

Agencies (each referred to as a "Participating Agency") eligible to acquire Pitney Bowes Mailing Equipment under WSCA Contract EPS050076-A2-2 (as amended from time to time, "EPS050076-A2-2") will have the option to acquire such Equipment through an Installment Lease Agreement, a Rental Agreement or a Fair Market Value Lease Agreement, subject to the applicable terms and conditions set forth herein.

### INSTALLMENT LEASE AGREEMENT OPTION A

Pitney Bowes Global Financial Services LLC may serve as a sub-contractor under EPS050076-A2-2 and be the financing party under such Installment Lease Agreements.

The pricing plan for the Installment Lease Agreement is as follows:

<i>Monthly Billing:</i>		<i>Quarterly Billing:</i>	
Term	Lease Rate	Term	Lease Rate
36	.0317	36	.0960
48	.0247	48	.0750
60	.0205	60	.0625

The terms and conditions are as follows:

1. **GENERAL.** All Installment Lease Option A Agreements (each referred to herein as "Installment Agreement") consist of the following terms and conditions in addition to the applicable terms and conditions of EPS050076-A2-2. By issuing a Purchase Order under the Installment Agreement, the Participating Agency is requesting that Contractor leases the referenced equipment (the "Equipment") for essential governmental purposes. Such Equipment does not include any referenced IntelliLink™ Control Center or postage meter, which remains the property of Contractor or one of its wholly owned subsidiaries. Any IntelliLink™ Control Center or postage meter is subject to the applicable USPS regulations and meter terms and conditions as may be provided by Contractor.
2. **TERM.** Each Installment Agreement shall commence upon acceptance of the Equipment and shall continue until the earlier of: (i) termination at Contractor's Option upon the Participating Agency's failure to pay when due the amount required or failure to perform any other obligation under an Installment Agreement or under EPS050076-A2-2, (ii) the occurrence of an event of non-appropriation or termination for Contractor default under EPS050076-A2-2, (iii) termination in accordance with paragraph 3 below, or (iv) the expiration of the specified term.
3. **CANCELLATION OR TERMINATION.** The Participating Agency intends to enter into an Installment Agreement for the entire agreed upon term and Contractor relies upon such represented intention when determining the applicable pricing plan. If the Participating Agency cancels or terminates an Installment Agreement prior to its expiration (other than for non-appropriations or Contractor default pursuant to EPS050076-A2-2), the Participating Agency shall pay a termination charge equal to the net present value of the monthly payments remaining through the completion of the term, discounted to present value at a rate of 6% per year.
4. **REMEDIES.** If the Participating Agency fails to pay when due any amount required, or fails to perform any other obligation under an Installment Agreement or under EPS050076-A2-2 and fails to cure the same within thirty (30) days of the Participating Agency's receipt of written notice thereof, Contractor may, at its option and without further demand or notice, take one or any combination of the following actions: terminate the relevant Installment Agreement, take possession of the relevant Equipment (and the meters), declare the entire

amount of all payments, and other amounts due and to become due, for the then current fiscal period for which funds have been appropriated to be immediately due and payable, and pursue any other remedy permitted by applicable law.

5. **REPRESENTATIONS; MISCELLANEOUS.** The Participating Agency represents and warrants that: (a) it shall timely file an information reporting return (e.g. Form 8038 - GC or, as necessary, Form 8038 - G) with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder and the Participating Agency hereby appoints Contractor as its Agent for the purpose of maintaining a registration system as required by Section 149(a) of the Code; and the Participating Agency is (and shall continue to be) a State or local government entity, and that any obligation arising out of this Agreement constitutes an obligation by or on behalf of a state or political subdivision thereof, within the meaning of Section 103 of the Code and the regulations thereunder. The Participating Agency acknowledges that the Installment Agreement is entered into based on the assumption that the interest portion of each Period Payment is not includible in gross income of the owner thereof for Federal income tax purposes under Section 103(a) of the Code. A portion of each Period Payment that the Participating Agency shall pay includes interest. If any interest is determined not to be excludible from gross income in accordance with Section 103(a) of the Code, the Participating Agency's Period Payment shall be adjusted in an amount sufficient to maintain Contractor's original after tax yield utilizing Contractor's consolidated marginal tax rate, which adjusted Period Payments the Participating Agency agrees to pay as provided in this Agreement. The rate at which the interest portion of Period Payments is calculated is not intended to exceed the maximum rate or amount of interest permitted by applicable law. If such interest portion exceeds such maximum, then at Contractor's option, if permitted by law, the interest portion will be reduced to the legally permitted maximum amount of interest, and any excess will be used to reduce the principal amount of the Participating Agency's obligation or be refunded to the Participating Agency.
6. **ASSIGNMENT.** The Participating Agency may not assign, transfer or sublet any interest in an Installment Agreement or the Equipment without Contractor's prior written consent.
7. **TITLE.** Title to the equipment passes to the Participating Agency at the time and place of acceptance of each unit of equipment. The Contractor or its duly authorized assignee shall have a purchase money security interest in the equipment, until payment of all installments are made. Upon payment of the final installment, or any concluding payment option, the Contractor or his duly authorized assignee shall have no further interest in the equipment.
8. **PURCHASE OPTION.** The Participating Agency shall have the option to purchase the Equipment at any time during the Term "as is, where is" by paying the remainder of all installment payments.
9. **RISK OF LOSS.** The Participating Agency is responsible for Equipment loss, damage or destruction from any cause, whether or not insured from the date of acceptance and for the entire term. No Equipment loss, theft or damage shall relieve the Participating Agency of its obligation to make the payments or perform its obligations under an Installment Agreement. **Notwithstanding the foregoing, the Participating Agency shall not be responsible for Equipment loss, damage or destruction if Contractor has delivered non-conforming goods.**