reasonably required in order to use the Goods in its intended manner and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function, or (iv) is reasonably expected to be used in combination with the Goods.

R. Transition of Services

Upon expiration or earlier termination of this Participating Addendum or any Services provided hereunder, Contractor or Subcontractor shall accomplish a complete transition of the Services from Contractor to the State or Purchasing Entity or any replacement provider designated solely by the State or Purchasing Entity without any interruption of or adverse impact on the Services or any other services provided by third parties hereunder. Contractor shall cooperate fully with the State or Purchasing Entity or such replacement provider, and promptly take all steps required to assist in effecting a complete transition of the Services as designated by the State or Purchasing Entity. All work related to such transfer of Services shall be performed at no additional cost beyond what would be paid for the Services hereunder.

S. License or Use Audit Rights

Contractor shall have the right, at any time during and throughout the term of the Participating Addendum, but not more than once (1) per Fiscal Year to request via written notice ("Audit Request") that the State or Purchasing Entity certify its compliance with any applicable license or use restrictions and limitations ("Audit") contained in this Participating Addendum or any Order. The State or Purchasing Entity shall complete the Audit and provide certification of its compliance to Contractor ("Audit Certification") within one hundred twenty (120) days following the State or Purchasing Entity's receipt of the Audit Request. If upon receipt of the State's or Purchasing Entity's Audit certification, the Parties reasonably determine: (i) the State's or Purchasing Entity'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 Participating Addendum or any Order ("Overuse") and (ii) that the State or Purchasing Entity would have been or is then required to purchase additional maintenance and/or Services ("Maintenance"), Contractor shall provide written notice to the State or Purchasing Entity identifying any Overuse or required Maintenance and request that the State or Purchasing Entity brings its use into compliance with such use restrictions and limitations. Notwithstanding anything to the contrary in this Participating Addendum or any Order, or incorporated as a part of Contractor's or any Subcontractor's website, click-through or online agreements, third-party agreements, or any other documents or agreements between the Parties, the State or Purchasing Entity shall not be liable for the costs associated with any Overuse or Maintenance, regardless of whether the State or Purchasing Entity may have been notified in advance of such costs.

8. 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 Work. 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 a Purchasing Entity, 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 or any Order.

B. Apparent Conflicts of Interest

Contractor acknowledges that with respect to this Participating Addendum, even the appearance of a conflict of interest will 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 the 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 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 in regard to the apparent conflict constitutes a breach of this Participating Addendum.

9. BREACH**A. Defined**

In addition to any breaches specified in other sections of this Participating Addendum and the Master Agreement, the failure of the Contractor, the State or a Purchasing Entity to perform any of their material obligations hereunder, in whole or in part, or in a timely or satisfactory manner, constitutes a breach. 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.

B. Notice and Cure Period

In the event of a breach, the aggrieved party shall give written notice of breach to the other Party's primary contact described in this Participating Addendum. If the notified Party does not cure the breach within thirty (30) days after receipt of written notice, or, if a cure cannot be completed within thirty (30) days but cure of the breach has not begun within thirty (30) days and has not been pursued with due diligence, the State may exercise any of the remedies set forth in §10 of this Exhibit A. Notwithstanding any provision of this Participating Addendum to the contrary, the State, in its discretion, 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 the Participating Addendum in order to protect the public interest of the State.

10. REMEDIES**A. State's Remedies**

If Contractor is in breach under any provision of this Participating Addendum, the State, following the notice and cure period set forth in §9.B of this Exhibit A, shall have all of the remedies listed in this section in addition to all other remedies set forth in this Participating Addendum and any remedies available by law or equity. The State may exercise any or all of the remedies available to it, in its discretion, concurrently or consecutively.

i. Termination for Breach

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 applicable.

a. Obligations and Rights

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 individual 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 or any Purchasing Entity, Contractor shall assign to the 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 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 also deliver all completed Work Product to the Purchasing Entity at the State or Purchasing Entity's request.

b. Payments

Purchasing Entities shall reimburse Contractor only for accepted Goods and Services received as of the date of termination. 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 the same as if this Participating Addendum had been terminated in the public interest, as described in §10.A.ii below.

c. Damages and Withholding

Notwithstanding any other remedial action by the State, Contractor shall remain liable to the Purchasing Entity for any damages sustained by the 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. A Purchasing Entity may withhold any amount that may be due Contractor as the Purchasing Entity deems necessary 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.

ii. Early Termination in the Public Interest

The State is entering into this Participating Addendum for the purpose of carrying out the public policy of the State of Colorado, as determined by its Governor, General Assembly, and/or Courts. If this Participating Addendum ceases to further the public policy of the State, the State, in its sole discretion, may terminate this Participating Addendum, in whole or in part. Exercise by the State of this right shall not constitute a breach of the State's or any Purchasing Entity's obligations hereunder. This subsection shall not apply to a termination of this Participating

Addendum by the State for cause or breach by Contractor, which shall be governed by §10.A or as otherwise specifically provided herein.

a. 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.

b. Obligations and Rights

Upon receipt of a termination notice, Contractor shall be subject to, and comply with, the same obligations and rights set forth in §10(A)(i).

iii. Remedies Not Involving Termination

The State, in its discretion, may exercise 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 the State and Purchasing Entities shall not be liable for costs incurred by Contractor after the suspension of performance.

b. Removal

Demand immediate removal from Work under this Participating Addendum of any of Contractor's employees, agents, or Subcontractors whom the State deems unacceptable or whose continued relation to this Participating Addendum is deemed by the State to be contrary to the public interest.

c. Intellectual Property

In the event that any Work infringes on a patent, copyright, trademark, trade secret or other intellectual property right, Contractor shall, at the State or Purchasing Entity's option (i) secure that right for the Purchasing Entity; (ii) replace the Work with noninfringing Work or modify the Work so that it becomes noninfringing; or, (iii) remove any infringing Work and refund the value of such Work to the Purchasing Entity.

- iv. Obligations upon Termination or Expiration.** The termination or expiration of this Participating Addendum, for any reason other than uncured breach as set forth in this §10, shall in no way relieve either party from its obligations accrued hereunder prior to such termination or expiration or affect the limitation of liability including, but not limited to, any obligations pursuant to any Product Leases or Postage Meter Rental Agreements that were entered prior to the date of any such termination or expiration.

B. Contractor's Remedies

If the State is in breach of any provision of this Participating Addendum, Contractor, following the notice and cure period set forth in §9.B of this Exhibit A and the dispute

resolution process in §11 of this **Exhibit A** shall have all remedies available to it at law and equity.

C. Purchasing Entity's Remedies

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, in addition to 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.

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.

11. DISPUTE RESOLUTION

A. 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 representatives, 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.

B. Resolution of Controversies arising under this Participating Addendum

If the initial resolution described in §11.A of this **Exhibit A** fails to resolve the dispute within ten (10) Business Days, Contractor shall submit any alleged breach of this Participating Addendum by the State to the Procurement Official of the State Purchasing and Contracts Office, Department of Personnel and Administration, as described in §24-101-301(30), C.R.S. for resolution in accordance with the provisions of §§24-106-109, 24-109-101.1, 24-109-101.5, 24-109-106, 24-109-107, 24-109-201 through 24-109-206, and 24-109-501 through 24-109-505, C.R.S., (the "Resolution Statutes"), except that 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 & 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.

C. Resolution of Controversies arising under an Order

Any dispute between Contractor and a Purchasing Entity concerning the performance of an Order shall be resolved under the dispute resolution processes as described in the applicable Order. If the Order does not describe a dispute resolution process, the dispute shall be resolved under the Purchasing Entity's dispute resolution statutes, policies, or other applicable regulations.

12. INSURANCE

Contractor and its Subcontractors shall obtain and maintain insurance as specified in this §12 at all times during the term of this Participating Addendum. All policies evidencing the insurance coverage required hereunder shall be issued by insurance companies satisfactory to Contractor and the State.

A. Contractor

Contractor is not a "public entity" within the meaning of the GIA, therefore, Contractor shall obtain and maintain during the term of this Addendum insurance coverage and policies meeting the same requirements set forth in §12.B with respect to Subcontractors.

B. Contractors – Subcontractors

Contractor shall require each contract with Subcontractors providing Goods or Services in connection with this Addendum, other than those that are public entities, to include insurance requirements substantially similar to the following:

i. Worker's Compensation

Worker's Compensation Insurance as required by State statute, and Employer's Liability Insurance covering all of Contractor's or Subcontractor's employees acting within the course and scope of their employment.

ii. General Liability

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows: (a) \$1,000,000 each occurrence; (b) \$2,000,000 general aggregate; (c) \$1,000,000 products and completed operations aggregate; and (d) \$50,000 any one fire. If any aggregate limit is reduced below \$1,000,000 because of claims made or paid, Subcontractor shall immediately obtain additional insurance to restore the full aggregate limit and furnish to Contractor a certificate or other document satisfactory to Contractor showing compliance with this provision.

iii. Automobile Liability

Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

iv. Cyber Privacy Insurance

Contractor agrees to maintain Cyber Privacy Insurance for claims and losses with respect to network, internet (cloud) or other data disclosure risks (such as data breaches, releases of Confidential Information, unauthorized access/use of information, and identity theft) with minimum limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

v. Professional Liability

Contractor agrees to maintain in full force and effect a Professional Liability Insurance Policy in the minimum amount of \$1,000,000 per occurrence and \$1,000,000 in the aggregate, written on an occurrence form that provides coverage for its Work undertaken pursuant to this Participating Addendum. If a policy written on an occurrence form is not commercially available, a claims-made policy shall remain in effect for the term of the Contract and for at least two (2) years beyond the completion and acceptance of the Work under this Participating Addendum, or, alternatively, a two (2) year extended reporting period must be purchased.

vi. Additional Insured

The Participating State shall be named as additional insured on all Commercial General Liability and Automobile Liability Insurance policies (leases and construction contracts require additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent) required of Contractor and any Subcontractors hereunder.

vii. Primacy of Coverage

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

viii. Subrogation Waiver

All insurance policies in any way related to this Participating Addendum and secured and maintained by Contractor or its Subcontractors as required herein 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.

C. Certificates

Contractor and all Subcontractors shall provide certificates showing insurance coverage required hereunder to the State within seven (7) days of the Effective Date of this Participating Addendum. No later than fifteen (15) days prior to the expiration date of any such coverage, Contractor and each Subcontractor shall deliver to the State, certificates of insurance evidencing renewals thereof. In addition, upon request by the State at any other time during the term of this Participating Addendum, Contractor and each Subcontractor shall, within ten (10) days of such request, supply to the State evidence satisfactory to the State of compliance with the provisions of this §12.

13. RIGHTS IN WORK PRODUCT

Unless otherwise modified by another Exhibit to this Participating Addendum, the Purchasing Entity shall have all rights to title and ownership granted to it by the Master Agreement.

14. 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.

15. GENERAL PROVISIONS

A. Binding Effect

All provisions of this Participating Addendum, including the benefits and burdens, shall extend to, and be binding upon, the Parties' respective successors and assigns.

B. 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.

C. 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 one and the same agreement.

D. Jurisdiction and Venue

All suits or actions related to this Participating Addendum shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

E. 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 amendments, shall conform to the policies promulgated by the Colorado State Controller.

F. 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, provided that the Parties can continue to perform their obligations under this Participating Addendum in accordance with the intent of the Participating Addendum.

G. 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.

H. Survival of Certain Participating Addendum Terms

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

I. 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. Some Purchasing Entities may be subject to taxes for Orders, but in no event shall the State have liability to the Contractor for any such taxes.

J. Third Party Beneficiaries

Except for the Parties' respective successors and assigns permitted under this Participating Addendum, this Participating Addendum does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties, except for rights explicitly provided for Purchasing Entities or rights contained in an Order. Enforcement of this Participating Addendum and all rights and obligations hereunder are reserved solely to the Parties, except for rights explicitly provided for Purchasing Entities or rights contained in an Order. Any services or benefits which third parties receive as a result of this Participating Addendum are incidental to the Participating Addendum, and do not create any rights for such third parties, except for rights explicitly provided for Purchasing Entities or rights contained in an Order.

K. 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.

L. CORA Disclosure

To the extent not prohibited by federal law, this Participating Addendum and the performance measures and standards required under §24-103.5-101, C.R.S., if any, are subject to public release through the CORA.

M. 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.

N. Additional Insured

The Contractor shall ensure that the State is added as an additional insured for all insurance required under the Master Agreement.

16. COLORADO SPECIAL PROVISIONS (COLORADO FISCAL RULE 3-1)

Notwithstanding anything to the contrary in this Participating Addendum, these special provisions, in the event of a conflict, shall supersede and control over all terms of the Master Agreement and all other terms of this Participating Addendum.

A. CONTROLLER'S APPROVAL. §24-30-202(1), C.R.S.

This Participating Addendum shall not be valid until it has been approved by the Colorado State Controller or designee.

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

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

C. GOVERNMENTAL IMMUNITY

No term or condition of this Participating Addendum shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, §§24-10-101, *et seq.*, C.R.S., or the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b).

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 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. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes, income taxes, and local head taxes incurred pursuant to this Participating Addendum. 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 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 strictly 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

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Participating Addendum. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Participating Addendum, to the extent capable of execution.

G. BINDING ARBITRATION PROHIBITED

The State does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this Participating Addendum or incorporated herein by reference shall be null and void.

H. SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00

State or other public funds payable under this Participating Addendum 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 Participating Addendum 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 Participating Addendum, including, without limitation, immediate termination of this Participating Addendum 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 Participating Addendum. 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. §§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.

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 Participating Addendum and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Participating Addendum, through participation in the E-Verify Program established under Pub. L. 104-208 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 Participating Addendum 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 Participating Addendum. Contractor (i) shall not use E-Verify Program or State program procedures to undertake pre-employment screening of job applicants while this Participating Addendum is being performed, (ii) shall notify the Subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a Subcontractor is employing or contracting with an illegal alien for work under this Participating Addendum, (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 State 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 State 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 Participating Addendum 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 18 years of age or older, hereby swears and affirms under penalty of perjury that he or she (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.

PARTICIPATING ADDENDUM EXHIBIT B, GENERAL WORK REQUIREMENTS

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:
- a) 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.
 - b) 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.
 - c) Oversee all other personnel and ensure proper staffing levels throughout the term of the Participating Addendum.
 - d) Ensure the completeness and accuracy of the Quarterly Volume Reports described in this **Exhibit B**.
 - e) Ensure the final submission of the Quarterly Volume Reports described in this **Exhibit B** by the appropriate due date for that report.

2. ORDERING AND ORDER FULFILLMENT

2.1. Ordering

- a) 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.
- b) Contractor shall have the capability to accept procurement credit cards.
- c) Contractor shall communicate directly with each Purchasing Entity related to that Purchasing Entity's Orders.
- d) 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.
- e) 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.
- f) 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.

- g) 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.
- h) 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.

2.2. Equipment Leasing, and Postage Meter Rental

a) Overview

1. A Purchasing Entity may lease Equipment pursuant to the terms and conditions identified herein, and in **Exhibit F**.
2. A Purchasing Entity may only rent postage meters, pursuant to the terms and conditions identified herein, and in **Exhibit D**.
3. In the event that the term of a Lease Agreement or Postage Meter Rental extends beyond the term of the Participating Addendum, the terms and conditions of the Participating Addendum shall continue to apply.
4. A Lease Agreement or 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.
5. All Lease and Rental Payments shall be billed on a quarterly basis during the Initial Lease and/or Rental Term.
6. All Renewal Lease and Rental Payments shall be billed on a monthly basis during the Renewal Lease and/or Rental Term.
7. A Lease or Rental Agreement shall not be subject to automatic renewals.
8. At the end of the Initial Lease Term and/or Postage Meter Rental, or the Renewal Lease and/or Rental Term, all Equipment shall be returned to Contractor, at Purchasing Entity's sole expense.
9. The total lease or rental term, including any renewals, shall not exceed sixty (60) months.

b) Leasing Options

1. Straight Lease

- i. A Purchasing Entity shall have the option to enter into an initial 36, 48, or 60 month term, based upon the lease rates in the NASPO ValuePoint Master Agreement, as modified.
- ii. A Purchasing Entity shall have the option to renew the lease on a monthly basis after the Initial Lease Term, or they may choose to return the Equipment to the Contractor.
- iii. Except in the case of Non-appropriation of funds, Straight Lease Agreements shall be subject to an early termination charge which

shall be equal to the net present value of the quarterly payments remaining through the completion of the term, discounted to present value at a rate of 6% per year.

- iv. The Postage Meter Rental portion of the Lease Payment shall not be included in the early termination charge.

c) Leasing and Postage Meter Rental Terms and Conditions

1. Possession and Return of Lease and Postage Meter Rental Equipment

- i. The Purchasing Entity shall have possession of the Equipment for the term set forth in **Exhibit D** and/or **F**, unless the applicable Order is terminated early.
- ii. Prior to the Initial Lease and/or Rental Term, the Purchasing Entity shall provide the Contractor with a 30 day written notice, indicating whether they want to return the Equipment at the end of the term, or continue to lease or rent the Equipment on a monthly basis. 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 Lease and/or Rental 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 and/or Postage Meter Rental Term, or the Renewal Lease and/or Rental 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 delivery is accepted by the Purchasing Entity as set forth in the Master Agreement.
- vii. The term for a lease or postage meter Order shall commence upon acceptance of the Equipment as stated in §2.4 of this **Exhibit B**.
- viii. The return of lease or postage meter rental Equipment shall be subject to any applicable data handling and disposition obligations under the NASPO ValuePoint Master Agreement and this Participating Addendum.

- 2. **Warranty and Maintenance of Equipment.** All Services performed under the Straight Lease Agreement and the Postage Meter Rental shall be of workmanlike 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 the Master Agreement # ADSP016-169901, which shall not be less than a full twelve (12) months warranty. Contractor shall be responsible for ongoing service and maintenance of the Equipment for the duration of the Lease Term and the Postage Meter Rental.

3. **Buyout to Return Option.** A Purchasing Entity must notify the Contractor or Authorized Dealer, in writing, at least thirty (30) days in advance, if they wish to exercise the Buyout to Return option on a Straight Lease Agreement.
4. **Equipment Upgrade or Downgrade.** A Purchasing Entity may do an Equipment Upgrade or Downgrade on a Straight 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, but at no time shall the total cost of the Equipment Upgrade or Downgrade be in excess of the remaining stream of Equipment Lease Payments.
5. **Equipment Trade-In.** A Purchasing Entity may, at the Contractor's sole discretion, and based upon State regulations and laws, and Purchasing Entity policies, do an Equipment Trade-In, when entering into a new Straight 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.
6. **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 Goods and Performance of Services

- a) Contractor shall provide all Goods and perform all Services described in each Order, and per the terms and conditions of the Master Agreement and this Participating Addendum.
- b) Unless specifically agreed to otherwise in an Order, Contractor shall deliver all Goods under an Order in good, working and undamaged condition. All Goods shall be free on board ("F.O.B.") destination to the location specified in the Order.
- c) 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.
- d) Software related to the Equipment must be installed within five (5) working days of Equipment installation.
- e) Excess installation time shall be at the discretion of the Purchasing Entity.
- f) Moves, Equipment pickups and Equipment Trade-Ins, must be performed within thirty (30) days of the Purchasing Entity request.
- g) If a Good in an Order is out of stock, Contractor may only provide a substitute Good if it has notified the Purchasing Entity for that Order, in writing, that the

Good is out of stock and has received the Purchasing Entity's approval to provide the substitute Good. Purchasing Entities may request additional information comparing the substitute Good with the original Good in the Purchasing Entity's sole discretion.

2.4. Inspection and Acceptance

- a) Goods delivered to a Purchasing Entity under an Order shall not be deemed accepted prior to that Purchasing Entity inspecting the Goods in accordance with the Order and accepting those Goods.
- b) 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.

2.5. Ordering Support

- a) 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.
- b) 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 and resolve problems received by Contractor.
- c) 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.
- d) 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.
- e) Contractor shall provide all training to Purchasing Entities necessary for those Purchasing Entities to place Orders and properly use the Goods and Services.
- f) 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.
- g) 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.

2.6. Marketing

- a) 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.

- b) 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 chose to rescind its submission for review and approval.
- c) Contractor shall not distribute any marketing materials to any Purchasing Entity prior to receiving the State's approval of those Marketing Materials.
- d) 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.

2.7. Additional Terms

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 receipt of Goods or completion of Services and shall not make any term of that form enforceable.

3. EQUIPMENT COMPLIANCE

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

4. TRAINING

4.1. Training

- a) Upon delivery and installation of specified Equipment, the Contractor shall provide training to personnel designated by the Purchasing Entity.
- b) Operational training must be provided to the designated personnel until the personnel are able to operate the Equipment independently.
- c) The amount of training is determined by the complexity of the Equipment.
- d) Installed product and system training shall be included in the price.
- e) All training will be performed at the Purchasing Entity's specified location, via remote or electronic delivery.
- f) Site required training will be at no additional charge if the Equipment is either under warranty or under an active maintenance plan.
- g) Contractor shall provide additional training at the Purchasing Entity's request, throughout the life of the Equipment.
- h) Upon the mutual agreement of Contractor and Purchasing Entity, additional training outside of initial installation will be at the Purchasing Entity's expense. Contractor will be responsible for the cost of all travel, lodging and food; no charges will be passed on to 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, leased or rented.

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, patches and new releases/versions and shall be available 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.

7. EQUIPMENT MAINTENANCE AGREEMENTS

7.1. Overview

- a) Contractor shall provide a full service maintenance agreement, which includes, but is not limited to, all parts, labor and time, and Preventative Maintenance.
- b) 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.
- c) Contractor shall provide technical support throughout the duration of the maintenance agreement.
- d) 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.
- e) 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.
- f) All leased Equipment and postage meters shall come with a full service maintenance agreement.
- g) Consumable Supplies shall be billed separately from maintenance payments.

7.2. Coverage Exclusions

- a) De-installation or Equipment moves.
- b) Maintenance or repairs due to Purchasing Entity's failure to maintain or use the Equipment according to Contractor specifications.
- c) 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.
- d) Maintenance repairs due to Purchasing Entity negligence, accidents, or relocation of products.
- e) Maintenance or repairs due to Purchasing Entity or third-party performing unauthorized maintenance on Equipment.
- f) Maintenance or repairs due to Purchasing Entity exceeding published performance specifications or recommended monthly volume limits for the Equipment.
- g) Maintenance or repairs due to Purchasing Entity's use of parts, consumables, or other supplies that do not comply with Contractor's specifications.
- h) Recovery of any Purchasing Entity data stored within Contractor's Equipment, or the maintenance of any back-up data.
- i) Rebuilding or major overhauls of the Equipment which Contractor determines are necessary.
- j) Purchasing Entity training on Equipment, and application configuration and set-up, beyond the initial training provided by Contractor.

7.3. Purchased Equipment

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

- b) Contractor shall invoice Purchasing Entity twelve (12) months after the delivery of purchased Equipment.
- c) Maintenance Agreements shall not be subject to automatic renewals.

7.4. Leased Equipment and Postage Meter Rentals

- a) The term of the maintenance agreement shall be equal to the term of the Straight Lease and/or Postage Meter Rental agreement.
- b) Maintenance payments will either be 1) Included in the total lease payment, or 2) billed once every twelve (12) months.

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 within twenty-four (24) hours from Purchasing Entity's notice of service requirement, unless the breakdown has been resolved through Contractor's National Service Dispatch Center.
- 8.3. Replacement parts, if needed, shall be provided within twenty-four (24) hours of the service technician arriving onsite.
- 8.4. All return service calls and on-site responses shall be made during the Purchasing Entity's regular business hours (8:00AM – 5:00PM MT) unless otherwise agreed to in writing beforehand by Contractor and Purchasing Entity.
- 8.5. All parts that require maintenance by a service technician are to be included and considered part of the annual maintenance agreement. Failed and/or defective parts shall be replaced at no additional charge to the Purchasing Entity.
- 8.6. Contractor shall provide software support for all applicable Equipment.
- 8.7. 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.
- 8.8. Contractor shall supply loaner Equipment at equal or greater functionality, at no additional charge, for any inoperable Equipment exceeding three (3) business days from time of diagnosis.
- 8.9. 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.
- 8.10. 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 time frame, 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.

10. REPLACEMENT OF UNSATISFACTORY EQUIPMENT

- 10.1. Contractor shall grant a credit for any Equipment which fails to perform at the effectiveness level defined in §9.1 of this Exhibit B.
- 10.2. The credit shall be equivalent to the percentage of down time experienced within that month.
- 10.3. 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.
- 10.4. During the warranty period, unsatisfactory Equipment performance will require an even exchange of Equipment of equal or greater performance at no additional cost.
- 10.5. After the warranty period, the credit value shall be the amount paid at the time of purchase.
- 10.6. 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.

11. VOLUME AND OPERATIONAL REPORTING

11.1. Volume Reporting Information

The State will use a centralized method of tracking volume. 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:

- a) A Quarterly Volume Report, using the format as specified by the State, for each State Fiscal Year Quarter that contains, at a minimum, all of the following:
 - 1. The total spent by each type of Purchasing Entity under this Participating Addendum.
 - 2. The total of the list price of all items purchased by each type of Purchasing Entity under this Participating Addendum.
 - 3. The total estimated price savings for each type of Purchasing Entity under this Participating Addendum, calculated as the total list price minus the total spent for that Purchasing Entity.

4. The amount of the Administrative Fee due to the State.
- b) 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:
 1. The name of the Purchasing Entity who the sale was made to.
 2. The date of the sale.
 3. 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, and the extended price for the item.

11.2. Volume Reporting Submission

- a) Contractor shall deliver the Quarterly Volume Report and the detail report to the State on a quarterly basis.
- b) The Quarterly Volume Report shall be due within thirty (30) calendar days following the end of the State Fiscal Year quarter that the report covers.
- c) If any due date for a Quarterly Volume Report falls on a day that is not a Business Day, then the due date shall be automatically extended to the next Business Day, unless otherwise directed by the State.
- d) All data and information contained in a Quarterly Volume Report shall be the property of the State and shall not be considered proprietary.

11.3. Additional Operational Reporting

- a) Upon request by the State, the Contractor shall develop and deliver to the State Ad-Hoc Operational Reports that may include all detailed and summary transaction, historical or payment information related to the State or any of the Purchasing Entities as requested by the State.
- b) The Ad-Hoc Operational Report shall be due within thirty (30) Business Days following the State's request for that information, unless the State agrees to a longer period of time in writing.

12. PERIODIC BUSINESS REVIEWS

- 12.1. The State may schedule periodic business reviews to review Contractor's performance under this Participating Addendum.
- 12.2. Contractor's key personnel designated in §1.2 of this **Exhibit B** shall be available for all regularly scheduled meetings between Contractor and the State, unless the State has granted prior, written approval otherwise.

13. CLOSEOUT PERIOD

- 13.1. 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.
- 13.2. During the Closeout Period, Contractor shall complete all of the following, as directed by the State:
 - a) Notify any Subcontractors of the termination of the Participating Addendum, as directed by the State.

- b) 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.
- c) 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.

14. PRICING AND PRODUCTS

14.1. Price Lists

- a) The State may publish any pricing information under this Participating Addendum, including, without limitation, the pricing shown in **Exhibit C, Products 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.
- b) 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.

14.2. Ceiling Prices

- a) The prices listed in **Exhibit C** 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.
- b) Contractor shall not allow a Subcontractor to charge an amount greater than the Ceiling Price for any Order.

PARTICIPATING ADDENDUM EXHIBIT C, PRODUCTS AND PRICE LIST

A. Contractor has been awarded, and shall provide the following products and services:

1) Postage Meter Rental (includes Legacy Postage Meters)

- Display that provides date, piece-count, postage used, and postage unused.
- Refillable by phone and/or electronically via a master account or paid by P-Card.
- Imprint postage from \$0.01 to \$99.99.
- No administrative fees for postage meter refills.
- Rental renewal available annually.
- No automatic renewals shall be allowed.
- No penalties for early rental termination.

2) Mailing Systems – Ultra Low Volume

- Digital or IBI (Information Based Indicia) Operation to conform to all USPS® requirements.
- Manual Feed.
- Meter, dates envelopes.
- Handles mail envelopes from 3½" x 5" to 12" x 15".
- Interfaces with postage scales.
- Includes locking key or security feature.
- Imprints postage from \$0.01 to \$99.99.
- Replaceable ink cartridge.
- Wet or dry tape system for oversize packages.

3) Mailing Systems – Low Volume

- Digital or IBI (Information Based Indicia) Operation to conform to all USPS® requirements.
- Minimum feed speed of 30 pieces/minute.
- Meter, dates, and seals envelopes.
- Handles standard mail envelopes from 3½" x 5" to 12" x 15".
- Interfaces with postage scales.
- Includes locking key or security feature.
- Imprints postage from \$0.01 to \$99.99.
- Replaceable ink cartridge.
- Wet or dry tape system for oversize packages.

4) Mailing Systems – Medium Volume

- Digital or IBI (Information Based Indicia) Operation to conform to USPS® requirements.
- Minimum feed speed of 45 pieces/minute.
- Meter, dates, and seal envelopes.

- Handles letter mail and large envelopes up to 3/8" thick and 7-1/2" wide.
- Interfaces with postage scales up to 100 lbs.
- Includes tape dispenser for parcel.
- Imprints postage from \$0.01 to \$99.99.
- Includes locking key or security feature.
- Replaceable ink cartridge.
- Includes water reservoir with water level indicator.
- Sealed and non-sealed modes.

5) Mailing Systems – High Volume

- Digital or IBI (Information Based Indicia) Operation to conform to USPS® requirements.
- Minimum feed speed of 200 pieces/minute.
- Meter, dates, and seal envelopes.
- Handles letter mail and large envelopes from 3"x 5" to 13" x 13".
- Interfaces with postage scales up to 100lbs.
- Includes Tape Dispenser for parcel.
- Imprints postage from \$0.01 to \$99.99.
- Includes locking key or security feature.
- Replaceable ink cartridge.
- Includes water reservoir with water level indicator.
- Sealed and non-sealed modes.

6) Mailing Systems – Production

- Digital or IBI Operation to conform to USPS® requirements.
- Minimum feed speed of 300+ pieces/minute.
- Meter, dates, and seal envelopes.
- Handles letter mail and large envelopes from 3"x 5" to 13" x 13".
- Interfaces with postage scales up to 100 lbs.
- Includes Tape Dispenser for parcel.
- Imprints postage from \$0.01 to \$99.99.
- Includes locking key or security feature.
- Replaceable ink cartridge.
- Includes water reservoir with water level indicator.
- Sealed and non-sealed modes.

7) Integrated Postal Scales

- Can interface with Postage Meter.
- Includes variety of rates including: Standard, First Class, Priority Mail, Certified Mail, Return Receipt Registered, C.O.D., Insured, Registered, Bulk Rates, etc.

- Includes keyboard graphics, operator prompts and menu selections.
 - Special Carrier Rates.
 - Capable of weighing to a 32nd of an oz., displaying in increments of 0.5 oz.
 - Electronically set postage meter by the touch of one button.
 - Includes postal rate changes at no additional cost.
- 8) **Letter Openers – Low Volume**
- Includes Feeder and Stacker, Variable Trim Control.
 - Processing speed up to 10,000 pieces per hour Minimum.
 - Self-Sharpening trim blade adjusts to allow for narrow or wide cut.
 - Includes Tray that collects 80 #10 opened envelopes and trimmings.
- 9) **Letter Openers – High Volume**
- Includes Feeder and Stacker, Variable Trim Control.
 - Processing speed over 20,000 pieces per hour Minimum.
 - Self-Sharpening trim blade adjusts to allow for narrow or wide cut.
 - Includes Tray that collects 150 opened envelopes and trimmings.
- 10) **Letter Folders – Low Volume**
- Automatic.
 - Folds up to 10,000 sheets per hour minimum.
 - Completes Standard or Custom folds.
 - Handles at a minimum, paper from 3-1/8" x 4" x 9-1/2" x 14".
- 11) **Letter Folders – High Volume**
- Automatic.
 - Folds more than 20,000 sheets per hour minimum.
 - Completes Standard or Custom folds.
 - Handles at a minimum paper from 3-1/8" x 4" x 12" x 18".
 - Able to process Multiple Folds.
- 12) **Folder-Inserters – Low Volume**
- Automatic.
 - Completes Standard or Custom folds.
 - Handles paper from 3-1/8" x 4" x 9-1/2" x 14".
 - Processes up to 1,500 sheets per hour minimum.
 - Feeds, collates, folds, and, inserts material into envelopes.
 - Jobs can be pre-programmed.
- 13) **Folder-Inserters – Medium Volume**
- Automatic.

- Completes Standard or Custom folds.
- Handles paper from 3-1/8" x 4" x 9-1/2" x 14".
- Processes up from 1501 – 4,999 sheets per hour minimum.
- Feeds, collates, folds, and, inserts material into envelopes.
- Jobs can be pre-programmed.

14) Folders-Inserters – High Volume

- Automatic.
- Completes Standard or Custom folds.
- Handles paper from 3-1/8" x 4" x 9-1/2" x 14".
- Processes up to 5,000 – 9,999 sheets per hour minimum.
- Feeds, collates, folds, and, inserts material into envelopes.
- Jobs can be pre-programmed.

15) Folders-Inserters – Production

- Automatic.
- Completes Standard or Custom folds.
- Handles paper from 3-1/8" x 4" x 9-1/2" x 14".
- Processes over 10,000 sheets per hour minimum.
- Feeds, collates, folds, and, inserts material into envelopes.
- Jobs can be pre-programmed.

16) Envelope Addressing System – Ink Jet Low Volume

- Label Speed: up to 2,500 # 10 envelopes per hour.
- Applies address information directly to envelopes.
- Adjustable printing positioning from side-to-side and top-to-bottom of document.
- Adjustable print resolution.
- Scalable fonts.
- Interface with Windows based software.
- Includes digital counter.

17) Envelope Addressing System – Ink Jet Medium Volume

- Label Speed: up to 5,000 # 10 envelopes per hour.
- Applies address information directly to envelopes.
- Adjustable printing positioning from side-to-side and top-to-bottom of document.
- Adjustable print resolution.
- Scalable fonts.
- Interface with Windows based software.
- Includes digital counter.

18) Envelope Addressing System – Ink Jet High Volume

- Label Speed: up to 24,999 # 10 envelopes per hour.
- Applies address information directly to envelopes.
- Adjustable printing positioning from side-to-side and top-to-bottom of document.
- Adjustable print resolution.
- Multiple print heads.
- Movable print heads.
- Print USPS Bar Codes.
- Scalable fonts.
- Interface with Windows based software.
- Includes digital counter.

19) Envelope Addressing System – Ink Jet Production Volume

- Label Speed: over 25,000 #10 envelopes per hour.
- Applies address information directly to envelopes.
- Adjustable printing positioning from side-to-side and top-to-bottom of document.
- Adjustable print resolution.
- Multiple print heads.
- Movable print heads.
- Scalable fonts.
- Prints USPS Bar Codes.
- Interface with Windows based software
- Includes digital counter.

20) Extractors

- Processes up to 3,000 pieces per hour.
- One, Two, or Three Sided Opening.
- Includes counting and monitoring system that counts pieces processed.
- Capable of processing various sizes of intermixed mail up to, and including, #11 envelopes, heights 5-1/4”.

21) Tabbers – High Volume

- Complies with all USPS® regulations.
- Single-tab speeds greater than 22,001/Hr. – 50,000/Hr.
- Multiple tabbing options (paper, clear translucent with or without perforation etc.).
- Easy Programming and Set up.
- Accepts various types and sizes of media.

22) Tabbers – Low Volume

- Complies with all USPS® regulations.
- Single-tab speeds up to 15,000/Hr.

- Multiple tabbing options (paper, clear translucent with or without perforation etc.).
 - Easy Programming and Set up.
 - Accepts various types and sizes of media.
- 23) Tabbers – Medium Volume**
- Complies with all USPS® regulations.
 - Single-tab speeds up to 15,001 – 22,000/Hr.
 - Multiple tabbing options (paper, clear translucent with or without perforation etc.).
 - Easy Programming and Set up.
 - Accepts various types and sizes of media.
- 24) Software, License and Subscription**
- 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.
 - Excludes cloud-based solutions.
 - All software, with the exception of NeoShip, is specifically utilized only for mailing Equipment operations.
 - Includes licensing, software maintenance, technical support, and updates.
 - All installations performed by Contractor.
 - Updates performed by Contractor or Purchasing Entity.
- 25) Software Consulting Services**
- Consulting services for mailing solutions that may require custom design, programming, testing and implementation as outlined in a statement of work.
- 26) Software Integration – Production Equipment Only**
- Consulting services provided by Contractor that includes but is not limited to the process of ensuring that mail room applications are synergistic.
- 27) Supplies/Consumables**
- All Supplies/Consumables needed to operate the mailing device or Equipment.
 - Regular paper is not included.
 - Labels for addressing and other mail room purposes are included.
- 28) Assembly/Installation – Production Equipment Only**
- Billable only for Production Equipment.
 - Total hours/days with total fee will be agreed to in writing by Contractor and Purchasing Entity before any work shall begin.
 - All other Installation work is included in the price of the mailing Equipment.
- 29) Training**
- Additional training beyond the initial training period is available for the following products (pricing is listed in the Neopost Products and Price List):

- Bulk mailer & Address Software
- Folder Inserters
- Web Tracking System
- WTS LITE
- WTS-P

30) Equipment Relocation Services

- Equipment Relocation Services include dismantling, packing, transporting and re-installing Equipment at the Purchasing Entity's request.
- No additional charges shall be incurred for fuel or tolls.
- 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

*Relocation of Contractor Equipment shall be handled by the local Authorized Dealer. Pricing will be determined based upon Equipment size and distance.

- B.** The Neopost Products and Price List is located on the dedicated State website, and is incorporated into this Participating Addendum by reference. Changes in product and pricing must be approved by the Lead State and shall be effective when published on the dedicated State website.

PARTICIPATING ADDENDUM EXHIBIT D, NEOPOST POSTAGE METER RENTAL AGREEMENT TERMS



Colorado PA Postage Meter Rental Agreement Terms for NASPO ADSP016-169901

1. Postage Meter Rental. In this Postage Meter Rental Agreement (the "Rental Agreement"), the words "You" and "Your" mean the customer ("Purchasing Entity") named on the Postage Meter Rental Agreement purchase order ("PO"). "We," "Us" and "Our" mean Neopost USA Inc. ("Contractor"). You agree to rent from Us the postage meter identified on the PO, as well as any other products listed on the PO, together with all existing accessories, embedded software programs, attachments, replacements, and additions, (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 PO ("Initial Term"). The rental fee for the Initial Term is also set forth on the PO. 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 PO in accordance with the payment schedule set forth there on

the PO. You shall make all payments to the address indicated on Our invoice within forty-five (45) days of the date of Our invoice. The Postage Meter rental fee does not include the cost of consumable supplies. This Rental Agreement is NON- CANCELABLE (except as provided in Section 21 below) during the Initial Term. 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-NEOPOST (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 that You fail to notify Us of your intentions, then We will provide You with return shipping instructions at the end of Your Initial 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. If the meter is NOT returned within 30 days, then the customer will forfeit any remaining postage they may have left on the meter. They will also be subject to a \$100 lost meter charge, billable upon the 31st 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) keep the Postage Meter insured, at Your expense, 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) a mutually agreed upon advance fee.

8. Default. In the event You fail to perform in accordance with the terms set forth in this Rental Agreement, then We may, with a thirty (30) day written notice to You: (i) repossess the Postage Meter(s); (ii) disable the Postage Meter; and/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 PO 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 PO 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"), which is available on the USPS website, 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), located on the USPS website, 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. Auto Ink Program. If the PO 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, per the Master Agreement, for such cartridge (plus applicable taxes and shipping charges) to Your TotalFunds Account. You may opt out of the Program at any time by sending an email to CIMneworders@neopost.com.

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. THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF EXH A OF THE PARTICIPATING

ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT. 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, DEATH, OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED \$1,000,000.00 EACH OCCURANCE, OR \$2,000,000.00 GENERAL AGGREGATE.

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-NEOPOST (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: Neopost USA Inc., 478 Wheelers Farms Road, Milford, CT 06461 ("Notice Address").

17. Integration. There are no unwritten or 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 and Venue. 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 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 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.

ONLINE SERVICES AND SOFTWARE AGREEMENT

1. Incorporation of Certain Terms. You

acknowledge that You ("Purchasing Entity") have entered a Postage Meter Rental Agreement with Neopost USA Inc. ("Contractor") (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 13 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 PO, 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. Such terms are included in the Participating Addendum, and are incorporated herein by this reference, and You agree to be bound by such terms.

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.

PARTICIPATING ADDENDUM EXHIBIT E, NEOPOST PURCHASE AGREEMENT TERMS



Colorado PA Product Purchase Agreement Terms for NASPO ADSP016-169901

In this Product Purchase Agreement (the "Purchase Agreement"), the words "You" and "Your" mean the Customer ("Purchasing Entity") identified on the Product Purchase Agreement purchase order ("PO"). "We," "Us" and "Our" mean the Contractor, Neopost USA Inc. ("Neopost").

1. Purchase of Products. You agree to purchase from Us the hardware products, software licenses and services listed on the PO (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 submit a PO. 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 PO, plus all other amounts stated herein. Payment is due forty-five (45) days after the date of Our invoice.

3. Shipping; Delivery; and Security Interest. Products shall be shipped FOB Destination to the Installation Address specified on the PO 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. Warranty. We warrant that the Products shall be free from defects in material and workmanship for one (1) year after delivery.

5. 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.

6. Limitation of Liability. THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF EXHIBIT A OF THE PARTICIPATING ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT. 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, DEATH, OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED \$1,000,000.00 EACH OCCURRENCE, OR \$2,000,000.00 GENERAL AGGREGATE.

7. Assignment. No right or interest in this Purchase Agreement may be assigned by You, without Our prior written consent.

8. 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: delivered personally, or (ii) sent by commercial overnight courier with written verification receipt.

9. Integration. There are no unwritten or oral agreements between You and Us. This Purchase

Agreement can be changed only by a signed, written agreement between You and Us.

10. 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.

11. 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.

12. Choice of Law and Venue. 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 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 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 ("Purchasing Entity") named on the Postage Meter Rental Agreement PO ("PO"). "We," "Us" and "Our" mean Neopost USA Inc. ("Contractor") You agree to rent from Us the postage meter(s) identified on the PO (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 PO ("Initial Term"). The rental fee for the Initial Term is also set forth on the PO. 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 PO in accordance with the payment schedule set forth thereon. You shall make all payments to the address indicated on Our invoice within forty-five (45) days of the date of Our invoice. 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 (except as provided in Section 20 below) during the Initial Term. 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- NEOPOST (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. 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. If the meter is NOT returned within 30 days, then the customer will forfeit any remaining postage they may have left on the meter. They will also be subject to a \$100 lost meter charge, billable upon the 31st 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) keep the Postage Meter insured, at Your expense, against all risks of loss and damage in an amount 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) a mutually agreed upon 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 then We may, with a thirty (30) day written notice to You: (i) repossess the Postage Meter(s); (ii) disable the Postage Meter; and/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 PO 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 PO 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"), which is available on the USPS website, 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), located on the USPS website, 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 (18U.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. THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF EXH A OF THE PARTICIPATING ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT. 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, DEATH OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED \$1,000,000.00 EACH OCCURRENCE OR \$2,000,000.00 GENERAL AGGREGATE.

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-NEOPOST (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: Neopost USA Inc., 478 Wheelers Farms Road, Milford, CT 06461 ("Notice Address").

16. Integration. There are no unwritten or 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 and Venue. 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 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 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.

MAINTENANCE AGREEMENT

1. Incorporation of Certain Terms. You acknowledge that You ("Purchasing Entity") have entered a Product Purchase Agreement with Neopost USA Inc. ("Contractor"), 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 12 of the Purchase Agreement are hereby incorporated into this Maintenance Agreement, except that any reference in those sections to the "Purchase Agreement" refers to this Maintenance Agreement.

2. Neopost's Terms and Conditions for Maintenance Services. If the PO indicates that You have purchased maintenance services, then Neopost will provide maintenance services for the Products for twelve (12) months (the "Initial Maintenance Term") in accordance with the Colorado Participating Addendum, Exhibit B., 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, We will send You an invoice each year 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 PO 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 TotalFunds Account. You may opt out of the Program at any time by sending an email to CIMneworders@neopost.com.

ONLINE SERVICES AND SOFTWARE AGREEMENT

1. Incorporation of Certain Terms. You acknowledge that You ("Purchasing Entity") have entered a Product Purchase Agreement with Neopost USA Inc. ("Contractor") (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 12 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 PO 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. Such terms are included in the Participating Addendum, and are incorporated herein by this reference, and You agree to be bound by such terms.

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.

PARTICIPATING ADDENDUM EXHIBIT F, NEOPOST STRAIGHT LEASE AGREEMENT TERMS



Colorado PA Product Lease Agreement Terms for NASPO ADSP016-169901

In this Lease Agreement (the "Lease"), the words "You" and "Your" mean the lessee, which is the entity that is identified as the Customer "(Purchasing Entity)" on the Lease Agreement purchase agreement ("PO"). "We," "Us" and "Our" mean the lessor, MailFinance Inc. "Supplier" refers to either Neopost USA Inc. ("Contractor"), 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 23, below) during the Initial Term (as defined below). You agree to lease from Us the equipment, embedded software, Software, services or other products listed on the PO, (collectively the "Products") according to the terms stated herein. For the avoidance of doubt, postage meters for use in mailing machines are excluded from the definition of Products. The term "Software" means any software that is subject to this Lease, other than software programs that are embedded in the hardware.
2. **Promise to Pay.** You promise to pay to Us the lease payment shown on the PO ("Lease Payment") in accordance with the payment schedule set forth thereon.
3. **Initial Term; Renewal.** 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 PO ("Initial Term"). You must notify Us in writing at least thirty (30) days before the end of the Initial Term that (i) You intend to return the Products at the end of the Initial Term or (ii) You intend to 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 return the Products pursuant to Section 11 of this Lease.

4. **Payments.** Lease Payments, and other charges provided for herein, are payable in arrears periodically as stated on the PO. You agree to make Lease Payments to Us at the address specified on Our invoices, or at any other place designated by Us within forty-five (45) 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 PO ("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.** We hereby assign to You any warranties relating to the Products that We may have received from the Supplier.
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 POSTAGE METER RENTAL, MAINTENANCE, SERVICE, 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 receipt 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 11 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 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 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.
10. **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.

11. **Return of Products.** You are required to return the tangible 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.
12. **Assignment.** YOU SHALL NOT SELL, TRANSFER, ASSIGN, SUBLEASE, PLEDGE OR OTHERWISE ENCUMBER (COLLECTIVELY, "TRANSFER") THE PRODUCTS OR THIS LEASE IN WHOLE OR IN PART.
13. **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."
14. **Limitation of Liability.** THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF EXH A OF THE PARTICIPATING ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT. 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, DEATH, OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED \$1,000,000.00 EACH OCCURRENCE, OR \$2,000,000.00 GENERAL AGGREGATE.

15. Notice. All notices related to this Lease to Us shall be made by You, or an attorney representing You. Notice of non-renewal of this Lease shall be made as outlined in Section 3. Other notices, requests and other communications hereunder shall also be in writing and sent to: MailFinance 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 into 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.

16. Integration. There are no unwritten or 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.

17. 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.

18. 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.

19. Survival of Obligations. Your obligations under this Lease shall survive any expiration or termination of the Participating Addendum and Master Agreement 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.

20. Choice of Law and Venue. 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 the State of 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.

21. Intentionally Blank

22. Intentionally Blank

23. Termination.

A. Non-Appropriation.

i. You warrant and represent that You intend to enter into this Lease for the entire Stated Term, and you acknowledge that We have relied upon such represented intention when determining the applicable pricing plan.

ii. 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.

B. Convenience. You may terminate this Lease at anytime 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.

- 24. Additional Postage Meter Terms.** If the Products require a postage meter, then You agree that Neopost USA's Postage Meter Rental Agreement shall govern your rental of such postage meter.

POSTAGE METER RENTAL AGREEMENT

1. Incorporation of Certain Terms. Customer ("Purchasing Entity") acknowledges that: (i) it has entered a Lease Agreement with MailFinance 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 Neopost USA Inc. ("Contractor"), and any reference to "Products" shall refer to the Postage Meter. Sections 10, 11 and 13 through 24 of the Lease are hereby incorporated into this Rental Agreement, except that any reference in those section 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 PO (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. 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 11 of the Lease. If the meter is NOT returned within 30 days, then the customer will forfeit any remaining postage they may have left on the meter. They will also be subject to a \$100 lost meter charge, billable upon the 31st 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 a mutually agreed upon 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 MailFinance Inc., which is directly associated with this Meter Rental, then We may, with a thirty (30) day prior written notice to You: (i) repossess the Postage Meter(s); (ii) disable the Postage Meter; and/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 or MailFinance, which is directly associated with this Meter Rental.

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 PO 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 PO 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 acknowledgment 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"), which is available on the USPS website, 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), located on the USPS website, 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 (30 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.

MAINTENANCE AGREEMENT

1. **Incorporation of Certain Terms.** You acknowledge that You ("Purchasing Entity") have entered a Lease Agreement with MailFinance 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 Neopost USA Inc. ("Contractor"). Sections 12 through 23 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. **Neopost's Terms and Conditions for Maintenance Services.** If the PO indicates that You have purchased maintenance services, then Neopost USA Inc., or one of its affiliates, will provide maintenance services for the Products in accordance with the Colorado Participating Addendum, Exhibit B, 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. 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. **Notwithstanding the foregoing, maintenance services are not available on HD Office Printer Series products.**
3. **Auto Ink Program.** If the PO 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, per the Master Agreement, for such cartridge (plus applicable taxes and shipping charges) to Your TotalFunds Account. You may opt out of the Program at

any time by sending an email to
CIMneworders@neopost.com.

ONLINE SERVICES AND SOFTWARE AGREEMENT

- 1. Incorporation of Certain Terms.** You acknowledge that You ("Purchasing Entity") have entered a Lease Agreement with MailFinance 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 Neopost USA Inc. ("Contractor"). Sections 12 through 23 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 PO, 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. PO Such terms are included in the Participating Addendum, and are incorporated herein by this reference and You agree to be bound by such terms.
- 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.

PARTICIPATING ADDENDUM EXHIBIT G, NEOPOST MASTER SERVICES AGREEMENT

MASTER SERVICES AGREEMENT

This Master Services Agreement (Agreement) is between Neopost USA Inc. ("Neopost" or "Contractor"), a Delaware corporation with its principal place of business at 478 Wheelers Farms Road, Milford, CT 06461, and _____ ("Customer" or "Purchasing Entity"), with offices located at _____.

1. Scope. This Agreement defines the basic terms and conditions under which Neopost will provide Customer with certain services. From time to time, the parties may add Schedules to this Agreement by reference to add additional services or reflect other business arrangements, in which case, physical attachment is unnecessary. Every Schedule becomes a part of this Agreement and is subject to this Agreement. Where differences between the Agreement and a Schedule exist, this Agreement has precedence unless the Schedule acknowledges the discrepancies and explicitly states that the Schedule has precedence. The term "Agreement" includes this Agreement and all Schedules incorporated by reference.
2. Services.
 - a. The shipping or tracking technology services provided shall include any software, copyrighted or trademarked material, trade secrets, documentation, or other proprietary information or technologies made available or downloaded in connection with such services, and any maintenance and services related thereto, and all Content and Systems related to any of the foregoing (collectively, the "Services"), and which shall be (i) provided by Neopost pursuant to the applicable Schedules, and (ii) accessible via the Internet to Customer via a web-based browser.
 - b. For purposes of this Agreement: (i) "Content" means (1) materials, software code and systems, and (2) user-perceptible text and multimedia information including, but not limited to, images, text, sound, data, audio, video, graphics, documentation, photographs and artwork; (ii) "Systems" means database systems, transaction processing systems, display systems, application logic or other automated functionality, and (iii) "Carriers" mean any carriers (such as FedEx, UPS, and DHL, for example) which are used in connection with the Services. The Services shall be conducted in a lawful manner and in compliance with all applicable federal, state, and local laws and regulations.
 - c. Neopost hereby warrants and agrees (i) to provide the Services with the reasonable standard of care, skill, and diligence normally provided by professionals or experts in the performance of such Services or similar services, and (ii) the Services will perform as outlined in the Schedules and in the applicable user manuals and documentation for the particular Service. Customer's sole and exclusive remedy for breach of any of the foregoing warranties shall be (1) to terminate this Agreement and the accompanying Schedules, or (2) have Neopost perform the maintenance referenced in Section 4 of this Agreement.
3. Fees. As a condition to receiving the Services, Customer shall pay Neopost the fees set forth in the Schedules within forty-five (45) days of invoice date. Neopost shall submit all invoices to Customer at the address above, or as otherwise specified by Customer, to the attention of _____.
4. Maintenance. Neopost shall provide maintenance for the Services for the purpose of correcting material errors or defects in the Services as originally provided to Customer pursuant to any applicable Schedules and as subsequently modified by Neopost or as updated by Neopost. Customer shall promptly report all errors or defects to the dedicated Customer contact persons. Neopost shall work diligently to correct such errors or defects within thirty (30) days of discovery by Neopost or notice by Customer, whichever is earlier.
5. Security. Customer is responsible for maintaining the confidentiality of the password(s) and other account information that are necessary to access the Services. Customer is fully responsible for the activities of all individuals that use the system (each a "User") in connection with this Agreement. Customer agrees to immediately notify Neopost of any unauthorized use of a User's password or account or any other breach of security. Neopost cannot and will not be liable for any loss or damage arising from any failure by Customer to comply with this Section 5. All personally identifiable information submitted by Customer in connection with the Services ("Submitted Information") is subject to Neopost's Privacy Policy for the Services.

6. End User Support. Neopost shall perform all end-user support of the Services, in addition to any training mutually agreed to in any Schedule. Furthermore, Neopost shall provide this support to Customer during normal business hours, and shall reasonably cooperate with Customer by telephone.
7. License. Subject to the terms and conditions of this Agreement, Neopost grants Customer, on a revocable basis, a limited, non-exclusive, non-transferable license to use, for purposes of this Agreement and during the term of this Agreement, the Neopost Services and related materials and documents delivered in connection with the Services.
8. Term. This Agreement commences as of the Effective Date of the first Schedule (as defined in such Schedule) and remains effective until terminated in accordance with its terms, provided that this Agreement shall (i) not terminate prior to the termination of any Schedule, and (ii) automatically terminate when all of the Schedules terminate. The term for each Schedule shall be as set forth in the given Schedule, or, if no term or minimum period is specified, then month to month until the particular Schedule (and all Services related thereto) is terminated by either party with at least thirty (30) days notice prior to the end of any calendar month.
9. Termination. Either party shall have the right to immediately terminate this Agreement in the event the other party (a) fails to comply with any material term or condition of this Agreement and such failure is not remedied within thirty (30) days after written notice describing such failure in reasonable detail, (b) becomes insolvent, makes an assignment for the benefit of creditors, suffers or permits the appointment of a receiver, trustee in bankruptcy or similar officer for all or parts of its business or assets, or (c) avails itself of or becomes subject to any bankruptcy proceeding under Federal law or any statute of any state relating to insolvency or the protection of rights of creditors. Upon termination (i) all Schedules and licenses under this Agreement shall terminate, (ii) the parties shall pay all outstanding sums owed to each other, (iii) each party shall immediately return to the other, or certify destruction of, all papers and documents which may contain Confidential Information of the other party, (iv) each party shall discontinue use of the other party's Marks, (v) Customer shall discontinue use of the Services, and (vi) Customer shall have no residual rights with respect to the Services or other related Neopost confidential information.
10. Confidentiality. Except as required by the Colorado Open Records Act (CORA), this Agreement written technical and business information of each party, including the Services (and all modifications thereto), and all other documents and written disclosures marked or identified as "confidential" or "proprietary", furnished by one party (the "Disclosing Party") to the other (the "Receiving Party") under or in contemplation of this Agreement shall remain the property of the Disclosing Party (all hereinafter designated as "Confidential Information"). Unless the Disclosing Party otherwise agrees in writing, such Confidential Information: (i) shall be treated as confidential and proprietary by the Receiving Party and shall be used by the Receiving Party only for the purposes of performing the Receiving Party's obligations under this Agreement; (ii) shall not be reproduced or copied in whole or in part, except as necessary for use as authorized in this Agreement; and (iii) shall be made available only to such employees, if any, of the Receiving Party who have a need to have access to such Confidential Information and are obliged to comply with the terms and restrictions of this Section. The foregoing conditions do not apply to any information which: (i) was in the public domain at the time it was communicated to the Receiving Party by the Disclosing Party; (ii) entered the public domain subsequent to the time it was communicated to the Receiving Party by the Disclosing Party, through no fault of the Receiving Party; (iii) was in the Receiving Party's possession free of any obligation of confidence at the time it was communicated to the Receiving Party by the Disclosing Party; (iv) was rightfully communicated to the Receiving Party free of any obligation of confidence subsequent to the time it was communicated to the Receiving Party by the Disclosing Party; (v) was developed by employees or agents of the Receiving Party independently of and without reference to any information communicated to the Receiving Party by the Disclosing Party; or (vi) must be disclosed pursuant to court order or other governmental requirement, provided that the Receiving Party promptly discloses any such requirement to the Disclosing Party, and provides Disclosing Party a reasonable opportunity to seek a protective order. In the event of a disputed disclosure, the Receiving Party shall bear the burden of proof of demonstrating that the information falls under one of the above-described exceptions.
11. Use, Restrictions and Ownership.
 - a. Customer may only use the Services internally for their intended purpose or as otherwise expressly agreed to in writing by Neopost. Customer shall not commit or permit Service Misuse, and Neopost may immediately terminate, limit or suspend Customer's access to the Services if (i) Customer engages in or permits Service Misuse, or (ii) Neopost reasonably determines that Customer's acts or omissions are likely to expose Neopost to liability if their use is not immediately terminated, limited or suspended. For purposes of this Agreement, "Service Misuse" shall be any use which (i) is reasonably considered to be illegal or unlawful or expressly not

permitted under this Agreement, (ii) infringes upon the patent, copyright, trademark, trade secret, confidential information or other intellectual property rights of a third party (provided same does not arise out of the intended use of the Services by Customer as permitted under this Agreement or the Schedules), or (iii) violates general standards of behavior on the Internet or otherwise constitutes network and system abuse (although Customer shall receive five (5) days notice and an opportunity to cure within such period before Neopost permanently terminates Customer's access to the Services).

- b. Customer shall not (i) reverse engineer, decompile, disassemble, or translate the Services, (ii) apply any procedure or process to the Services in order to ascertain, derive, and/or appropriate for any reason or purpose, the source code or source listings for the Services or any trade secret or confidential information or process contained in the Services, (iii) remove any product identification, copyright or other notices contained in the Services, (iv) transfer the Services or the license granted herein, in whole or in part, (v) provide, lease, lend, reproduce, distribute, or otherwise commercially exploit the Services, or (vi) modify or create derivative works of the Services. Customer further agrees to use its reasonable efforts to protect Neopost's Services from unauthorized use, illegal reproduction or illicit distribution. Neopost retains all right, title and interest in the Services, including all related intellectual property rights, and any modifications, enhancements and derivatives thereto, regardless of who contributes to the Services, except that the ownership of any data relating to Customer's business shall be retained by Customer. Customer shall have no right to sublicense any portion of the Services unless otherwise provided in an attached Schedule. Each party retains all rights not expressly licensed herein.

- 12. Marks and Marketing. Use of the other party's logos, trademarks, service marks or trade names ("Marks") must be pre-approved by the other party, in their sole discretion. Otherwise, no licenses to Marks are granted, except that (a) Customer may internally refer to the Services to promote use of the Services, and (b) Neopost may utilize the Customer Marks as approved by Customer in connection with Neopost's performance under this Agreement. The parties may engage in marketing activities only as mutually agreed to in writing and when consistent with both parties' business interests. Marketing activities may include: (1) use of Customer's name on Neopost customer lists, (2) reference calls for prospective Neopost customers, (3) Customer site visits, and (4) use of Customer as a case study.
- 13. Data. Neopost agrees to use Customer's Confidential Information only for purposes of supporting its customer relationship with Customer. Customer shall have access to any data stored in Neopost's database via the reporting facility, if any, which is featured in the Services, or as may be otherwise provided in applicable Schedules.
- 14. Indemnities. If a third party makes a claim alleging that the Services directly infringe any patent, copyright, or trademark or misappropriate any trade secret ("IP Claim"), Neopost will indemnify, defend, and hold Customer harmless against the IP Claim and pay all costs, damages and expenses (including reasonable legal fees) arising out of such IP Claim, provided that: (i) Customer promptly notifies Neopost in writing no later than sixty (60) days after receipt of notification of a potential IP Claim; (ii) Neopost may assume sole control of the defense of such claim and all related settlement negotiations; and (iii) Customer provides Neopost, at Neopost's request and expense, with the assistance, information and authority necessary to perform Neopost's obligations under this Section. Customer, in its sole discretion, may take over the defense of such claim and all related settlement negotiations, and in so doing, Customer shall fully release Neopost from liability for such claim. Notwithstanding the foregoing, Neopost shall have no liability for any claim of infringement based on the use of the Services other than in accordance with this Agreement. If, due to an IP Claim or the threat of an IP Claim: (i) the Services are held by a court of competent jurisdiction, or in Neopost's reasonable judgment may be held, to infringe by such a court; or (ii) Customer receives a valid court order enjoining Customer from using the Services, or in Neopost's reasonable judgment Customer may receive such an order, Neopost shall in its reasonable judgment, and at its expense: (a) replace or modify the Services to be non-infringing, provided that the replacement Services contain substantially similar functionality; (b) obtain for Customer a license to continue using the Services; or (c) if non-infringing Services or a license to use cannot be obtained, Neopost may terminate the license for the infringing Services and refund any prepaid fees for those Services. This Section 14 states Neopost's entire liability and Customer's exclusive remedy for any claim of infringement.
- 15. Disclaimer of Warranties. EXCEPT FOR THE REPRESENTATIONS CONTAINED IN SECTION 2 HEREOF, NO EXPRESSED OR IMPLIED WARRANTIES ARE MADE BY EITHER PARTY (INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY). NEOPOST MAKES NO WARRANTIES WHATSOEVER CONCERNING ANY TECHNOLOGIES OR SERVICES OF CARRIERS, AND DOES NOT WARRANT THAT THE SERVICES BEING PROVIDED BY NEOPOST WILL OPERATE UNINTERRUPTED OR ERROR-FREE.

- 16. Limitation of Liability. THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL

APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF EXHIBIT A OF THE PARTICIPATING ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT. CUSTOMER EXPRESSLY UNDERSTANDS AND AGREES THAT NEOPOST SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES (EVEN IF NEOPOST HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM: (I) THE USE OR THE INABILITY TO USE THE SERVICES; (II) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES; (III) DATA SUPPLIED BY ANY THIRD PARTY; OR (IV) ANY OTHER MATTER RELATING TO THE SERVICES.

17. Carrier Requirements.

- a. ALL CARRIER TECHNOLOGIES, MATERIALS AND SERVICES USED IN CONNECTION WITH THE SERVICES ARE PROVIDED "AS IS". NO WARRANTY, REPRESENTATION, EXPRESS, OR IMPLIED, WITH RESPECT TO SUCH MATERIALS, TECHNOLOGIES OR SERVICES IS PROVIDED BY THE CARRIERS OR NEOPOST (INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) OR IS GIVEN OR ASSUMED BY ANY SUCH CARRIERS OR NEOPOST AND ALL SUCH WARRANTIES ARE EXCLUDED AND WAIVED.
- b. CARRIERS SHALL NOT BE LIABLE TO CUSTOMER OR ANY OTHER PARTY FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, PUNITIVE OR OTHER INDIRECT DAMAGES TO THE EXTENT PERMITTED BY LAW.
- c. Neopost (and not any Carriers) is solely responsible for performing its maintenance and warranty (if any) obligations under this Agreement and Customer releases Carriers from all liability for such maintenance or warranty.
- d. Nothing in this Agreement shall be construed as an endorsement or approval (whether direct or indirect) of Neopost's products or services by Carriers.
- e. Carriers' products and/or services are provided subject to the terms, conditions and the amounts of the limitations of liability set out (i) on the applicable Carrier's shipping documentation regarding the shipments; and, (ii) as appropriate, in any (a) transportation agreement between Customer and the applicable Carrier covering such shipment; and/or, (b) applicable tariff, service offering materials (e.g., Service Guide) or Standard Conditions of Carriage. For the avoidance of doubt, nothing in this Agreement shall be considered to amend, supplement or otherwise supersede such terms, conditions and limitations of liability.
- f. Neopost is not assuming any obligations or liability under any agreements between Customer and its Carriers. Customer agrees to work directly with its Carriers to obtain any requisite approvals and tools and to satisfy any applicable Carrier requirements. Customer acknowledges that Neopost IS NOT A CARRIER OR BROKER OF PARCEL OR FREIGHT DELIVERY SERVICES, AND SHALL NOT BE LIABLE FOR THE DELIVERY OF ANY SHIPMENT OR FOR LOSS OR DAMAGES TO ANY SHIPMENTS, REGARDLESS OF THE ACTIVE OR PASSIVE NEGLIGENCE OR SOLE, JOINT, CONCURRENT, OR COMPARATIVE NEGLIGENCE OF NEOPOST.

18. Legal Compliance. Customer shall comply with all applicable laws, statutes, ordinances, rules and regulations ("Laws") regarding the Services, and shall obtain any requisite licenses to export, re-export, or import any software used in connection with the Services.

19. Notice. Any notice concerning any default or the termination of this Agreement shall be by certified mail, return receipt requested or nationally recognized overnight courier, to the attention of the officers signing this Agreement. Other notices may be sent by fax, e-mail, or a national transportation carrier.

20. Authority. Neopost and Customer each represent and warrant that they are duly authorized to execute this Agreement on behalf of their respective companies in the capacities indicated.

21. Miscellaneous Provisions. Provisions that by their sense and context are intended to survive shall survive the termination of this Agreement. All provisions of this Agreement are severable, and the failure or delay in requiring performance in one instance shall not affect a waiver against requiring performance in another, later or continuing instance. Through signing this Agreement, the parties are not becoming fiduciaries, partners, or joint ventures, and there are no intended third party beneficiaries of this Agreement. Neither party shall assign this Agreement without prior written consent (not to be unreasonably withheld), except for assignments to commonly controlled affiliates or in connection with a sale, merger or reorganization. This Agreement is binding upon the parties and their respective

successors and permitted assigns.

22. Applicable Law/Jurisdiction. The Agreement and the relationship between Customer and Neopost shall be governed by the laws of the State of Colorado without regard to its conflict of law provisions. Customer and Neopost agree to submit to the personal and exclusive jurisdiction of the courts located within Denver, Colorado.

Customer

(Signature)

(Printed Name)

(Title)

(Date)

Neopost USA Inc.

(Signature)

(Printed Name)

(Title)

(Date)

PARTICIPATING ADDENDUM EXHIBIT H, NEOPOST HOSTED TRACKING SERVICES AGREEMENT

SCHEDULE OF HOSTED TRACKING SERVICES

This Schedule of Hosted Tracking Services ("Tracking Services Schedule") is by reference incorporated into, and made a part of, the Master Services Agreement ("Agreement") between Neopost USA Inc. ("Contractor"), and _____ ("Customer" or "Purchasing Entity").

1. Scope. This Hosted Tracking Services Schedule defines the specific terms and conditions under which Neopost agrees to work diligently to set-up and provide the following tracking services ("Hosted Tracking Services") including:

Subscription Component / Part #	Quantity

2. Fees and Expenses. As consideration for the Tracking Services, Customer shall timely pay Neopost the following fees:

Payment Amount	Frequency

3. Term. This Schedule shall have an initial term of one (1) year from the date of execution below ("Effective Date"). The Customer may elect to renew Services at the end of each one (1) year term, by providing Neopost USA Inc. with a thirty (30) day prior written notice. If the Customer fails to notify Neopost USA Inc. of their intent, then Services shall terminate at the end of the initial term.
4. Acceptance. Customer acknowledges that the Hosted Tracking Services are a multi-tenant hosted service. As system upgrades and enhancements are implemented, Customer shall continuously review the Services and notify Neopost in writing within 30 days if any substantial changes to the Services are not acceptable, including specific reasons why they are not acceptable, otherwise such Services shall be deemed rejected by Customer. With the exception of changes that may be required for Carrier compliance, in the event Neopost is notified that the changes are not acceptable, Neopost may modify the Services so that the capabilities and performance of the Services substantially perform as originally provided and accepted, provided, however, that in the event that Customer does not accept the Services, or if Neopost cannot remedy any errors or deficiencies to Customer's satisfaction, then Customer's sole remedy shall be to terminate this Schedule and the Agreement. In the event that the Customer exercises this termination right, Customer shall only be obligated to pay for that portion of the Services actually used.

IN WITNESS WHEREOF, the parties have duly executed this Schedule as of _____

Customer

Neopost USA Inc.

(Signature)

(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

PARTICIPATING ADDENDUM ATTACHMENT 1, NEOPOST EMS END USER LICENSE AGREEMENT TERMS



Neopost USA Inc. EMS END USER LICENSE AGREEMENT

*** IMPORTANT ***

READ CAREFULLY BEFORE INSTALLING AND/OR USING THE SOFTWARE.

By installing and/or using the software, you indicate your acceptance of the following Software License Agreement.

*** IMPORTANT ***

The software is licensed by NEOPOST USA INC. ("Contractor") (hereinafter referred to as "NEOPOST") only upon the condition that the Licensee ("You") agrees to the terms and conditions set forth below.

READ THIS END USER LICENSE AGREEMENT CAREFULLY. YOU ("Purchasing Entity") WILL BE BOUND BY THE TERMS OF THIS AGREEMENT IF YOU INSTALL AND/OR USE THE SOFTWARE.

If Licensee does not agree to the terms contained herein, immediately and prior to installation or use, return the software and accompanying items (including any hardware, written manuals, and binders or other containers) to NEOPOST at the address provided below and the purchase price will be refunded.

NEOPOST agrees to grant Licensee a nontransferable, non exclusive license to use the Software contained in this package, or any part of it and to hold and utilize the "Security Key" which is labeled as such in this package (hereinafter collectively referred to as the "Licensed Product"), subject to the following terms and conditions:

TERM

The license granted by this Agreement shall be effective until terminated. Licensee may terminate this license at any time by destroying all portions and copies of the Software, including, without limitation, other portions of the Software (whether or not incorporated into other software). This license shall be automatically terminated if Licensee fails to comply with any term or condition of this License Agreement or if Licensee transfers possession of any copy, modification, or merged portion of the Licensed Product to another party. Upon termination, Licensee shall be obligated to return the Security Key to NEOPOST and, additionally, to retrieve and immediately destroy all copies and other portions of the Software licensed hereunder in every form and media.

LICENSE

The license granted to Licensee by NEOPOST hereunder authorizes Licensee to use the Licensed Product on a single computer (licensed or to be licensed by the Licensee), for the Licensee's particular company, only. Reports generated by the Licensed Product are intended for use in connection with analyzing Licensee's shipping and/or mailing costs as an end-user only and not for any other purpose whatsoever. Licensee acknowledges that throughout the term of this Agreement, ownership of the Licensed Product shall remain vested in NEOPOST, subject to Licensee's rights to use the Licensed Product under the terms of this Agreement and that **LICENSEE MUST RETURN THE SECURITY KEY TO NEOPOST AT THE END OF THE TERM OF THIS AGREEMENT.**

USE RESTRICTIONS

Any use of the Licensed Product or of any computer generated labels ("Labels") from the Licensed Product that is inconsistent with the terms herein is unauthorized and strictly prohibited without the express prior written consent of NEOPOST. Licensee agrees to use the Licensed Product and any Labels only in strict compliance with all applicable laws, rulings, and regulations. In this release, the party identified as "Software Suppliers" includes UPS Internet Services, Inc. ("UPS") and FedEx Corporate Services Inc. ("Federal Express").

Upon notice from NEOPOST, Licensee agrees to immediately cease all use of the Licensed Product. Further, upon notice from any Software Supplier to NEOPOST, Licensee agrees to immediately cease all use of at least the portion of the Licensed Product containing software provided by such Software Supplier to NEOPOST. NEOPOST shall cooperate with Licensee in identifying the portion of the software provided by such Software Supplier to NEOPOST and in recommending a method of compliance with the notice.

RESTRICTION AGAINST TRANSFER

This End User License Agreement, and the Licensed Product, may not be assigned; sub licensed or otherwise transferred by Licensee or made available by Licensee to any third party for such third party's use without prior written consent from NEOPOST.

RESTRICTIONS AGAINST COPYING OR MODIFYING LICENSED PROGRAM

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Licensee is not entitled to make any copies of the Licensed Product for any reason. The Compact Disc (CD) version is provided to restore the system in the event of loss and for no other purpose.

PROTECTION AND SECURITY

Licensee hereby agrees not to deliver or otherwise make available the Licensed Product, or any part of it, including without limitation, program listings, object code, and source code, to any person other than NEOPOST or its employees, except for purposes specifically related to Licensee's use of the Licensed Product, without the prior written consent of NEOPOST. Licensee hereby agrees to take all reasonable steps to safeguard the Licensed Product to ensure that no unauthorized copy of any part of it shall be made, in anyform.

TERMINATION

Within one (1) month after the date of termination of this End User License Agreement pursuant to the section titled TERM above, Licensee will: (a) return to NEOPOST any Security Key delivered to Licensee; and (b) Return to NEOPOST the original CD version of the Licensed Product, if such CD is not destroyed in accordance with the section titled TERM above. Licensee is expressly prohibited from retaining the original or any copy of the Licensed Product for any purpose.

LIMITED WARRANTY

The only warranty that NEOPOST makes is that the Compact Disc (CD), on which the Licensed Product is recorded, will be replaced, without charge, if NEOPOST, in good faith, determines that: (1) such CD was defective and not subject to misuse, and (2) such CD is returned to NEOPOST with satisfactory proof of date of purchase, within ninety (90) days of date of purchase. NEOPOST reserves the right to change the specifications and operating characteristics of the Licensed Product

and to sell improved versions of the Licensed Product or any part thereof in the future, and in accordance with the NASPO ValuePoint Master Agreement. This warranty and the rights created by this warranty are personal to the Licensee and are not transferable.

DISCLAIMER OF WARRANTY

LICENSEE ACKNOWLEDGES THAT THE LICENSED PRODUCT IS PROVIDED BY NEOPOST ON AN 'AS IS' BASIS IN THEIR CURRENT STATE OF DEVELOPMENT AND THAT NEOPOST'S WARRANTY OBLIGATIONS ARE LIMITED TO THE LIMITED WARRANTY PROVISIONS CONTAINED HEREIN. NEOPOST MAKES NO OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED. NEOPOST SHALL NOT BE LIABLE FOR ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FOR LICENSEE'S INABILITY TO USE THE LICENSED PRODUCT. Licensee hereby agrees that the Licensed Product does not constitute "Consumer Goods" under state or federal warranty laws. Licensee acknowledges that the Licensed Product consists of business software designed for commercial use. Licensee acknowledges that the Licensed Product and reports generated by the Licensed Product will not be 100% accurate in terms of all mailing and shipping costs, in light of the large number of possible permutations. Licensee agrees that, to the extent that Licensee needs extremely high accuracy, Licensee will be responsible for checking the accuracy of the Licensed Product's results against information published by shippers or other sources to ensure accuracy.

GENERAL

If any provision of this End User License Agreement is determined to be invalid under any applicable statute or rule of law, it shall be deemed omitted and the remaining provisions shall continue in full force and effect. This End User License Agreement is to be governed by and construed in accordance with the laws of the State of Colorado. Any notices or other communications required or permitted hereunder to be sent to NEOPOST must be mailed by certified mail to the following address: NEOPOST USA INC. 478 Wheelers Farms Road, Milford CT 06461. This End User License Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and all prior agreements, representations, statements, negotiations and undertakings, with respect to the subject matter hereof, are hereby expressly canceled.

ADDENDUM RELATING TO use of Software Suppliers' software and systems: Your use of the UPS portions of the Licensed Product is governed by the terms and conditions of Exhibit 1 and your use of the Federal Express portions of the Licensed product is governed by the terms and conditions of Exhibit 2, attached hereto and incorporated herein by this reference.

WARNING: IF ANOTHER COMPANY'S NAME APPEARS IN THE LICENSED PRODUCT AS THE END USER, YOUR USE OF THE LICENSED PRODUCT IS NOT AUTHORIZED. USE OF THE LICENSED PRODUCT BY AN UNAUTHORIZED USER OBLIGATES THAT USER TO PAY A FULL LICENSE FEE DIRECTLY TO NEOPOST PLUS 10% PER ANNUM ON THAT AMOUNT, FROM AND AFTER THE COMMENCEMENT OF USAGE. THIS REMEDY IS IN ADDITION TO THE OTHER CIVIL AND CRIMINAL REMEDIES WHICH MAY BE AVAILABLE TO NEOPOST ARISING FROM THE UNAUTHORIZED USE OF THE LICENSED PRODUCT.

Exhibit 1

UPS Software License Agreement

END-USER LICENSE AGREEMENT

Version Baseline: SEUL003152006

This Exhibit 1 ("Exhibit 1") to the End-User License Agreement (the "Agreement") is entered into by and between NEOPOST ("Licensor" or "Contractor") and you ("End-User" or "Purchasing Entity"). End-User's use of those portions of the Licensed Product containing the UPS Licensed Materials is subject to the terms and conditions of this Exhibit 1. By using those portions of the Licensed Product containing the UPS Licensed Materials, you agree to the terms and conditions of this Exhibit 1. If you do not agree to the terms and conditions of this Exhibit 1 you must cease all further use of the UPS

Licensed Materials.

TO THE EXTENT THE TERMS AND CONDITIONS CONTAINED IN THIS EXHIBIT 1 CONFLICT WITH THE TERMS AND CONDITIONS CONTAINED IN THE END-USER LICENSE AGREEMENT, THE TERMS AND CONDITIONS OF THIS EXHIBIT 1 SHALL CONTROL WITH RESPECT TO UPS AND THE UPS LICENSED MATERIAL.

1.0 Definitions

- 1.1 Affiliates means parties that control, are controlled by, or under common control with UPS.
 - 1.2 Hosting Provider means (i) a third party service provider that has contracted with the End-User to host the Licensor Product at the third party service provider's location in the Territory and only for End-User's sole benefit. The term "Hosting Provider" shall not include: (i) any UPS competitors or (ii) Licensor or any of Licensor's distributors or any of their affiliates.
 - 1.3 Licensed Product means the software and hardware product(s) the Licensor distributes to End-Users with the UPS Licensed Materials.
 - 1.4 OFAC Specially Designated Nationals List means that list found at <http://www.ustreas.gov/offices/eotffcofac/sdn/index.html>, which may be revised or supplemented from time to time.
 - 1.5 Restricted Territory means any country subject to embargo or sanctions by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"). As of September 29, 2004, the countries subject to embargo or sanctions by OFAC include Cuba, North Korea, Libya, Sudan and Syria. Countries subject to OFAC embargo or sanctions can change at any time.
 - 1.6 Territory means the country(ies) for which End-User has received written approval from Licensor to use the Licensor Product(s).
 - 1.7 UPS means UPS Internet Services, Inc. and its Affiliates.
 - 1.8 UPS License Agreement means that certain license agreement between UPS and Licensor or Licensor's Authorized Dealer pursuant to which UPS grants to Licensor a limited, revocable, non-exclusive, non-transferable right to sublicense the UPS Licensed Materials as part of the Licensor Products to End-Users.
 - 1.9 UPS Licensed Materials means the UPS proprietary technology contained in the Licensed Product and the related Documentation.
 - 1.10 UPS Services means UPS shipping services including the labeling, rating, routing, recording and tracking of shipments tendered by or for End-Users to UPS for delivery.
 - 1.11 UPS Systems means the UPS proprietary network and computer systems accessed by the Licensed Product, including, without limitation, the UPSnet, the Package Tracking System, and the Tracer Information Processing System.
2. **License Grant.** Licensor hereby grants to End-User, subject to the terms and conditions of this Exhibit 1, a limited, revocable, non-exclusive, non-assignable, nontransferable, right and license to use, in the Territory only, the UPS Licensed Materials solely for its own internal business purposes in order to gain access to the UPS System and provide UPS with Package Level Detail ("PLD").
3. **License Restrictions and Acknowledgements.** End-User shall not, nor shall it permit any other third party to: (a) translate, deactivate, decompile, reverse engineer, disassemble, modify, reproduce, rent, lease, lend, distribute or otherwise dispose of the UPS Licensed

Materials or any part thereof; (b) allow distribution of any information regarding the UPS Services, through use of the Licensed Product or UPS Licensed Materials or any other means by wireless or satellite delivery services or applications; or (c) host or use, or allow any entity or person to host or use the UPS Licensed Materials so that functions within the UPS Licensed Materials are available to third parties, via an application service provider arrangement or otherwise. Notwithstanding sub-section 3(c) above, End-User may (i) host the Licensed Product at an End-User location in the Territory only for its sole benefit, or (ii) contract with a Hosting Provider to host the Licensed Product at the Hosting Provider's location in the Territory only, and only for End-User's sole benefit. Further, End-User shall use the UPS Licensed Materials only to communicate with the UPS Systems, and for no other purpose. For each End-User location supported by a Licensed Product, End-User must have a UPS Shipper Number and receive UPS Daily Pick-up Service. All shipments manifested through the Licensed Product and received by UPS Daily pick-up service must be billed to such six digit UPS Shipper Number. End-User may not use a six digit shipper number which UPS has not specifically assigned to End-User. End-User may not permit any third party to use the six digit UPS Shipper Number which UPS has assigned to End-User. End-User acknowledges that, concurrently with an End-User initiated connection to the UPS Systems, the Licensed Product may be remotely accessed for a limited period of time by UPS in order to provide updates and changes relating to the UPS Licensed Materials and other UPS software and related information. End-User further acknowledges that (a) it may be asked by its consignees to include a location identifier ("LID"), which is used by the consignee to participate in the UPS Quantum View Inbound(tm) Service, in the PLD upload to UPS for certain packages shipped by End-User to such consignee using the UPS shipping system; and (b) if End-User chooses to include the consignee LID in its PLD records, UPS may, at the request of a consignee, distribute to the consignee or a third party the information of such PLD records which include the consignee LID and such recipient may further use and distribute such information to other parties.

4. **Limited Access.** End-User shall not gain or attempt to gain access to any UPS computer system or data base, other than the UPS System, by any means, including by use of the UPS Licensed Materials or the Licensed Products.
5. **Third-Party Beneficiary.** Licensor and End-User agree that UPS is an intended third-party beneficiary of this Agreement and any amendments thereto.
6. **Changes to UPS Services and Materials.** End-User understands and acknowledges that the UPS Services, UPS Licensed Materials, and UPS Systems may be updated, altered, terminated, modified or supplemented at any time.
7. **Ownership and Other Rights.** End-User hereby acknowledges and agrees that UPS or its parent or affiliate is the owner of all right, title and interest in and to the UPS Licensed Materials and the UPS trademarks, service marks and logos (the "UPS Marks"). End-User further does not acquire any right of ownership in the UPS Licensed Materials or UPS Marks. UPS reserves all of its rights pertaining to the subject matter hereof not specifically granted herein to End-User.
8. **Smart Labels.** For all packages shipped via UPS, End-User shall use the UPS Smart Labels. "Smart Labels" mean labels generated by an application certified or provided by UPS which comply with the then current version of the UPS Guide to Labeling. End-User's production and use of Smart Labels produced for shipping via UPS are subject to the following restrictions: (i) only one unique Smart Label may be printed for a package and such unique Smart Label may only be used in connection with the unique package for which such unique Smart Label was generated; (ii) no Smart Label may be copied, photocopied, reproduced, modified, altered, distributed, transferred, stored, sold, leased, transmitted, or disclosed, electronically or otherwise, to any third party; (iii) Smart Labels may only be used by End-User in connection with shipments tendered by End-User to UPS for delivery and for no other purpose; (iv) all

shipments for which Smart Labels are generated must have their PLD electronically transmitted to UPS via the Licensed Product by the time of pickup by the UPS Daily Pick-up service; (v) End-User represents that it has all necessary rights to provide to UPS all personally identifiable information through End-User's use of the Licensed Product; and (vi) End-User shall not interfere with or disable features of the Licensed Materials which cause shipments for which Smart Labels are generated not to have their package level detail electronically transmitted to UPS.

9. **Limitations on Branding.** End User shall not brand, re- brand or co- brand the Licensed Products which incorporate the UPS Licensed Materials in connection with the trademark, service mark, trade name, logo, symbol, or mark of any third party.
10. **Confidentiality.** Any information received from the UPS Licensed Materials, the UPS System or the UPS Services is "Confidential Information". End-User shall (a) hold in confidence, and not disclose to any person or entity, any Confidential Information of UPS; and (b) not use or disclose any of the UPS Confidential Information for any purpose at any time other than for the limited purpose of performance under this Exhibit 1.
11. **No Warranty.** THE UPS LICENSED MATERIALS ARE PROVIDED "AS IS" AND IN THEIR PRESENT STATE AND CONDITION. NO WARRANTY, REPRESENTATION, CONDITION, UNDERTAKING OR TERM, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO THE CONDITION, QUALITY, DURABILITY, PERFORMANCE, NON- INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR USE OF THE UPS LICENSED MATERIALS IS GIVEN OR ASSUMED BY UPS OR ITS AGENTS.
12. **Intentionally omitted.**
13. **Intentionally omitted.**
14. **Termination.** End-User acknowledges and agrees that this Exhibit 1 may be terminated by Licensor for any reason or no reason upon thirty (30) days prior written notice. Notwithstanding the foregoing, this Exhibit 1 may be terminated immediately upon a breach of the Confidentiality provision; the License Restrictions; or the Limitations on Branding provision. Upon expiration or termination of the UPS License Agreement, UPS reserves the right within its sole discretion to (a) allow this Exhibit 1 to continue pursuant to its terms, or (b) require Licensor to terminate this Exhibit 1. Sections 3, 4, 5, 7, 10, 11, 14, 15, 17 and 18 shall survive termination or expiration of this Agreement.
15. **Compliance with Laws.** End-User shall strictly comply with all applicable laws, rulings, and regulations. End-User will comply, to the extent applicable, with the United States Export Administration regulations, the International Traffic in Arms regulations and any regulations or licenses administered by the Department of Treasury's Office of Foreign Assets Control ("OFAC"). Under no circumstances may the UPS Licensed Materials be distributed to any individual or entity listed on OFAC's Specially Designated Nationals List.
16. **Intentionally omitted.**
17. **Governing Law and Language.** EXCEPT AS SET FORTH IN SECTION 18 BELOW, TO THE FULL EXTENT PERMITTED BY LAW, WITH RESPECT TO MATTERS REGARDING THE UPS LICENSED MATERIALS, THIS AGREEMENT (INCLUDING BUT NOT LIMITED TO BREACHES OF CONTRACT, TORT (INCLUDING NEGLIGENCE) AND MISCONDUCT OF THE PARTIES) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, UNITED STATES OF AMERICA, EXCLUDING (I) ITS CONFLICT OF LAW PRINCIPLES; (II) THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS; (III) THE 1974 CONVENTION ON THE LIMITATION PERIOD IN THE INTERNATIONAL SALE OF GOODS;

AND (IV) THE PROTOCOL AMENDING THE 1974 CONVENTION, DONE AT VIENNA, APRIL 11, 1980. To the full extent permitted by law and consistent with valid entry into a binding agreement, the controlling language of this Agreement is English and any translation End-User has received has been provided solely for End-User's convenience.

- 18. Jurisdiction.** With respect to matters relating to the UPS Licensed Materials, and except for the right of either party hereto to apply to a court of competent jurisdiction for an injunction or other interim or equitable relief or provisional remedies available under applicable Territory law to preserve the status quo, or prevent irreparable harm or related to End-User's use of the UPS Licensed Materials in breach of this Agreement shall be settled exclusively in Denver, Colorado, United States of America.
- 19. Miscellaneous.** If any portion of this Exhibit 1 is found to be invalid or unenforceable, the remainder of this Exhibit 1 shall remain in full force and effect. Use, duplication or disclosure of the UPS Licensed Materials by the United States Government is subject to the restrictions set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 or subparagraphs (c)(1) and (2) of the Commercial Computer Software - Restricted Rights at 48 CFR- 52-227.19, as applicable.

Exhibit 2

Federal Express Software License Agreement

End User License Agreement (DISTRIBUTION AGREEMENT)

IN ORDER TO USE THE APPLICATION (AS DEFINED BELOW), YOU MUST AGREE TO ABIDE BY THIS AGREEMENT. THIS AGREEMENT GIVES EACH OF US CERTAIN RIGHTS AND RESPONSIBILITIES. YOU WILL BE ASSUMING FULL AND SOLE RESPONSIBILITY FOR ALL USE OF THE APPLICATION OCCURRING UNDER YOUR ACCOUNT NUMBER; YOU WILL BE LIMITING YOUR REMEDIES. PLEASE READ THIS AGREEMENT CAREFULLY.

You will be required to accept this Agreement in order to complete the registration process. By clicking the "I accept" button, you accept and agree to be bound by all of the provisions of this Agreement, including those incorporated by reference, without modification, limitation or qualification. You will be binding yourself or your company to this Agreement. You represent that you have the authority to bind your company, if done on behalf of a company, to this Agreement. If you do not have such authority, you must click the "I decline" button. You must also click the "I decline" button if you do not agree with this Agreement. If you decline, you will not be authorized to access or use the Application and/or the FedEx services available through such Application.

FEDEX END-USER LICENSE AGREEMENT

This license agreement ("Agreement") is entered by and between FedEx Corporate Services, Inc. ("FedEx" or "Software Supplier") and you ("Licensee" or "Purchasing Entity").

In consideration of the mutual promises and obligations set out below, the sufficiency of which the Parties acknowledge, FedEx and Licensee acknowledge and agree as follows:

Section 1.

- a) Grant.** Subject to the terms and conditions of this Agreement, FedEx grants Licensee a non-exclusive, royalty-free, non-assignable, non-transferable, limited, revocable license, provided to Licensee by Licensee's shipping system supplier ("Software Manufacturer"), solely to access those shipping and shipping related services offered, from time to time, by FedEx or its Affiliates as incorporated into the Application ("FedEx Services") which may include, as the case may be, functionality enabling Licensee to label, rate, route, record, track and invoice shipments tendered to FedEx for carriage on behalf of Licensee and for no other purpose. For purposes of

this Agreement, the term FedEx shall mean and include FedEx Corporate Services, Inc. and its parent company, FedEx Corporation, and FedEx Corporation's subsidiary companies. This Agreement governs Licensee's access and use of the Application at the physical locations and under the FedEx account numbers and/or registration numbers provided to Licensee by FedEx. The Application may be accessed and used by Licensee for the purpose of conducting e-commerce transactions with Licensee and requesting FedEx Services. To the extent FedEx or the Software Manufacturer makes available to Licensee any updates, upgrades, enhancements, bug-fixes or other modifications to the Application (collectively, "Modifications"), such Modifications shall be considered a part of the Application and subject to the terms and conditions of this Agreement.

b) Restrictions.

- (i)** The license does not permit, and Licensee will not (and will not permit any employee or other third party to):

 - 1.** reverse engineer, decompile, disassemble, or translate the Application;
 - 2.** apply any procedure or process to the Application in order to ascertain, derive, and/or appropriate for any reason or purpose, the source code or source listings for the Application or any trade secret or confidential information or process contained in the Application;
 - 3.** remove any product identification, copyright or other notices;
 - 4.** transfer the Application or the license, in whole or in part, or grant any rights in the Application or the license, in whole or in part by sublicense or otherwise;
 - 5.** except as allowed under Section 1(a) herein, provide, lease, lend, or otherwise use or allow others to use or have access to the Application or any portion thereof;
 - 6.** disseminate or disclose performance information or analysis (including, without limitation, benchmarks) relating to the Application without the prior written consent of FedEx;
 - 7.** use or display (including, without limitation, doing either on a stand-alone basis (i.e., not as integrated with the Software)) the Application except as expressly authorized in and in accordance with Section 1(a) above;
 - 8.** reproduce or distribute the Application; or,
 - 9.** modify or create derivative works of the Application.
- (ii)** FedEx may prevent access to or use of the Application or its systems if FedEx has reason to believe that (a) Licensee or third party using the Application licensed to Licensee may be involved in potential unauthorized use of or other infringement of FedEx's proprietary rights or (b) Licensee or its use of the Application is in violation of this Agreement.
- (iii)** In addition to the provisions of this Agreement, if Licensee is an agency, department, or other entity of the United States Government ("Government"), the use, duplication, reproduction, release, modification, disclosure or transfer of the Application, manuals, or any technical specifications, or any related documentation of any kind, including technical data ("Documentation"), is further restricted in accordance with Federal Acquisition Regulation ("FAR") 12.212 for civilian agencies and Defense Federal Acquisition Regulation Supplement ("DFARS") 227.7202 for military agencies. The Application and Documentation is commercial computer software and commercial computer software documentation. Manufacturer is FedEx Corporate Services, Inc. 30 FedEx Parkway, Collierville, TN 38017.
- (iv)** Licensee acknowledges and agrees that the Application is subject to export restrictions and controls imposed by various statutes and regulations, including the Export Administration Act and the Export Administration Regulations (collectively, "the Acts").

Licensee agrees and certifies that neither the Application nor any direct product thereof is being or will be (a) used for any purpose prohibited by the Acts or (b) exported from the United States in violation of the Acts.

- (v) Licensee acknowledges that the Software and other services provided by Software Manufacturer are not provided by FedEx, and Licensee waives any and all claims against FedEx arising from or relating to Licensee's use of the Software or the other services provided by Software Manufacturer.

Section 2.

- a) **Licensee Obligations.** Licensee will follow FedEx's instructions, including those provided in the Application and/or Documentation, provided from time to time, for access and use of the Application. Licensee is solely responsible for providing and maintaining all hardware necessary to access and use the Application. In addition, Licensee is solely responsible for obtaining access to the Internet or World Wide Web. Such access is required to utilize the Application. In addition to such access, the Licensee shall provide FedEx and/or the Software Manufacturer with remote access to the Application (whether via Internet or dedicated communication line (e.g., telephone)) so that FedEx and/or the Software Manufacturer may access the Application, from time to time, in order to configure the Application, make Modifications to, recover FedEx Services and related data from, and/or download rating and routing information to the Application as it resides on Licensee's systems and/or disable the Application in the event Licensee's license is terminated. FedEx may, and may require the Software Manufacturer, to Modify the Application at any time and for any reason. In the event FedEx and/or the Software Manufacturer is unable to establish communication with Licensee's systems for reasons not attributable to FedEx or the Software Manufacturer, Licensee will assist FedEx and/or Software Manufacturer within a commercially reasonable time to initiate such communication..
- b) **Maintenance.** Licensee agrees to look solely to the Software Manufacturer for all technical support and maintenance of the Software and Application, unless otherwise instructed by FedEx.

Section 3.

Termination. This Agreement is effective until terminated by either party. This Agreement will terminate without notice if Licensee fails to comply with any provision of this Agreement or any instructions regarding the Application provided by FedEx. Upon termination, Licensee must cease all use of the Application.

Section 4.

Payment. To the extent applicable to the FedEx Services available to Licensee through the Application, Licensee agrees to remit payment, in accordance with the terms and conditions contained in the applicable FedEx transportation agreement, FedEx Service Guide ("Service Guide"), or as otherwise instructed by FedEx, for all invoices generated by using the Application and to reference the invoice number when payment is remitted. Licensee is responsible for payment of all charges generated through use of the Application under Licensee's account number and registration number.

Section 5.

Billing and Refunds. To the extent applicable to the FedEx Services available to Licensee through the Application, Licensee may bill shipping charges for transactions conducted through the Application only to valid account numbers, either bill sender, bill recipient or bill third party. To the extent applicable to the FedEx Services available to Licensee through the Application, shipments tendered to FedEx with incorrect routing, labeling, commitment date, service designation or other errors through no fault of FedEx will not be eligible for refunds under FedEx's money-back guarantees. Refunds requested by Licensee with respect to any shipment must be made in accordance with the applicable Service Guide. Licensee will not be entitled to any refund or credit under FedEx's money-back

guarantees if FedEx determines that the claim resulted from improper use of the Application. FedEx, in its sole discretion, may suspend its money-back guarantees in the event Application fails or is inoperable for any reason.

Section 6.

Disclaimer of Warranty. LICENSEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT ACCESS TO THE APPLICATION IS PROVIDED TO LICENSEE BY THE SOFTWARE MANUFACTURER AND THAT FEDEX IS NEITHER PROVIDING THE SOFTWARE NOR CHARGING LICENSEE A FEE FOR USE OF THE APPLICATION. THE APPLICATION IS PROVIDED "AS-IS." FEDEX DOES NOT WARRANT THAT THE APPLICATION WILL MEET ANY OR ALL OF LICENSEE'S REQUIREMENTS OR THAT ITS OPERATIONS WILL BE UNINTERRUPTED OR ERROR FREE OR THAT ANY DEFECT WITHIN THE APPLICATION WILL BE CORRECTED. FEDEX DOES NOT WARRANT THAT THE APPLICATION OR ANY RELATED SERVICES OR CONTENT IS FREE FROM BUGS, VIRUSES, ERRORS OR OTHER PROGRAM LIMITATIONS. FEDEX DOES NOT WARRANT ACCESS TO THE INTERNET OR TO ANY OTHER SERVICE OR CONTENT THROUGH THE APPLICATION. FURTHERMORE, FEDEX DOES NOT WARRANT OR MAKE ANY REPRESENTATION REGARDING THE RESULTS OF LICENSEE'S INSTALLATION OR USE OF THE APPLICATION IN TERMS OF CAPABILITY, CORRECTNESS, ACCURACY, RELIABILITY OR OTHERWISE.

THIS WARRANTY GIVES LICENSEE SPECIFIC LEGAL RIGHTS AND LICENSEE MAY HAVE OTHER RIGHTS AS WELL WHICH VARY FROM STATE TO STATE.

Section 7.

Remedies. YOUR SOLE REMEDY FOR ANY DISSATISFACTION WITH THE APPLICATION IS TO STOP USING THE APPLICATION.

Licensee agrees to look to the Software Manufacturer for any and all remedies for damages of any nature arising out of Licensee's access, use or inability to access or use the Application and/or Software. Licensee acknowledges and agrees that it is Licensee's sole responsibility to arrange with the Software Manufacturer for any and all warranties, maintenance requirements and remedies arising out of Licensee's access and use of the Application and/or Software.

Section 8.

Intentionally omitted.

Section 9.

Controlling Law and Severability. This Agreement shall be governed by and construed in accordance with the laws of the United States and the State of Colorado, excluding its conflicts of law provisions. If for any reason a court of competent jurisdiction finds any provision of this Agreement, or a portion thereof, to be unenforceable, that provision shall be enforced to the maximum extent permissible so as to effect the intent of the parties and the remainder of this Agreement shall remain in full force and effect. Any cause of action with respect to Application must be instituted within one (1) year after the claim or cause of action has arisen in Denver, Colorado or be barred.

Section 10.

Terms and Conditions of Carriage. To the extent applicable to the FedEx Services available to Licensee through the Application:

- a) Licensee agrees that domestic and international carriage by FedEx of any shipments tendered to FedEx using the Application shall be in accordance with the terms, conditions and the amounts of the limitations of liability set out on the NONNEGOTIABLE Air Waybill, Label, Manifest, or Pick-Up Record (collectively "Shipping Documentation") regarding the shipments and as appropriate any transportation agreement between Licensee and FedEx covering such shipment and in any applicable tariff, Service Guide or Standard Conditions of Carriage. If there is a conflict regarding

a shipment between the Shipping Documentation and any such document then in effect or this Agreement, the transportation agreement, tariff, Service Guide, Standard Conditions of Carriage, or this Agreement will control, in that order of priority.

- b) Licensee acknowledges that if the Application is used to process shipments to locations outside the United States or other country of shipment origin, Licensee must enter the name of the person completing the Shipping Documentation to print in lieu of such person's manual or script signature on the Shipping Documentation, as applicable, for all shipments tendered by Licensee to FedEx using the Application. Licensee further acknowledges that such printed name shall be sufficient to constitute the Licensee's signature, and acceptance of FedEx's terms and conditions of carriage contained in the applicable transportation agreement, tariff, Service Guide, Standard Conditions, or Shipping Documentation, under which the shipment is accepted by FedEx, or its independent contractor.
- c) Unless otherwise indicated, the shipper's address indicated on the face of any Shipping Documentation is the place of execution and the place of departure and the recipient's address listed on the face of the Shipping Documentation is the place of destination. Unless otherwise indicated on the face of the Shipping Documentation the first carrier of all shipments is FedEx Express, P.O. Box 727, Memphis, TN 38194. In the event another carrier is listed on any such document, that carrier is the first carrier of the shipment. The address for FedEx Ground is P.O. Box 108, Coraopolis, PA 15230.

Section 11.

Intentionally omitted.

PARTICIPATING ADDENDUM ATTACHMENT 2, NEOPOST OMS-500 LICENSE AGREEMENT TERMS

OMS500 SOFTWARE LICENSE AGREEMENT

In this Software License Agreement (the "Agreement"), the words "You" and "Your" mean the licensee ("Purchasing Entity"), which is the entity that is identified as the Customer on the Order Form. "We," "Us," and "Our" mean the licensor, Neopost USA Inc. ("Contractor").

1. Definitions

1.1 "Confidential Information" means that information of either party ("Disclosing Party") which is disclosed to or learned by the other party ("Receiving Party") pursuant to this Agreement, and which (a) the Recipient should reasonably have known from the nature of the information that the information is not to be disclosed to third parties and/or (b) if in written form is marked "Confidential," "Proprietary" or similar designation, or if disclosed orally, the Disclosing Party indicates that such information is confidential at the time of disclosure and sends a written summary of such information to the Receiving Party within thirty (30) days of disclosure and marks such summary "Confidential," "Proprietary" or similar designation. Confidential Information shall include, but not be limited to, trade secrets, inventions, techniques, processes, algorithms, software programs, schematics, designs, customer lists, financial information, sales, marketing plans, and business information. References to Us as a Receiving Party or a Disclosing Party shall also include all of Our present and future subsidiary and parent companies.

1.2 "Documentation" shall mean the manuals published and made generally available by Us for the Program(s). Documentation shall include any updated Documentation that We provide with updates.

1.3 "Maintenance Services" shall mean the services set forth in Section 4.

1.4 "Order Form(s)" shall mean a document by which You order the Program and any related Maintenance Services, which includes Customer's purchase agreements.

1.5 "Page" shall mean a single page in a printed or emailed document.

1.6 "Program(s)" shall mean Our OMS-500 software program, including any updates to such software.

1.7 "Purchased Pages" shall mean the

number of Pages that You have purchased as determined by the license version set forth on the Order Form. The number of Purchased Pages included with each license version is as follows:

License Version	Purchased Pages
Standard	600,000
Office	1,200,000
Pro	5,000,000
Enterprise	10,000,000

1.8 "Site" shall mean the location at which the Program(s) will be installed, as specified in the Order Form(s).

1.9 "Specifications" shall mean the hardware and software platforms that are supported by Us and required for the Program to properly operate. The Specifications are expressly set forth in the Documentation.

1.10 "Support Term" shall mean the term of the Maintenance Services as set forth in the applicable Order Form for the Program.

2. License Grant, Reservations, and Restrictions

2.1 Grant. Subject to the terms and conditions of this Agreement, for each instance of the Program on the accompanying Order Form, We hereby grant You a perpetual, nonexclusive, royalty free, non-assignable and revocable license, without the right to grant sublicenses, to use one (1) instance of the Program at the Site for Your own internal business purposes.

2.2 Page Restrictions. Your ability to use the Program is limited by the number of Purchased Pages and You will be unable to use the Program if you have no unused Purchased Pages available. You shall have up to twelve (12) months from the installation of the Program to use the Purchased Pages. At the end of such period (i) any unused Purchased Pages shall be immediately forfeited; and (ii) you will receive additional allotment of Purchased Pages. For each additional twelve (12) month period, You shall receive an additional allotment of Purchased Pages to be used during such year. At the end of each twelve (12) month period, any unused Purchased Pages shall be immediately forfeited.

2.3 Additional License Restrictions. The

rights granted in this Agreement are subject to the following additional restrictions: (i) You may not reverse engineer, disassemble, decompile, or otherwise attempt to derive the source code of the Program; (ii) You may not sublicense or use the Program for commercial time-sharing, rental, outsourcing, or service bureau use; and (iii) with regard to any and all copies of the Program and Documentation, You shall only make exact copies of the versions as originally delivered by Us. You shall ensure that each copy contains all titles, trademarks, and copyright and restricted rights notices as in the original, and all such copies shall be subject to the terms and conditions of this Agreement.

2.4 Documentation License. Subject to the terms and conditions of this Agreement, We hereby grant You a perpetual, nonexclusive royalty free, non-assignable and revocable license, without the right to grant sublicenses, to use the Documentation solely for purposes of supporting Your use of the Program in accordance with the terms of the Documentation.

2.5 License to Copy. Subject to the terms and conditions of this Agreement, We hereby grant You a License to (i) make one (1) additional copy of the Program solely for archival, emergency back-up, testing, or disaster recovery purposes; and (ii) copy the Documentation as reasonably necessary to use the Program.

2.6 Retention of Rights. We reserve all rights not expressly granted to You in this Agreement. Without limiting the generality of the foregoing, You acknowledge and agree that: (i) except as specifically set forth in this Agreement, We and Our suppliers retain all rights, title and interest in and to the Programs and Documentation, and You acknowledge and agree that You do not acquire any rights, express or implied in or to the Programs and Documentation, except as specifically set forth in this Agreement; and (ii) any configuration or deployment of the Programs shall not affect or diminish Our rights, title, and interest in and to the Programs; ; and (iii) if You suggest any new features, functionality, or performance for the Programs that We subsequently incorporate into the Programs, You hereby grant Us a worldwide, non-exclusive, royalty-free, perpetual right and license to use and incorporate such suggestions into the Programs. You acknowledge that the Programs incorporating such new features, functionality, or performance shall be Our sole and exclusive property. You agree not to remove, alter or otherwise obscure any proprietary rights notices appearing in the

Programs or Documentation.

2.7 Assignment. Neither this Agreement nor any rights granted hereunder may be sold, leased, assigned, sublicensed, or otherwise transferred, in whole or in part, by You, and any such attempted assignment shall be void and of no effect without Our advance written consent, which will not be unreasonably withheld or delayed.

3. Delivery and Activation of the Program. We will send You an email containing Your license serial number (the "License Registration Email").

4. Maintenance Services for Program. We shall provide You with Maintenance Services, as set forth in the Program Maintenance document attached hereto as Exhibit A, during the Support Term. At the end of the initial Support Term, We will invoice You for the renewal of Maintenance Services at the then-current rate, per the Master Agreement.

5. Term and Termination

5.1 Term. The license granted for each Program on the Order Form under this Agreement shall commence when we send You the License Registration Email and shall remain in effect perpetually unless this Agreement is terminated as provided in Section 5.2.

5.2 Termination by Either Party For Material Breach. Either party may terminate this Agreement upon written notice if the other party materially breaches this Agreement and fails to cure such breach within thirty (30) days following receipt of written notice specifying the breach in detail; provided, however, that You may terminate Maintenance Services only if We materially breach our obligations with regard to such services and fail to cure, or to begin in good faith to cure, the breach within sixty (60) days following written notice from You specifying the breach in detail. In the event of termination of Maintenance Services, You shall be liable only for payment for Maintenance Services through the termination date and shall receive a pro-rata refund of any unused, prepaid fees.

5.3 Effect of Termination. If this Agreement terminates, (i) You shall cease using the applicable Programs, and Documentation; (ii) You shall certify to Us within thirty (30) days after termination that You have destroyed, or returned to Us, the Programs, and Documentation, and all copies thereof, whether or not modified or merged into other materials; and (iii) any unused Purchased Pages shall be immediately forfeited. Termination of this Agreement shall not relieve You of Your

obligation to pay all fees that have accrued or are otherwise owed by You under any Order Form. The parties' rights and obligations under Sections 2.6, 6, 7.1.4, 7.2, 8, 10, and 11 of this Agreement shall survive termination of this Agreement.

6. Intellectual Property Indemnification.

If a third party makes a claim against You alleging that a Program directly infringes any patent, copyright, or trademark or misappropriates any trade secret ("IP Claim"), We will indemnify, defend, and hold You harmless against the IP Claim and pay all costs, damages and expenses (including reasonable legal fees) arising out of such IP Claim, *provided that*: (i) You promptly notify Us in writing no later than sixty (60) days after You first become aware of an actual or potential IP Claim; (ii); and You provide Us, at Our request and expense, with the assistance, information and authority that We reasonably ask You to provide to Us to perform Our obligations under this Section. Notwithstanding the foregoing, We shall have no liability to You for any IP Claim based on (a) the use of a superseded or altered release of the Program if the infringement would have been avoided by the use of a current unaltered release of the Program, which We provided to You, any modification, by You or by a third party on Your behalf, of the Program, or (c) the use of the Program in any way other than in accordance with the Documentation and in full compliance with the terms of this Agreement. Nevertheless, the parties agree that Our entire liability under this Agreement for any claim or legal action related to an IP Claim shall be limited to no more than USD \$1 Million each occurrence, or \$2 Million general aggregate.

6.1 If, due to an IP Claim or the threat of an IP Claim, (i) the Programs are held by a court of competent jurisdiction, or in Our reasonable judgment may be held by a court of competent jurisdiction to infringe a third party IP right, or (ii) You receive a valid court order enjoining You from using the Programs, or in Our reasonable judgment You may receive such an order, You agree to permit Us, in Our reasonable judgment and at Our expense, to: (a) replace or modify the Program to be non-infringing, provided that the replacement Program contain substantially similar functionality; (b) obtain for You a license to continue using the Program; or (c) if non-infringing Program or a license to use cannot be obtained, You agree to permit Us to terminate the license for the infringing Program on a date reasonably specified by Us (the "Termination Date") and refund the pro-rated license fees and Maintenance Fees paid for such Program as of the Termination Date and You agree

to stop using the Program no later than the Termination Date.

7. Warranties and Remedies

7.1 Limited Warranties and Disclaimers

7.1.1 Program Warranty. For as long as You have Maintenance Services, We warrant that the Programs will perform in all material respects the functions described in the Documentation when operated in accordance with the Specifications.

7.1.2 Anti-Virus Warranty. We warrant that the Program as delivered by Us does not contain any virus software code.

7.1.3 Documentation Warranty. We warrant that the Documentation is fit for the purposes reasonably required by a person with adequate knowledge, training and experience to operate the Programs.

7.1.4 Disclaimers. We do not warrant that (i) the Programs will meet Your requirements, (ii) the Programs will operate in combinations with other hardware, software, systems or data not provided by Us (except as otherwise set forth in the Specifications) which You may select for use, (iii) the operation of the Programs will be uninterrupted or error-free, (iv) the Programs will continue to comply with requirements for benefits provided by third parties where the requirements are outside Our control, or (v) all Program errors will be corrected, provided, however, that if You are current on Maintenance Services fees, We shall be obligated to provide Maintenance Services. THESE SOFTWARE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, AND QUALITY OF SERVICE. OUR WARRANTIES CONTAINED HEREIN RUN ONLY TO YOU, AND ARE NOT EXTENDED TO ANY THIRD PARTIES.

7.2 Exclusive Remedies. You must report in writing any breach of the warranties contained in Sections 7.1.1, to Us during the relevant warranty period, and Your exclusive remedy and Our entire liability for any breach of such warranties shall be as set forth below:

7.2.1 Program Warranty. To use commercially reasonable efforts to correct or provide a workaround for reproducible Program errors that cause a breach of this warranty.

7.2.2 Anti-virus Warranty. The immediate replacement of all copies of the affected Programs in Your possession with copies that do

not contain such virus code. If We intentionally breach the warranty contained in Section 7.1.2, You shall additionally have the right to Your proven direct damages, subject to the limitation of liability set forth in Section 8.

7.2.3 Documentation Warranty. To use commercially reasonable efforts to revise the Documentation to correct deficiencies that cause a breach of this warranty.

8. Limitation of Liability.

THE AMOUNTS OF THE LIMITATIONS OF LIABILITY OF THIS AGREEMENT SHALL APPLY ONLY IN EXCESS OF ANY INSURANCE TO BE MAINTAINED UNDER SECTION 12 OF EXHIBIT A OF THE PARTICIPATING ADDENDUM, AND NO INSURANCE POLICY SHALL BE INTERPRETED AS BEING SUBJECT TO ANY LIMITATIONS OF LIABILITY OF THIS AGREEMENT. IN NO EVENT SHALL WE OR OUR SUPPLIERS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOSS OF PROFITS, DATA OR USE, INCURRED BY EITHER PARTY OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT OR TORT, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Except for Our liability for IP Claims under Section 6, or direct damages resulting from personal injury, death or injury to tangible property caused by Our negligence or willful misconduct while on Your premises, the maximum Our liability to You for damages hereunder shall not exceed \$1,000,000.00 each occurrence, or \$2,000,000.00 general aggregate.

9. Payment Provisions

9.1 License Fees. In consideration of the license granted herein, You agree to make the payments set forth in the Order Form which payments shall be nonrefundable and irrevocable except as otherwise provided in Section 6 of this Agreement. We shall invoice you for the license fees once We accept this Agreement. You agree to pay all of Our valid invoices within forty-five (45) days of receipt. In the event You make unauthorized copies of Programs, We shall be entitled to recover the full amount of any license fees that would relate to such copies.

9.2 Maintenance Fees. As consideration for the Maintenance Services to be provided pursuant to an Order Form, You shall pay Us the maintenance fee payments set forth in the relevant Order Form, which payments shall be nonrefundable and irrevocable except as otherwise provided in Section 6.2 of this Agreement. We shall

invoice you for the maintenance fees for the first year when We send You the License Registration Email.

10. Confidentiality

10.1 Obligation of Confidentiality. Each party agrees that it shall use the same degree of care that it utilizes to protect its own information of a similar nature, but in any event not less than reasonable care, to prevent the unauthorized use or the disclosure of such Confidential Information to third parties. The Confidential Information shall be disclosed only to employees and consultants of a recipient who are instructed to and agree in writing to not disclose third party confidential information, and who shall use the Confidential Information only for the purpose set forth above. A recipient may not alter, decompile, disassemble, reverse engineer, or otherwise modify any Confidential Information received hereunder and the mingling of the Confidential Information with information of the recipient shall not affect the confidential nature or ownership of the same as stated hereunder.

10.2 Ownership of Confidential Information. All Confidential Information is, and shall remain, the property of the disclosing party. Nothing herein shall be construed as granting or conferring any rights by license or otherwise in the Confidential Information except as expressly provided herein. A recipient acquires hereunder only a limited right to use the Confidential Information solely for the purpose of performing its obligations under this Agreement.

10.3 Return of Confidential Information. Upon the written request of the disclosing party, or upon the expiration or any earlier termination of this Agreement, the recipient shall promptly return all copies of the Confidential Information, in whatever form or media, to the disclosing party or, at the direction of such party, destroy the same. The recipient shall certify in writing to the other such return or destruction within ten (10) days thereafter.

10.4 Exceptions to Confidential Information. The obligations set forth in Section 10.1 shall not apply to the extent that Confidential Information includes information which: (i) now or hereafter, through no unauthorized act or failure to act on the Receiving Party's part, in the public domain; (ii) known to the Receiving Party without an obligation of confidentiality at the time the Receiving Party receives the same from the Disclosing Party, as evidenced by written records; (iii) hereafter furnished to the Receiving Party by a

third party as a matter of right and without restriction on disclosure; (iv) furnished to others by the Disclosing Party without restriction on disclosure; or (v) independently developed by the Receiving Party without use of the Disclosing Party's Confidential Information. Nothing in this Agreement shall prevent the Receiving Party from disclosing Confidential Information to the extent the Receiving Party is legally compelled to do so by any governmental investigative or judicial agency pursuant to proceedings over which such agency has jurisdiction; provided, however, that prior to any such disclosure, the Receiving Party shall (a) assert the confidential nature of the Confidential Information to the agency; (b) immediately notify the Disclosing Party in writing of the agency's order or request to disclose; and (c) cooperate fully with the Disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of the compelled disclosure and protecting its confidentiality.

11. General Terms

11.1 Choice of Law and Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Colorado. All fees and expenses shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation of proofs.

11.2 Notices. All notices required to be sent hereunder shall be in writing and shall be deemed to have been given upon (i) the date sent by confirmed facsimile, (ii) on the date it was delivered by courier, or (iii) if by certified mail return receipt requested, on the date received, to the addresses set forth above and to the attention of the signatories of this Agreement and the relevant Order Form, or to such other address or individual as the parties may specify from time to time by written notice to the other party.

11.3 Injunctive Relief. Each party acknowledges and agrees that in the event of a material breach of this Agreement, including but not limited to, a breach of Section 2 of this Agreement, the non-breaching party shall be entitled to seek immediate injunctive relief, in addition to whatever remedies it might have at law or under this Agreement.

11.4 Severability. In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force.

11.5 Waiver. The waiver by either party of any default or breach of this Agreement shall not

constitute a waiver of any other or subsequent default or breach.

11.6 Force Majeure. Each party will be excused from performance for any period during which, and to the extent that, it or its subcontractor(s) is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond its reasonable control, and without its fault or negligence including without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, communication line failures, and power failures, etc.

11.7 Export Controls. You agree to comply fully with all relevant export laws and regulations of the United States, including but not limited to the U.S. Export Administration Regulations (collectively, "U.S. Export Controls"). Without limiting the generality of the foregoing, You expressly agree that You shall not, and shall cause Your representatives to agree not to, export, directly or indirectly, re-export, divert, or transfer the Programs, Documentation or any direct product thereof to any destination, company or person restricted or prohibited by U.S. Export Controls.

11.8 Relationship Between the Parties. We are an independent contractor; nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship between the parties.

EXHIBIT A Program Maintenance

1. Definitions

1.1 "Business Day" means Monday through Friday from 8:00 a.m. to 5:00 p.m. MST, excluding Our holidays.

1.2 "Derelease" means to eliminate Maintenance Services for a version of the Program. We will provide 90 days notice prior to any Derelease of a version of the Program.

1.3 "Designated Support Contacts" means the two (2) customer employees who are Your only personnel permitted to contact Us, unless You notify Us otherwise, to receive support in accordance with the Support Services set forth in Section 3 below.

1.4 "First Level Support" means the support provided to Your Designated Support Contacts by Us or Our authorized representatives, which shall include (i) taking the initial call for assistance, (ii) reporting, documenting, and tracking support queries, and (iii) either providing the applicable solution or workaround for a given Incident, or routing such Incident to Second Level Support in

accordance with the Support Services set forth in Section 3 below.

1.5 "Incident" means a reproducible malfunction that degrades or impairs Your use of the functionality included within the Program, excluding changes made without Our consent.

1.6 "Operation Hour" means a full hour that occurs during a Business Day.

1.7 "Second Level Support" means the intermediate-level support provided by Us or Our authorized representative technical support personnel pursuant to the Support Services set forth in Section 3 below.

1.8 "Support Term" has the meaning set forth on the corresponding Order Form or invoice.

2. Maintenance Services. In consideration for payment of the Maintenance Services fee set forth on the Order Form, during the Support Term, and upon Your request, We will provide to You Maintenance Services including: updates for the Program(s) and associated supporting Documentation made generally available by Us; and commercially reasonable efforts to correct any Incidents.

3. Support Services. In consideration for payment of the Maintenance Services fee set forth on the Order Form, during the Support Term, and upon Your request, We or Our authorized representative will provide You with the following Support Services ("Support") on Business Days:

3.1 First Level Support. We will provide First Level Support to the Designated Support Contacts via email or telephone during the Business Day. First level support may require remote connection to Your system running the Program(s). When contacting Us for First Level Support, the Designated Support Contact will provide a description of the Incident, any error messages generated by the Program, and the Designated Support Contact's estimated priority classification of the Incident. First Level Support will issue a Neopost Support request ID number during Operation Hours promptly after receipt of the call.

3.2 Escalation to Second Level Support. If First Level Support is unable to resolve an Incident after using commercially reasonable efforts to do so, First Level Support will escalate the Incident to Second Level Support. Second level support may require remote connection to Your system running the Program.

3.3 Response. Upon receipt of a support request from a Designated Support Contact, We will use commercially reasonable efforts to

promptly contact the Designated Support Contact via email, telephone, or other means in Our reasonable discretion, to confirm the priority level of the service call. We will determine the final classification of the priority level for the Incident. We will use commercially reasonable efforts to respond to reported Incidents according to the following schedule:

Priority	Title & Explanation	Response Time*
1	Fatal – Incident preventing all useful work from being done. This condition is generally characterized by complete system failure. Priority 1 issues only pertain to systems in production and do not include test or development systems.	3 Operation Hours
2	Severe Impact – Incident disabling major functions from being performed. This condition exists when the Neopost Software is partially inoperative, but are still usable by You and the impact is one of inconvenience. Priority 2 issues only pertain to systems in production and do not include test or development systems.	6 Operation Hours
3	Degraded Operations – Incident disabling only certain nonessential functions. This condition exists when the Neopost Software is usable by You, but with limited functions.	2 Business Days
4	Minimal Impact – Includes all other Incidents. This condition exists when the Neopost Software is usable and the Incidents result in a minor failure that involves individual components of the system.	7 Business Days

*Response Time is calculated from the time a Neopost Support ID is generated

3.4 Tracking. We will track Support requests and provide You with reasonable access to the status of the applicable Incident.

3.5 Assistance. After escalation to Second Level Support, You will continue to assist Us in the diagnosis of an Incident by providing information and documentation and by performing reasonable tests requested by Our Support personnel.

3.6 Exclusions. Maintenance Services shall not include any: (i) configuration services that may be required to utilize new versions of the Program; (ii) services that are required due to a change in Your requirements or Your computing environment; (iii) Program(s) modified without Our consent; (iv) Program(s) installed on an operating platform that is inconsistent with the Specifications; (v) third party software not embedded in the Program(s) or provided to You by Us; or (vi) Dereleased versions of the Program.

SOFTWARE CONSULTING SERVICES AGREEMENT

1. Incorporation of Certain Terms. You acknowledge that you have entered a Software License Agreement with Us. Any defined terms in the License shall have the same meanings in this Professional Services Agreement. Sections 7.1.4, 8, 10 and 11 of the Software License Agreement are hereby incorporated into this Professional Services Agreement.

2. Orders for Project Services

2.1 "Project Services" shall mean all services provided pursuant to this Agreement including, but not limited to, software configuration, software development, installation, user training, and other on-site support services.

2.2 Projects and SOWs. We shall perform certain Project Services for You from time to time (each a "Project") in accordance with the terms of this Agreement and a Statement of Work ("SOW"). For each Project that We agree to perform, a SOW will be executed by both parties, setting forth at a minimum: (i) the scope of work, and (ii) the agreed upon schedule of completion dates, if any. In addition, an Order Form will be signed for each Project. The scope of an executed SOW may be changed only via a change notice in the form of an executed Change Order Request ("COR") and accompanying Order Form.

2.3 Work Schedule. We will perform Project Services under this Agreement based on a schedule mutually agreed upon between Us and You, during Our regular working hours, 8 a.m. to 5 p.m. (Mountain time) Monday through Friday unless otherwise specified in the SOW and agreed upon by Us in writing.

3. Term. This Agreement shall become effective upon execution of the Order Form and shall

remain in force until Project completion, unless terminated earlier as provided herein.

4. Access to Your Facilities.

4.1 Access. You agree to provide Our personnel with access to Your facilities and equipment sufficient to enable Us to perform Our obligations under this Agreement, and to provide a secure office or work area including heat, light, ventilation, electrical current, internet connectivity and electrical outlets for use by Our personnel.

4.2 Compliance with Your Security Requirements. Our personnel shall comply with all of Your reasonable security requirements while on Your premises. However, We shall not be responsible for delays in performing Project Services due to Your failure to provide Our personnel with access to Your facilities, or due to Your security requirements.

5. Payment Terms

5.1 General. As full consideration for the performance of each Project, You shall pay Us the amount agreed upon and specified in the Order Form, which shall be inclusive of all costs and expenses incurred by Us in completing such Project except as otherwise provided herein or in the SOW.

5.2 Suspension of Work. We may suspend Our performance if You become delinquent in the payment of any invoice and fail to cure such delinquency within thirty (30) days following notice thereof.

6. Warranty. We warrant that Our Project Services will be of a professional quality conforming to generally accepted industry standards and practices and meet the requirements set forth in the respective SOW. Upon notification by You of any defect or other condition covered by this warranty, We will promptly work with You to correct such defect or condition. The duration of this warranty is one year after the services are rendered.

7. License Grant. To the extent any Work Product is necessary for You to use the Program as set forth in the License, We hereby grant You a limited, non-exclusive license to use such Work Product in connection with the Program. The scope of such license shall be subject to the limitations set forth in Section 2 of the License.

PARTICIPATING ADDENDUM ATTACHMENT 3, NEOPOST WTS-P LICENSE AGREEMENT TERMS

WTS-P Software License Agreement

Definitions

"WTS-P" means a system of computer programs and hardware peripherals and devices supplied by Neopost USA, Inc. to interact with the computer programs including, but not limited to, any enhancements, upgrades, updates, bug fixes, new versions and other modifications and amendments.

"Use" means running or accessing WTS-P or any hardware peripherals or devices supplied with the system.

Grant of Rights

Neopost USA, Inc. ("Licensor") hereby grants to Licensee a nonexclusive, nontransferable, and limited license to use WTS-P on any computer for its own internal business purposes. Licensor may change any access codes from time to time.

The rights granted in this section are subject to the following restrictions: (1) Licensee shall not reverse engineer, disassemble, decompile or attempt to derive the source code of WTS-P; (2) Licensee shall not create derivative works of WTS-P; (3) Licensee shall not copy WTS-P; and (4) Licensee shall not sublicense or sell WTS-P.

License Term

This Software License is effective upon the acceptance of the terms and conditions of this WTS-P Software License and will terminate without notice if Licensee fails to comply with any provision of the WTS-P Software License or until cancellation or termination of use of the WTS-P Software. Upon termination, Licensee shall immediately cease use of the WTS-P Software, whether or not Licensor changes or cancels the access codes and agrees to return to Licensor or destroy WTS-P Software.

Title to Software

Licensor retains all right, title and interest to and in the WTS-P Software and all enhancements, modifications and updates to the WTS-P Software.

Copyright

The WTS-P Software is copyrighted 2013 and Neopost USA reserves all rights. Except as expressly provided, no portion of the WTS-P Software may be copied, photocopied, reproduced, or translated to another language without the express written consent of Neopost USA.

Restrictions

Licensee shall not rent, lease, sell, distribute, modify, alter, adapt, reverse engineer, decompile, disassemble or create derivative works of the Software, or make any modifications or enhancements without Licensor's express written consent.

Use with your Mobile Device

In some situations, the WTS-P Software may be available for use through a compatible mobile device. Licensee agrees that it is solely responsible for ensuring its mobile device supports the WTS-P Software requirements. Licensee also agrees that it is solely responsible for any applicable charges, updates, and fees, as well as the terms of its agreement with its mobile device and telecommunications provider. LICENSOR MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS, STATUTORY OR IMPLIED AS TO: (i) THE AVAILABILITY OF TELECOMMUNICATION SERVICES FROM YOUR PROVIDER AND ACCESS TO THE SERVICES AT ANY TIME OR FROM ANY LOCATION; (ii) ANY LOSS, DAMAGE,

OR OTHER SECURITY INTRUSION OF THE TELECOMMUNICATION SERVICES; AND (iii) ANY DISCLOSURE OF INFORMATION TO THIRD PARTIES OR FAILURE TO TRANSMIT ANY DATA, COMMUNICATIONS OR SETTING CONNECTED WITH THE SERVICES.

Warranty

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