



NASPO ValuePoint Master Agreement Terms and Conditions

For Copiers and Managed Print Services

**A Contract for the NASPO ValuePoint Cooperative Purchasing Program
Acting by and through the State of Colorado (Lead State)**

**Department of Personnel & Administration
State Purchasing & Contracts Office
1525 Sherman Street, 3rd Floor
Denver, Co 80203**

And

**HP Inc.
1501 Page Mill Road
Palo Alto, CA 94304**

Master Agreement Number: 140596

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1. NASPO VALUEPOINT MASTER AGREEMENT OVERVIEW

1.1. Parties

This Master Agreement is entered into by and between the State of Colorado, acting by and through the Department of Personnel & Administration, State Purchasing & Contracts Office (hereinafter called the "Lead State"), and HP Inc. (hereinafter called "Contractor"), for the procurement of A3 MFD's, A4 MFD's, Single-function Printers, Large/Wide Format Equipment, Scanners, Software, Supplies, Managed Print Services, and other Products and Services as approved per this Master Agreement, for the benefit of Participating States, Entity's, and Purchasing Entities. The Contractor and the Lead State hereby agree to the following terms and conditions.

1.2. Effective Date

This Master Agreement shall not be effective or enforceable until the date on which it is approved and signed (hereinafter called the "Effective Date") by the Colorado State Controller or designee.

1.3. Master Agreement Order of Precedence

1.3.1. Any Order placed under this Master Agreement shall consist of the following documents:

- a) A Participating Entity's Participating Addendum ("PA");
- b) NASPO ValuePoint Master Agreement Terms & Conditions, including all Exhibits;
- a) An Order issued against this Master Agreement;
- b) The Solicitation, RFP-NP-18-001 Copiers and Managed Print Services;
- c) Contractor's response to the Solicitation, as revised (if permitted) and accepted by the Lead State; and
- d) Contractor Supplemental Documents, including all Attachments.

1.3.2. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and shall be incorporated into this Master Agreement.

1.4. Term of this Master Agreement

1.4.1. Initial Term-Work Commencement. The Parties' respective performances under this Master Agreement shall commence on the Effective Date or August 1, 2019, whichever occurs later. This Master Agreement shall terminate on December 31, 2021, unless terminated sooner, as specified in §6.10, Defaults and Remedies, or extended further as specified in §1.4.2 below.

1.4.2. Extension of Agreement. This Master Agreement may be extended beyond the original Contract period for up to three (3) consecutive one (1) year additional terms, upon the mutual agreement of the Lead State and Contractor, by written Amendment. The total duration of this Master Agreement, including any extensions, shall not exceed five (5) years.

1.4.3. Amendments. The terms of this Master Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the Lead State.

1.4.4. Cancellation. This Master Agreement may be canceled by either party upon sixty (60) days written notice prior to the effective date of the cancellation. Further, any Participating Entity may cancel its participation upon thirty (30) days written notice, unless otherwise limited or stated in the Participating Addendum. Cancellation may be in whole or in part. Any cancellation under this provision shall not affect the rights and obligations attending Orders outstanding at the time of

cancellation, including any right of a Purchasing Entity to indemnification by the Contractor, rights of payment for Products delivered and accepted, and rights attending any warranty or default in performance in association with any Order. Cancellation of this Master Agreement due to Contractor default may be immediate.

2. DEFINITIONS

The following terms shall be construed and interpreted as follows:

Term	Description
<i>A3 MFD</i>	A Multi-function Device which is designed to handle letter, legal, ledger and some smaller paper sizes, such as postcards and envelopes.
<i>A4 MFD</i>	A Multi-function Device which is designed to handle letter, legal and some smaller paper sizes, such as postcards and envelopes. Ledger size paper is NOT an option on this Device.
<i>Acceptance</i>	A written notice from a Purchasing Entity to Contractor advising Contractor that the Product has passed its Acceptance Testing. Acceptance of a Product for which Acceptance Testing is not required shall occur following the completion of delivery, installation, if required, and a reasonable time for inspection of the Product, unless the Purchasing Entity provides a written notice of rejection to Contractor.
<i>Acceptance Testing</i>	The process set forth in this Master Agreement for ascertaining that the Product meets the standard of performance prior to Acceptance by the Purchasing Entity.
<i>Accessory</i>	A compatible item that is added to the Base Unit to enhance its capabilities and functions.
<i>Authorized Dealer ("Dealer")</i>	The Contractor's authorized sales and Service center (also known as a Dealer or Partner) that must be certified by the Contractor to sell the Contractor's Products, and perform machine installation and maintenance on Devices offered by the Contractor. A Purchasing Entity must be able to, at a minimum, visit the sales and Service center to view and test Equipment.
<i>Base Unit</i>	The copier, printer, Scanner, Large/Wide Format and Production Equipment that includes all standard Accessories and parts, and excludes optional Accessories and/or software.
<i>Blended Rate</i>	A rate that is derived by taking the b&w and color cost per click rates on one or more Devices and calculating one rate that a customer will be billed for all copies, regardless of Device type and b&w or color output. Allows for simplicity when billing copies run.
<i>Bronze Standard</i>	Devices which meet less than 50% of the 28 optional EPEAT criteria.
<i>Business Day</i>	Any day other than Saturday, Sunday or a legal holiday.
<i>Buyout to Keep</i>	The early termination option on an FMV or \$1 Buyout Lease that involves the acquisition of the Equipment by the Purchasing Entity, and consists of any current and past due amount, plus the remaining stream of Equipment Payments.
<i>Buyout to Return</i>	The early termination option on an FMV, \$1 Buyout or Straight Lease that

Term	Description
	involves the return of the Equipment by the Purchasing Entity to Contractor, in good working condition (ordinary wear and tear excepted), and consists of any current and past due amounts, plus the remaining stream of Equipment Payments.
<i>Ceiling Pricing</i>	Pricing that is established as a “not-to-exceed” amount; the maximum price Contractor may charge for Products, Services, and Supplies.
<i>Chief Procurement Officer</i>	The individual who has the authority to supervise and approve the procurement of all Products and Services needed by the Lead State or a Participating State.
<i>Contractor</i>	The person or entity delivering Products or performing Services under the terms and conditions set forth in this Master Agreement.
<i>Coterminous</i>	Two or more leases that end at the same time. The original lease payment is modified to reflect the addition of a new piece of Equipment or Accessory. The original term of the lease is not modified as a result of a Coterminous addition.
<i>Device</i>	Also referred to as “Equipment.” The Base Unit, either with or without optional Accessories and/or software.
<i>Direct Material</i>	Materials which are easily identified, measured, and charged to the cost of production; part of the finished Product. Examples include timber for furniture and leather for shoes.
<i>Electronic Product Environmental Assessment Tool (EPEAT)</i>	A tool which evaluates and selects Equipment according to a list of preferred environmental attributes. EPEAT registered means Devices meet the 1680.2 IEEE Standard for Environmental Assessment of Imaging Equipment, as amended.
<i>Embedded Software</i>	One or more software applications which permanently reside on a computing Device.
<i>Energy Star</i>	The U.S. Environmental Protection Agency’s standard for energy efficiency.
<i>Equipment</i>	Also referred to as “Device.” The Base Unit, either with or without optional Accessories and/or software.
<i>Equipment Downtime</i>	The period of time that a Device is waiting for Service to be completed.
<i>Equipment Payment</i>	The Equipment portion of the payment, less any Service, Supplies, and maintenance.
<i>Equipment Trade-In</i>	An agreed upon transaction between the Purchasing Entity and Contractor, in which Contractor takes ownership of Purchasing Entity’s owned Device, often for a discounted amount.
<i>Equipment Upgrade or Downgrade</i>	A replacement of the Purchasing Entity’s existing lease Equipment, with a different piece of Equipment, of either greater or lesser value. A new lease is then originated for the new piece of Equipment, with the remaining lease payments on the old Equipment wrapped into it. The old lease is closed out, and the Equipment is returned to Contractor.
<i>Free on Board (FOB)</i>	Contractor is responsible for transportation and handling charges and the sale does not occur until the Products arrive at the Purchasing Entity’s specified

Term	Description
<i>Destination</i>	location.
<i>Group</i>	The Device classification for the different types of Equipment in this Master Agreement. Groups are determined by the Devices primary functions and/or capabilities.
<i>Independent Contractor</i>	A natural person, business, or corporation that provides Products or Services to another entity under the terms specified in a contract. An employer-employee relationship does not exist.
<i>Initial Lease Term</i>	The length of time (i.e. 36, 48, or 60 months) that a Purchasing Entity enters into a lease agreement.
<i>Intellectual Property</i>	Any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.
<i>Large/Wide Format Equipment</i>	A Device that prints on a large paper via a variety of output options.
<i>Lead State</i>	The State that is centrally administering this Master Agreement.
<i>Lease</i>	<p>Per the Governmental Accounting Standards Board (GASB), a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction.</p> <p>For the purposes of this Master Agreement, a Lease shall contain the following options:</p> <ol style="list-style-type: none"> 1. Straight Lease: A type of agreement in which ownership is not an option and the Total Monthly Payment amount remains firm throughout the Initial Term. 2. Fair Market Value Lease (FMV): A lease in which the Purchasing Entity can either 1) Take title to the Equipment at the end of the Initial Lease Term by paying the residual value to Contractor, 2) Enter into a Renewal Term for the Equipment, or 3) Return the Equipment to Contractor at the end of the Initial Lease Term. 3. \$1 Buyout Lease: A lease in which title to the Equipment will automatically pass from the Contractor to the Purchasing Entity at the end of the Initial Lease Term, and the Purchasing Entity will not be subject to additional payments in order to assume ownership.
<i>Legacy Equipment</i>	Equipment that was purchased or leased under a prior NASPO ValuePoint or WSCA Master Agreement, another program, or via any other means.
<i>Maintenance Agreement</i>	An agreement in which the Contractor provides monthly Service, parts, Supplies, and Preventative Maintenance on purchased or leased Devices.
<i>Managed Print Services (MPS)</i>	The management, Service, and support of the Purchasing Entity's entire enterprise and output infrastructure of printed materials, with the objective of creating a solution that improves the print process and reduces the expense of printed material.
<i>MPS Schedule</i>	Defines the activities and Services that will be provided by Contractor.

Term	Description
<i>MPS Statement of Work</i>	Defines the activities, Services, and/or Devices that will be provided by Contractor.
<i>Manufacturer</i>	A company that, as its primary business function, designs, assembles, and owns the trademark/patent and markets a Product. Also referred to as Contractor.
<i>Manufacturer's Suggested Retail Price (MSRP)</i>	The list price or recommended retail price of a Product in which the Manufacturer recommends that the retailer sell the Product.
<i>Master Agreement</i>	Also referred to as "Contract"; the underlying agreement executed by and between the Lead State, acting on behalf of the NASPO ValuePoint program, and the Contractor, as now or hereafter amended.
<i>Multi-function Device (MFD)</i>	A Device which incorporates the functionality of multiple Devices into one, such as print, fax, copy and scan. Each feature can work independently of the other.
<i>NASPO ValuePoint</i>	The NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, is a 501(c)(3) limited liability company that is a subsidiary organization of the National Association of State Procurement Officials (NASPO). NASPO ValuePoint is identified in this Master Agreement as the recipient of reports and may perform Contract administration functions relating to collecting and receiving reports as well as other Contract administration functions as assigned by the Lead State.
<i>Newly Manufactured</i>	Devices that have not been Refurbished, Remanufactured, rented, leased, sold, or used in a demonstration, and are currently being marketed by the Manufacturer.
<i>Normal Business Hours</i>	8:00 a.m. to 5:00 p.m., Monday through Friday (state holidays excluded), regardless of time zone.
<i>OEM</i>	Original Equipment Manufacturer.
<i>Order</i>	Any type of encumbrance document or commitment voucher, including, but not limited to, a purchase order, contract, MPS Statement of Work, MPS Schedule, Maintenance Agreement, lease agreement etc.)
<i>Participating Addendum</i>	A bilateral agreement executed by a Contractor and a Participating State or Entity incorporating this Master Agreement and any other additional Participating State or Entity specific language or other requirements (e.g. ordering procedures, other terms and conditions).
<i>Participating Entity</i>	A government entity within a state, or an eligible Non-Profit association, that is properly authorized to enter into a Participating Addendum.
<i>Participating State</i>	A state, which encompasses all government entities within that state, or the District of Columbia, or one of the territories of the United States, that enters into a Participating Addendum.
<i>Preventative Maintenance</i>	The servicing of a Device for the purpose of maintaining a satisfactory operating condition by providing systematic inspection, detection, and correction of failures either before they occur or before they develop into

Term	Description
	major defects.
<i>Private Label</i>	Products that are manufactured by one company and sold under a retailer's brand name.
<i>Product</i>	Devices, Accessories, parts, software, and/or Supplies provided or created by the Contractor pursuant to this Master Agreement.
<i>Public Record</i>	All books and Public Records of a governmental entity, the contents of which are not otherwise declared by law to be confidential must be open to inspection by any person and may be fully copied or an abstract or memorandum may be prepared from those public books and Public Records.
<i>Purchasing Entity</i>	A city, county, district, institution of higher education, and some non-profits who issue an Order against this Master Agreement via their Participating State or Entity's Participating Addendum.
<i>Refurbished</i>	A Product which has received extensive maintenance and/or minor repair, including the replacement of all standard parts subject to wear during the normal course of use. Refurbished Equipment shall not have more than 750,000 original copies on it. In addition, Refurbished Equipment must only contain OEM parts. Refurbished Equipment must be certified by the Manufacturer.
<i>Remanufactured</i>	The process of disassembling Devices known to be worn or defective that can be reused or brought up to OEM specification by cleaning, repairing or replacing it in a manufacturing environment and then reassembling and testing it, so that it will operate like a new Device. Remanufactured Equipment must be certified by the Manufacturer.
<i>Renewal Term</i>	A lease term that supersedes the Initial Lease Term, and which a Purchasing Entity may enter into upon thirty (30) days prior written notice to Contractor. Each Renewal Term shall not exceed 12 months, the residual value of the Equipment, or the Useful Life of the Equipment. \$1 Buyout Leases are excluded from going into renewal.
<i>Resell</i>	Any payment in exchange for transfer of tangible Products, or assignment of the right to Services.
<i>Response Time</i>	The time from when the original Service Call is placed with the Contractor or Authorized Dealer, to when the Service technician arrives at the Purchasing Entity's location.
<i>Scanner</i>	A Device that scans documents and converts them into digital data.
<i>Segment</i>	The various speeds that Devices are categorized by.
<i>Service Base Location</i>	The place of business where the Contractor or Authorized Dealer stores parts and provides training for service technicians.
<i>Service Call</i>	An on-site Service technician visit due to Device error or malfunction.
<i>Services</i>	The labor required to be performed by Contractor pursuant to this Master Agreement or an Order.
<i>Single-function Printer</i>	An inkjet or laser Device that only prints and is not capable of other

Term	Description
	functions such as copying, faxing or scanning.
<i>Solicitation</i>	A written offer or attempt to purchase Products and/or Services through an official Proposal, Evaluation, and Award process.
<i>Supplemental Documents</i>	Documents include, but are not limited to, lease agreements, Maintenance Agreements, software or click-wrap agreements, and Supporting Material that is pertinent to the Products being offered.
<i>Supplies</i>	<u>Consumable</u> items that gets used up or are discarded once used, such as ink cartridges.
<i>Supporting Material</i>	May include, but not be limited to the following Contractor documents: Product lists, hardware or software specifications, standard or negotiated Service descriptions, data sheets and their supplements, MPS Statement of Work, published warranties, and Service Level Agreements. These documents may be available to Purchasing Entity in hard copy, or by accessing a designated website.
<i>Third Party</i>	Someone who may be indirectly involved but is not a principal party to an arrangement, contract, deal, lawsuit or transaction.
<i>Total Monthly Payment</i>	The Equipment portion of the payment, as well as any Service, Supplies or maintenance, and less any applicable taxes.
<i>Useful Life</i>	Period during which a Device is expected to be usable for the purpose in which it was manufactured.

3. NASPO VALUEPOINT PROGRAM PROVISIONS

3.1. Price and Rate Guarantee Period

3.1.1. The Price List(s) in **Exhibit A (Price Lists)**, identifies a complete listing of all Products and Services the Contractor can provide under this Master Agreement.

3.1.2. MSRP/List Price discount percentages must be guaranteed throughout the term of this Master Agreement, including any renewal terms; however, Contractor may increase its discount percentage at any time. The Lead State must be notified of any such discount percentage increase, and provided with a copy of the new Group Price List(s).

3.1.3. MSRP/List Price shall remain firm during the first twelve (12) months of the Master Agreement. After this period, Awarded Vendors may update their MSRP/List Price on a quarterly basis, according to the following guidelines:

- a) All requested price increases must include documentation from Direct Material suppliers detailing cost escalations, and Awarded Vendors must describe how those escalations impact current Product offerings.
- b) With the exception of Direct Material cost increases, no price increase requests will be allowed.
- c) Updated Price Lists must be submitted to the Lead State by the 1st day of each quarter.
- d) Pricing will not go into effect unless, or until, it is approved by the Lead State.

- 3.1.4.** The Master Agreement pricing IS Ceiling Pricing. Contractor may offer lower pricing on a per Order basis to Purchasing Entity's; likewise, Purchasing Entity's may request lower pricing on a per Order basis from Contractor.
- 3.1.5.** Contractor may offer state-wide promotional discounts, customer location specific discounts, bulk discounts, or spot discounts. Contractor must notify the Participating State or Entity Contract Administrator of special state-wide promotional discounts.
- 3.1.6.** Any revisions to Product offerings (new Products, altered item or model numbers, etc.) must be pre-approved by the Lead State, and will be allowed once per month.
- 3.1.7.** Product updates are required by the 1st of the month and shall go into effect upon approval by the Lead State.
- 3.1.8.** Any Product additions must be updated with Buyer's Lab within ninety (90) days of submission to the Lead State. Failure to adhere to this requirement will result in the Product(s) being removed from the Master Agreement Price List(s) until such time as they can be verified on Buyer's Lab.
- 3.1.9.** Updates to lease rates must be submitted by the 1st day of each quarter.
- 3.1.10.** Price Lists received after the 1st of the month may not be approved for up to thirty (30) days following submission. In addition, errors in the Contractor's Price Lists may delay the approval process further.
- 3.1.11.** All approved Price Lists will be submitted by the Lead State to NASPO ValuePoint. Contractor shall then update all applicable websites with the new Price Lists after the NASPO ValuePoint website has been updated.
- 3.1.12.** All-inclusive Cost Per Copy (CPC) programs may be offered upon request by the Participating State or Entity, but pricing must not exceed Master Agreement pricing. Contractor must provide the Participating State or Entity with their pricing breakdown which enables the Participating State or Entity to easily compare the pricing in the CPC structure against the pricing in this Master Agreement.
- 3.1.13.** Pricing must include all standard shipping, delivery, and installation costs associated with the Products. Excess installation charges or expedited shipping however, may be billable. Refer to §4.9.5 for more information.

3.2. Participants and Scope

- 3.2.1.** Contractor may not deliver Products or perform Services under this Master Agreement until a Participating Addendum acceptable to the Participating State or Entity and Contractor is executed. The NASPO ValuePoint Master Agreement Terms and Conditions are applicable to any Order by a Participating State or Entity (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented or amended by a Participating Addendum. By way of illustration and not limitation, this authority may apply to unique delivery and invoicing requirements, confidentiality requirements, defaults on Orders, governing law and venue relating to Orders by a Participating State or Entity, indemnification, and insurance requirements. Statutory or constitutional requirements relating to availability of funds may require specific language in some Participating Addenda in order to comply with applicable law. The expectation is that these alterations, modifications, supplements, or amendments will be addressed in the Participating Addendum or, with the consent of the Purchasing Entity and Contractor, may be included in the ordering document (e.g. Order) used by the Purchasing Entity to place the Order.

- 3.2.2.** Use of specific NASPO ValuePoint cooperative Master Agreements by state agencies, political subdivisions and other Participating States or Entities authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Officer. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Officer.
- 3.2.3.** Obligations under this Master Agreement are limited to those Participating States and Entities who have signed a Participating Addendum and Purchasing Entities within the scope of those Participating Addenda. Financial obligations of Participating States and Entities are limited to the Orders placed by the departments or other state agencies and institutions having available funds. Participating States incur no financial obligations on behalf of political subdivisions. Contractor shall email a fully executed PDF copy of each Participating Addendum to PA@naspovaluepoint.org to support documentation of participation and posting in appropriate data bases.
- 3.2.4.** Participating States and Entities may, through a Participating Addendum, limit:
- a) Available financial vehicles;
 - b) Device Groups, Segments, Products, Services (including MPS); and
 - c) Any additional items as deemed necessary by the Participating State or Entity.
- 3.2.5.** A Participating State or Entity must sign a new Participating Addendum with Contractor, regardless of whether Contractor has signed Participating Addenda under a prior Master Agreement(s).
- 3.2.6.** NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, is not a party to this Master Agreement. It is a nonprofit cooperative purchasing organization assisting states in administering the NASPO ValuePoint cooperative purchasing program for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for all 50 states, the District of Columbia and the territories of the United States.
- 3.2.7.** Participating Addenda shall not be construed to amend the following provisions in this Master Agreement between the Lead State and Contractor, and any such language shall be void and of no effect:
- a) Term of this Master Agreement;
 - b) Amendments;
 - c) Participants and Scope;
 - d) Administrative Fee;
 - e) NASPO ValuePoint Summary and Detailed Usage Reports;
 - f) NASPO ValuePoint Cooperative Program Marketing and Performance Review;
 - g) NASPO ValuePoint eMarket Center;
 - h) Right to Publish;
 - i) Price and Rate Guarantee Period; and
 - j) Individual customers.
- 3.2.8.** Participating Entities who are not states may under some circumstances sign their own Participating Addendum, subject to the approval of participation by the Chief Procurement Officer

of the state where the Participating Entity is located. Any permission to participate through execution of a Participating Addendum is not a determination that procurement authority exists in the Participating Entity; they must ensure that they have the requisite procurement authority to execute a Participating Addendum.

- 3.2.9. Purchasing Entities may not Resell Products.** This limitation does not prohibit the following; however, any sale or transfer must be consistent with license rights granted for use of Intellectual Property:
- a) Payments by employees of a Purchasing Entity for Products;
 - b) Sales of Products to the general public as surplus property; and
 - c) Fees associated with inventory transactions with other governmental or non-profit entities, and consistent with a Purchasing Entity's laws and regulations.

3.3. Administrative Fees

- 3.3.1.** The Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than sixty (60) days following the end of each calendar quarter.
- 3.3.2.** The NASPO ValuePoint Administrative Fee is not negotiable.
- 3.3.3.** The Contractor shall report on all actual Equipment sales, and on actual Service and Supply sales.
- 3.3.4.** Contractor shall report as follows:
- a) **Purchased Equipment:** Contractor shall report the actual amount invoiced (less any taxes) for all Equipment sold under the reporting period (calendar quarter). In addition, the Contractor shall report an additional amount identified as "Actual Service and Supplies" providing the customer elects to enter into a Maintenance Agreement. Thus, in the Contractor's Detailed Sales Report, for each item sold, there will be two-line items: one for the piece of Equipment, and one for the Actual Service and Supplies.
 - b) **Leased Equipment:** Contractor shall report sales according to the Purchased Equipment methodology described in §3.3.4(a) for the lease during the reporting period (calendar quarter). In addition, the Contractor shall report an additional amount identified as "Actual Service and Supplies." Thus, in the Contractor's Detailed Sales Report, for each item leased, there will be two-line items: one for the invoice amount to the customer for the Equipment, and one for the Actual Service and Supplies.
- 3.3.5.** Some Participating States may require a fee be paid directly to the Participating State on sales made by Purchasing Entities within that state. For all such requests, the fee level, payment method, and schedule for such reports and payments will be incorporated into the Participating Addendum. The Contractor may adjust this Master Agreement pricing accordingly for sales made by Purchasing Entities within the jurisdiction of the Participating State requesting the additional fee.

3.4. NASPO ValuePoint Summary and Detailed Usage Reports

The Contractor shall provide the following NASPO ValuePoint reports:

- 3.4.1. Summary Sales Data.** The Contractor shall submit quarterly sales reports directly to NASPO ValuePoint using the NASPO ValuePoint Quarterly Sales/Administrative Fee Reporting Tool found at <http://www.naspo.org/WNCPO/Calculator.aspx>. Any/all sales made under the Contract shall be reported as cumulative totals by state, which are inclusive of all line items identified in the Detailed Sales Report. Even if Contractor experiences zero sales during a calendar quarter, a report is still required. Reports shall be due no later than thirty (30) days following the end of the calendar quarter (as specified in the reporting tool).

3.4.2. Detailed Sales Report. Contractor shall also report detailed sales data by:

- a) State;
- b) Customer Type (e.g. local government, higher education, K-12, non-profit);
- c) Customer bill-to name and address;
- d) Contractor or Authorized Dealer Order number;
- e) Customer purchase order number or MPS Statement of Work/Schedule number;
- f) Customer number;
- g) Order type (e.g. sales Order, credit, return, upgrade);
- h) Purchase order date;
- i) Ship date;
- j) Invoice date and number;
- k) Product number and description
- l) List Price/MSRP;
- m) Contract Price;
- n) Quantity;
- o) Total Price;
- p) NASPO ValuePoint Admin Fee amount; and
- q) Dealer.

3.4.3. Reports are due on a quarterly basis and must be received by the Lead State and NASPO ValuePoint Cooperative Development Team no later than thirty (30) days after the end of the reporting period. Reports shall be delivered to the Lead State and to the NASPO ValuePoint Cooperative Development Team electronically through a designated portal, email, CD-ROM or flash drive. Detailed sales reports shall include sales information for all sales under Participating Addenda executed under this Master Agreement. The format for the detailed sales data report is shown in **Exhibit G (NASPO ValuePoint Detailed Sales Reporting Template)**.

3.4.4. Reportable sales for the summary sales data report and detailed sales data report includes sales to employees for personal use where authorized by the Participating Addendum. Report data for employees should be limited to ONLY the state and entity they are participating under the authority of (state and agency, city, county, school district, etc.) and the amount of sales. No personal identification numbers, e.g. names, addresses, social security numbers or any other numerical identifier, may be submitted with any report.

3.4.5. Contractor shall provide the NASPO ValuePoint Cooperative Development Coordinator with an executive summary each quarter that includes, at a minimum, a list of states with an active Participating Addendum, states that Contractor is in negotiations with, and any PA roll out or implementation activities and issues. NASPO ValuePoint Cooperative Development Coordinator and Contractor will determine the format and content of the executive summary. The executive summary is due thirty (30) days after the conclusion of each calendar quarter.

3.4.6. Timely submission of these reports is a material requirement of this Master Agreement. The recipient of the reports shall have exclusive ownership of the media containing the reports. The Lead State and NASPO ValuePoint shall have a perpetual, irrevocable, non-exclusive, royalty free, transferable right to display, modify, copy, and otherwise use reports, data and information provided under this section.

3.5. NASPO ValuePoint Cooperative Program Marketing and Performance Review

- 3.5.1.** Contractor agrees to work cooperatively with NASPO ValuePoint personnel to ensure that Contractor's personnel will be educated regarding the provisions of this Master Agreement, as well as the competitive nature of NASPO ValuePoint procurements, the Participating Addendum process, and the manner in which Participating Entities can utilize this Master Agreement.
- 3.5.2.** Contractor agrees, as Participating Addenda are executed, and if requested by NASPO ValuePoint personnel, to provide plans to launch this Master Agreement program within the Participating State. Plans will include timeframes to implement this Master Agreement and Participating Addendum, as well as confirmation that the Contractor's website has been updated to properly reflect the contract offer as available in the Participating State.
- 3.5.3.** Contractor agrees, absent anything to the contrary outlined in a Participating Addendum, to consider customer proposed terms and conditions, as deemed important to the customer, for possible inclusion into the Participating Addendum. Contractor shall ensure that their sales force is aware of this contracting option.
- 3.5.4.** Contractor agrees to fairly, actively, and equally promote and advertise their NASPO ValuePoint Master Agreement at all trade shows and Dealer meetings whereby Contractor displays or makes reference to their government contract award offerings.
- 3.5.5.** Contractor agrees, within 30 days of this Master Agreement effective date, to notify the Lead State and NASPO ValuePoint of any contractual most-favored customer provisions in third-party contracts or agreements that may affect the promotion of this Master Agreement, or whose terms provide for adjustments to future rates or pricing based on rates, pricing in, or Orders from this Master Agreement. Upon request of the Lead State or NASPO ValuePoint, Contractor shall provide a copy of any such provisions.
- 3.5.6.** Contractor agrees to participate in person at an annual performance review, which may include a discussion of marketing action plans, target strategies, marketing materials, reporting, and timeliness of administration fee payments. The location of the performance review shall be determined by the Lead State and NASPO ValuePoint.
- 3.5.7.** Contractor agrees that the NASPO ValuePoint logos may not be used by Contractor in sales and marketing materials until a logo-use agreement is executed with NASPO ValuePoint.
- 3.5.8.** The Lead State shall evaluate the utilization of this Master Agreement at the annual performance review. The Lead State may, in its discretion, cancel this Master Agreement pursuant to §1.4, or not exercise an option to renew, when Contractor utilization does not warrant further administration of this Master Agreement. The Lead State may exercise its right to not renew this Master Agreement if Contractor fails to record or report revenue for three consecutive quarters, upon a 60-calendar day written notice to the Contractor. Cancellation based on nonuse or under-utilization will not occur sooner than two (2) years after execution of this Master Agreement. This subsection does not limit the discretionary right of either the Lead State or Contractor to cancel this Master Agreement pursuant to §1.4.4 or to terminate for default pursuant to §6.10.

3.6. NASPO ValuePoint eMarket Center

- 3.6.1.** In July 2011, NASPO ValuePoint entered into a multi-year agreement with SciQuest, Inc. (doing business as JAGGAER) whereby JAGGAER will provide certain electronic catalog hosting and management services to enable eligible NASPO ValuePoint customers to access a central online website to view and/or shop the Products and Services available from existing NASPO ValuePoint Cooperative Contracts. The central online website is referred to as the NASPO ValuePoint eMarket Center.

3.6.2. The Contractor shall have visibility in the eMarket Center through one of the following no-cost options:

a) Ordering Instructions

- i. The Contractor shall provide a link to their website, their Price list, their Dealer list, and any additional information they would like the customer to have in regards to placing Orders.
- ii. Upon receipt of written request from the eMarket Center Site Administrator, the Contractor shall have thirty (30) days to provide NASPO ValuePoint with the Ordering Instructions.

b) Hosted Catalog

- i. The Contractor shall provide a list of its awarded Products and Services pricing via an electronic data file, in a format acceptable to JAGGAER.
- ii. In order to maintain the most up-to-date version of its Product offerings, the Contractor must submit electronic data to the eMarket Center no more than four (4) times per calendar year.
- iii. Upon receipt of written request from the eMarket Center Site Administrator, the Contractor shall have fifteen (15) days to set up an enablement schedule with NASPO ValuePoint and JAGGAER. The schedule shall include future calls and milestone timeframes related to testing and go-live dates.
- iv. The Contractor shall have ninety (90) days from the receipt of written request, to provide the Hosted Catalog to NASPO ValuePoint.
- v. The Hosted Catalog must be strictly limited to the awarded Products and Services, and must contain the most current approved pricing, including applicable quantity discounts.
- vi. The catalog must include a Lead State Contract identification number and detailed Product line item descriptions.
- vii. The catalog must include any additional NASPO ValuePoint and Participating Addendum requirements. Although Suppliers in the SQSN normally submit one (1) catalog, it is possible to have multiple catalogs applicable to different NASPO ValuePoint Participating State or Entities if for example, the Participating State or Entity has incorporated an Administrative Fee into the Contract pricing, or a Participating State or Entity has determined that they will not allow all awarded Products and Services under their Participating Addendum. SciQuest will deliver the appropriate contract files to the user viewing the catalog.

c) Punch-Out Catalog

- i. The Contractor shall provide its own online catalog, which must be capable of being integrated with the eMarket Center via Commerce eXtensible Markup Language (cXML).
- ii. The Contractor shall validate that its online catalog is current by providing a written update to the Lead State every four (4) months, verifying that they have audited the offered Products and Services pricing.
- iii. The Contractor shall have ninety (90) days from the receipt of the written request, to deliver the Punch-Out Catalog to NASPO ValuePoint.

- iv. The Punch-Out Catalog must be strictly limited to the awarded Products and Services, and must contain the most current approved pricing, including applicable quantity discounts.
- v. The catalog must include a Lead State Contract identification number and detailed Product line item descriptions.
- vi. The site must also return detailed UNSPSC codes for each line item.
- vii. Contractor shall provide e-Quote functionality to facilitate volume discounts.
- viii. The catalog must include any additional NASPO ValuePoint and Participating Addendum requirements. It is possible to have multiple catalogs applicable to different NASPO ValuePoint Participating State or Entities if for example, the Participating State or Entity has incorporated an Administrative Fee into the Contract pricing, or a Participating State or Entity has determined that they will not allow all awarded Products and Services under their Participating Addendum. JAGGAER will deliver the appropriate contract files to the user viewing the catalog.

3.6.3. Revising Pricing and Products

- a) Any revisions to Product offerings (new Products, altered SKU's, etc.) must be pre-approved by the Lead State, and will be allowed once per month.
- b) Updated Product files are required by the 1st of the month and shall go into effect upon approval by the Lead State.
 - i. Files received after the 1st of the month may not be approved for up to thirty (30) days following submission.
 - ii. Errors in the Contractor's submitted files may delay the approval process.

3.6.4. Supplier Network Requirements for Hosted and Punch-Out Catalogs

- a) Contractor shall join the JAGGAER Supplier Network (SQSN) and shall use the JAGGAER's Supplier Portal to import the Contractor's catalog and pricing files into the JAGGAER system.
- b) Contractor can receive Orders through electronic delivery (cXML) or through low-tech options such as fax.
- c) More information about the SQSN can be found at www.sciquest.com, or by contacting the JAGGAER Supplier Network Services team at 800-233-1121.

3.6.5. Order Acceptance Requirements for Hosted and Punch-Out Catalogs

- a) Contractor must be able to accept Orders via fax or cXML.
- b) The Contractor shall provide confirmation via phone or email within 24 hours of Order receipt.
- c) If the Order is received after 3pm (EST) on the day prior to a weekend or holiday, the Contractor must provide confirmation via phone or email on the next business day.

3.6.6. UNSPSC Requirements

- a) Contractor shall support use of the United National Standard Product and Services Code (UNSPSC). UNSPSC versions that Contractors must adhere to are provided by JAGGAER and upgraded each year.

- b) NASPO ValuePoint reserves the right to migrate to future versions of the UNSPSC, and Contractor shall be required to support the migration effort.
- c) All line items for Products and Services provided under this Master Agreement must be associated to a UNSPSC code.
- d) All line items must be identified at the most detailed UNSPSC level, indicated by segment, family, class, and commodity.

3.6.7. Applicability. Contractor agrees that NASPO ValuePoint controls which contracts appear in the eMarket Center, and that NASPO ValuePoint may elect at any time to remove any Contractor offerings from the eMarket Center.

3.6.8. Several NASPO ValuePoint Participating States and Entities currently maintain separate JAGGAER eMarket Place accounts. In the event that one of these Participating States or Entities elects to use this NASPO ValuePoint Master Agreement (available through the eMarket Center), but publish the information to their own eMarket Place, the Contractor agrees to work in good faith with the entity and NASPO ValuePoint, and agrees to take commercially reasonable efforts to implement such separate JAGGAER catalogs.

3.7. Right to Publish

Throughout the duration of this Master Agreement, Contractor must secure from the Lead State, prior approval for the release of any information, including any written correspondence, which pertains to the potential work or activities covered by this Master Agreement. The Contractor shall not make any representations of NASPO ValuePoint's opinion or position as to the quality or effectiveness of the Products and Services that are the subject of this Master Agreement without prior written consent. Failure to adhere to this requirement may result in termination of this Master Agreement for cause.

3.8. Individual Customers

Except to the extent modified by a Participating Addendum, each Purchasing Entity shall follow the terms and conditions of this Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in this Master Agreement, including but not limited to, any indemnity or right to recover any costs as such right is defined in this Master Agreement and applicable Participating Addendum. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Purchasing Entity individually.

4. STATEMENT OF WORK

4.1. Overview

- 4.1.1.** Contractor shall use commercially reasonable efforts to provide a continuing supply of Equipment, Accessories, software, Supplies, and Services offered, which shall be of consistent quality.
- 4.1.2.** Contractor may not provide Products that have not been approved by the Lead State.
- 4.1.3.** Contractor shall maintain compliance with all requirements of this Master Agreement throughout the duration of the Contract.
- 4.1.4.** A Purchasing Entity that purchases or leases Equipment may issue an Order, pursuant to the terms and conditions that are incorporated into this Master Agreement, and according to the requirements listed in their states' Participating Addendum, including, but not limited to, the issuance of Contractor's Supplemental Documents, which are attached as **Attachment A through Attachment**

D. Each Participating State or Entity shall be responsible for negotiating the terms and conditions of each of the aforementioned Attachments.

4.1.5. Per Section 508 of the United States Workforce Rehabilitation Act of 1973, Contractor provides Devices under Groups A, B, D, and F, which are accessible to people with disabilities.

4.1.6. **MPS:**

- a) Contractor may provide MPS on Group A, Group B, Group C, Group D, Group E, and Group F.
- b) Contractor may not provide MPS maintenance or repair Services on any Devices that are being leased or rented to a Purchasing Entity by another Manufacturer, unless they have a written agreement with the Manufacturer to do so.

4.1.7. **Survivability:**

- a) Any Order placed under this Master Agreement shall survive the expiration of this Master Agreement unless otherwise specified in a Participating Addendum.
- b) Contractor is not permitted to increase pricing on any Order that was placed prior to the expiration of this Master Agreement.

4.1.8. Contractor shall notify the Lead State, Participating States, Participating Entities and all Purchasing Entities of any recall notices, warranty replacements, safety notices, or any applicable notice regarding the Products being sold. This notice must be received in writing (via postal mail or email) within thirty (30) calendar days of Contractor learning of such issues.

4.2. **Authorized Dealers**

4.2.1. Contractor may engage Authorized Dealers, who shall be Contractor's agent and Subcontractor for providing sales and support for the Products and/or Services purchased by the Purchasing Entity under this Master Agreement.

4.2.2. In the event Contractor elects to use Authorized Dealers in the performance of the specifications, Contractor shall serve as the primary Contractor, and shall be fully accountable to the Lead State for assuring that the Authorized Dealers comply with the terms and conditions of this Master Agreement, and shall be liable in the event that Authorized Dealers fail to comply with such terms and conditions.

4.2.3. Authorized Dealers shall be expected to stay current with Contractor's Products, pricing, Master Agreement, and Participating Addendum requirements.

4.2.4. Authorized Dealers shall have the ability to accept Orders from a Purchasing Entity and invoice them directly.

4.2.5. Contractor must disclose to the Lead State, a list of all Authorized Dealers that provide Products and/or Services, utilizing **Exhibit C (Authorized Dealers by State)**.

4.2.6. Contractor shall send notice to the Lead State, utilizing **Exhibit D (Authorized Dealer Form)** and the Authorized Dealers by State, within three (3) calendar days of engaging or removing a Dealer.

4.2.7. The Lead State reserves the right to deny the addition of any Authorized Dealer and will provide notification to the Contractor with justification as to why the decision was reached. In addition, it will be at the discretion of each Participating State or Entity as to whether they will utilize the Authorized Dealers as approved by the Lead State.

- 4.2.8. If an Authorized Dealer is performing unsatisfactorily, or is not in compliance with this Master Agreement, then it shall be at the discretion of the Lead State, upon recommendation from the Participating State, to either remove the Dealer from the Contract, or in the case of multiple branch locations in one state, or multiple states, remove them as a Dealer from the location in which they are not in compliance. Alternatively, the Contractor may investigate and consult with the Participating State and/or the Purchasing Entity as appropriate, and use commercially reasonable efforts to resolve the dispute.

4.3. Product Offerings

- 4.3.1. **Group Segments.** Contractor shall offer Products under the following Groups:

Group A – MFD, A3 B&W only; Color and B&W	
Segment	PPM
2	20 – 30
3	31 – 40
4	41 – 50
5	51 – 60
6	61 – 70
7	71 – 90

Group B – MFD, A4 B&W only; Color and B&W	
Segment	PPM
1	Up to 20
2	21 – 30
3	31 – 40
4	41 – 50
5	51 – 60
6	61+

Group D – Single-function Printers B&W only; Color and B&W	
Segment	PPM
1	Up to 20
2	21 – 40
3	41 – 60
4	61+

Group E – Large/Wide Format Equipment B&W only; Color and B&W	
Segment	A1 or D Size PPM* (speeds below are based on b&w output)
Low	1 – 3
Medium Low	4 – 8
Medium High	9 – 19
High	20+

Group F - Scanners	
Segment	PPM
1	10 – 29
2	30 – 49
3	50 – 69
4	70 – 89
5	90 – 110
6	111 – 130
7	131+

4.3.2. Device Configurations. Contractor's Devices shall be equipped, at a minimum, with the following Accessories/capabilities:

a) Group A – MFD, A3

- i) Duplex for Segment 3 and above;
- ii) Standard paper drawer(s) equal to or greater than:
 - 1) One (1) paper supply for Segment 2;
 - 2) Two (2) paper drawers for Segments 3 and 4; and/or
 - 3) 2,000 sheet paper capacity for Segments 5 and above.
- iii) Paper size capacity up to 11" x 17"; and
- iv) Bypass paper supply, if applicable for Segment.

b) Group B – MFD, A4

- i) Bypass paper supply;
- ii) Standard paper drawer(s) equal to or greater than:
 - 1) One (1) paper supply for Segments 1 and 2;
 - 2) Two (2) paper drawers for Segments 3 and 4; and/or
 - 3) 2,000 sheet paper capacity for Segments 5 and above.
- iii) Paper size capacity up to 8 ½" x 14"; and
- iv) Envelope adjustment capability.

c) Group D – Single-function Printers

- i) Must include an inkjet, light emitting diode (LED), or laser print engine;
- ii) Standard paper drawer(s);
- iii) Standard paper capacity; and
- iv) Network connectivity.

d) Group E – Large/Wide Format Equipment

- i) Hard-Disk drive;
- ii) Network connectivity;
- iii) Touch screen control panel; and

- iv) Automatic Media Selection – a built-on sensor detects the size of the original and the proper media size is then selected.

e) Group F – Scanners

- i) Charge-Coupled Device (CCD) or Contact Image Sensor (CIS);
- ii) Automatic Document Feeder (ADF);
- iii) Letter or legal paper size capacity;
- iv) Color depth of at least 24 bytes; and
- v) Single pass duplex scan.

4.3.3. Device Standards. Devices shall meet the following requirements:

- a) Group A and Group B Base Units are OEM only;
- b) Group A and Group B must be EPEAT registered to a minimum of Bronze Standard within one (1) year of being added to the Master Agreement Price List;
- c) Group D must be Energy Star compliant or EPEAT registered to a minimum of Bronze Standard within one (1) year of being added to the Master Agreement Price List;
- d) If Contractor's Devices fail to meet the EPEAT Bronze Standard, or be Energy Star compliant (applicable to Group D Devices only) within one (1) year, then they will be removed from the Price List;
- e) Must be Newly Manufactured or current, except as specified in a Participating Addendum;
- f) Devices, when installed, and if available, must be set-up to receive automatic software updates and patches. For new software versions or upgrades that carry an additional cost, updates will not be done automatically; rather, Contractor or their Authorized Dealer will inform the Purchasing Entity of the new version and assist them in their decision to upgrade based on needed functionality and compatibility with their existing Equipment.
- g) Specifications must be published on Contractor's website;
- h) MSRP must not exceed what is listed with Buyers Laboratory Inc., or List Price must not exceed what is published on the Manufacturer's website;
- i) Must maintain a PPM speed, according to Segment classification; and
- j) Must be compatible with using recycled paper, up to and including, 100% Post-Consumer Waste (PCW) paper. Contractor may not fault the use of recycled paper for Device failures, as long as the recycled paper in use meets the standard paper specifications (e.g., multi-purpose, copy, or laser paper).

4.3.4. Device Exceptions

- a) Group D, Group E, and Group F will not be restricted to OEM, and do not have to be Private Labeled;
- b) Group E and Group F are not required to be EPEAT registered or Energy Star compliant;

- c) 3D Printers may be offered by Contractor, and shall be priced based on a minimum discount of 10%;
- d) Digital Duplicators may be offered by Contractor, and shall be priced based on a minimum discount of 77%;
- e) Roll-Fed Wide Format Printers may be offered by Contractor, and shall be priced based on a minimum discount of 10%.
- f) Contractor may offer Large/Wide Format Equipment that accommodates all paper sizes. Pricing shall be based on the discount offered for the Segment in which the Device belongs (refer to the Group E Price List for Segment discounts).

4.3.5. Accessories

- a) Contractor shall provide OEM and/or Third Party compatible Accessories that compliment or enhance the features of the Device.
- b) Purchasing Entities may add Accessories to Devices that have been purchased or leased under prior NASPO ValuePoint and/or WSCA Master Agreements, as well as via any other means.

4.3.6. Software

- a) Contractor shall provide software to enhance the capabilities of the Devices, or software may be provided as a standalone option on any pre-owned, purchased or leased Device.
- b) Contractor shall provide OEM and/or Third Party Software.
- c) All software drivers shall be, at a minimum, Windows 7 compliant, and all Devices must have universal software drivers.
- d) Purchasing Entities that acquire software shall be subject to the license agreements distributed with such software, as provided by Contractor upon Order placement. However, the Master Agreement will supersede and control if there is conflicting language between it, and any software license agreement.

4.3.7. Consumable Supplies

- a) Contractor shall offer OEM or compatible Ink and Roll paper for Group E Devices. The Ink and/or paper may be purchased as standalone items, and will not be included as part of a Maintenance Agreement, nor will it be wrapped into the Total Monthly Payment on a lease agreement.
- b) Contractor shall offer OEM or compatible consumable for Supplies for Groups A, B, D, and F. These Supplies may be purchased as standalone items or included as part of a Maintenance Agreement. Under no circumstances may the Supplies, regardless of quantity, be financed, unless they are start-up Supplies. The Supplies offered may include, but not be limited to:
 - i) Toner;
 - ii) Staples;
 - iii) Ink;
 - iv) Print Cartridges;
 - v) Imaging Drums;
 - vi) Fuser Kits;

- vii) Transfer Kits;
- viii) Waste Toner Bottles;
- ix) Fuser Oil;
- x) Ozone Filters;
- xi) Ribbon;
- xii) Developer;
- xiii) Rollers and Pads; and
- xiv) Maintenance Kits.

- c) Toner must be free of carcinogenic, mutagenic, or teratogenic substances.
- d) Contractor shall provide the Purchasing Entity with a method to return the empty toner cartridges at no additional charge.

4.3.8. Emerging Technologies

- a) Upon approval from the Lead State, Contractor may add new, related technology.
- b) Technology does not have to be restricted to OEM, nor does it have to be Private Labeled.
- c) Any new technology that a Contractor requests to add to their Price List must contain a full description of the Product, along with MSRP and pricing information, as well as an explanation/justification as to how the Product conforms to the requirements of this Master Agreement.
- d) Any new technology must be priced at a minimum discount of 10%.

4.4. Service Offerings

4.4.1. Managed Print Services

- a) Contractor shall provide the following:
 - i) **Free Initial Assessment** – which shall include the following:
 - 1) Document workflow;
 - 2) Identification of Service, Supplies, and parts;
 - 3) Current output;
 - 4) Total Cost of Ownership (TCO);
 - 5) Employee to Device ratio; and
 - 6) Preliminary estimated cost savings.
 - ii) **Implementation** – which shall consist of the following:
 - 1) Plan Development; and
 - 2) Hardware and Software Installation and Set-up.
 - iii) **Remote Device Monitoring** – which shall include the following:
 - 1) Job Accounting;
 - 2) Automated Meter Reads; and

- 3) Automated Toner Replenishment.
- iv) **End-user Support** – which shall include the following:
 - 1) Training; and
 - 2) Help Desk Services.
- v) **Account Management** – which shall include the following:
 - 1) Reporting;
 - 2) Invoicing; and
 - 3) Customer Business Reviews.
- b) Contractor may also provide the following:
 - i) **Maintenance** – which shall include the following:
 - 1) Preventative Maintenance;
 - 2) Service and Repair;
 - 3) On-site break/fix;
 - 4) Parts Management; and
 - 5) Warranty Management.
 - ii) **Ongoing Fleet Management and Optimization** – which shall include the following:
 - 1) Consumable Spend;
 - 2) Continual Assessments;
 - 3) Green Initiatives; and
 - 4) Add/Move/Change Services.
 - iii) **Cost Based Assessment** – which shall include the following:
 - 1) Asset Mapping;
 - 2) End-user Survey;
 - 3) Detailed Recommendation;
 - 4) Analysis and Plan Design; and
 - 5) On-site analyst (10 hours per day).
 - iv) **Change Management** – Contractor shall meet with Purchasing Entity to jointly determine the following:
 - 1) Respective roles;
 - 2) Implementation timeline;
 - 3) Logistics; and
 - 4) Service Level Agreements.
 - v) **Professional Services** – which shall include the following:
 - 1) **Field Based Project Management** – Contractor will assign a Transition Manager (“Contractor TM”), who will act as a single point of contact for the Purchasing Entity, and will:

- Lead a one-time, project planning session prior to Implementation that includes:
 - Assembling a Contractor project team and working with Purchasing Entity to assemble required Purchasing Entity personnel and resources;
 - Initiating a program management office to provide a project plan, preliminary deployment schedule, resource plan, project controls, initial governance framework, if applicable, amend the Print Policy to include Purchasing Entity deployment requirements, and leads invoice customization and preparation;
 - Scheduling a kick-off meeting with Purchasing Entity within 30 days of Effective Date or per plan with the following deliverables: agenda, required presentations, project organization collateral, communication and escalation plan/management process, and scheduling of follow-on meeting cadence. As determined by Contractor meetings may be in-person or virtual.
 - Manages setup of: Device Connect server, network port settings, Contractor remote access options, installation of Contractor Tools and initial Device Control Center accounts, as applicable.
 - As applicable, lead Software Solution Proof of Concept (“PoC”) which may include verification of Purchasing Entity server requirements and other Purchasing Entity dependencies depending required for the Software Solution, PoC validation; any Device firmware lockdown necessary to support a PoC and transition of Software Solution.
 - Leads other Contractor determined and applicable key planning activities which may include establishing Configuration Control Document (“CCD”), asset tagging/labeling definitions, management of change communication guidance, schedule management, formal transition governance structure, on-going transition communications guidance, and assessments as selected by Purchasing Entity and included within the scope and service descriptions of this SOW.
 - Manage the following activities per as applicable per Site and SOW:
 - Pre-deployment activities: site kickoff meeting, site discovery and design, design reviews and approvals Deployment activities: site preparation meeting, Device/Software Solution install/test, device orientation training per SOW, Support contact information, Device Control Center, and Automated Supplies Management orientation for each identified Purchasing Entity support/supplies champion, manages Change Order process if/as required;
 - Deployment activities: site preparation meeting, Device/Software Solution install/test, device orientation training per SOW, Support contact information, Device Control Center, and Automated Supplies Management orientation for each identified Purchasing Entity support/supplies champion, manages Change Order process if/as required;
 - Post-deployment activities: customer survey completion, customer acceptance certification, invoice initiation, final project briefing, documentation/incorporation of key learnings, and hand-off to Account Delivery Manager for on-going delivery operations management.
- 2) **Remote Project Management** – which consists of the same activities as Field Project Management, though it is delivered remotely, with no on-site management from Contractor.

- c) All MPS engagements shall require the Contractor and Purchasing Entity to complete a detailed statement of work, as referenced in **Exhibit C (Sample MPS Statement of Work)**, and it must be approved by both parties prior to the initiation of any engagement.
- d) The free initial assessment shall not constitute a commitment on behalf of the Purchasing Entity. Upon request from a Purchasing Entity, Contractor must provide the assessment with the understanding that the Purchasing Entity is under no obligation to enter into an MPS engagement.
- e) MPS pricing and billing options shall be flexible, as long as pricing doesn't exceed Master Agreement pricing, and the Purchasing Entity will drive the complexity of the solution required with a staged approach to implementation.

4.4.2. Maintenance Agreements

a) Pricing

- i) Pricing shall include a zero base, cost per click rate for b&w and/or color for Groups A, B and D.
- ii) Pricing for a monthly base charge, a set copy allowance and an overage rate for b&w and/or color shall also be provided.
- iii) Pricing must be provided that includes all parts, labor, Preventative Maintenance, Service Calls, and Supplies for Groups A, B and D.
- iv) A pricing option for ALL Groups shall include parts, labor, Preventative Maintenance (if applicable), and Service Calls, but **excludes** Supplies.
- v) Paper and ink for Group E Devices shall not be included as part of the Service and Supply pricing.
- vi) Contractor may increase their Service and Supply pricing to include staples (if applicable to the Device).
- vii) Contractor may charge flat rate fees for Services performed on any Accessories.
- viii) Service Calls due to misuse, neglect or abuse shall not be covered by the Maintenance Agreement, and Contractor and Authorized Dealers may bill the Purchasing Entity at an hourly rate for Services rendered.
- ix) 11"x17" impressions shall be counted as two (2) clicks on Group A Devices.
- x) A two-sided document shall be counted as two (2) clicks.
- xi) Contractor must not charge for scans on any MFD.

xii) Initial Term:

- 1) Pricing shall remain firm for the initial term of the Maintenance Agreement.
- 2) For leased Equipment, the Maintenance Agreement term is equal to the term of the lease (i.e. 36, 48, or 60 months).
- 3) For purchased Equipment, the initial term is whatever period of time the Purchasing Entity elects, as long as it does not exceed 60 months.

xiii) Renewal Term:

- 1) If a Purchasing Entity wishes to renew a Maintenance Agreement for Equipment that was acquired under this Master Agreement, then the Contractor may negotiate new pricing. This pricing shall not exceed this Master Agreement pricing.

- 2) If a Purchasing Entity wishes to renew a Maintenance Agreement for Equipment that was acquired under Master Agreement (3091), then §4.4.2(f) shall apply.

b) Blended Rates

- i) Contractor shall have the ability to blend the Service and Supply costs over a large Equipment fleet, and the Blended Rate must cover all units in the fleet.
- ii) The Blended Rate must be divided between b&w and color.
- iii) Contractor shall provide the Purchasing Entity with the Blended Rate calculation prior to Order placement.
- iv) Utilizing a Blended Rate shall be at the discretion of the Participating State or Entity.

c) Manual Meter Reads

- i) Contractor may collect meter reads from a Purchasing Entity via electronic means.
- ii) Meter reads may be submitted via the Contractor's online portal, or through e-mail, or facsimile.
- iii) A Participating State or Entity may also elect, at their discretion, to submit meter reads through the Device.

d) Customer Owned Equipment

- i) Purchasing Entity's may elect to enter into a Maintenance Agreement for Equipment they already own, or Equipment they acquire through an up-front purchase.
- ii) The Maintenance Agreement may be priced on a flat rate fee, which shall include parts, labor, Preventative Maintenance (if applicable) and Service calls. Supplies may or may not be included.
- iii) The Maintenance Agreement shall not be subject to automatic renewals.

e) Leased Equipment

- i) Contractor shall be required to provide a Maintenance Agreement on all Equipment that is leased by a Purchasing Entity.
- ii) The Maintenance Agreement shall be priced based on a cost per click rate, or a monthly base charge.

f) Legacy Equipment

- i) Upon request from the Purchasing Entity, Contractor may provide Maintenance Agreements on any Equipment that is owned or was leased through Master Agreement (3091), or via any other means, providing the following conditions are met:
 - 1) The Device has not reached the end of its Useful Life;
 - 2) The maximum term of the Maintenance Agreement does not exceed the Useful Life of the Device, unless otherwise specified in a Participating Addendum; and
 - 3) The Maintenance Agreement adheres to the same requirements as outlined in §4.4.2(d) and §4.4.2(e).
- ii) Devices that were previously serviced by another Dealer or Manufacturer must be inspected and repaired, if necessary. Upon mutual agreement, Contractor may charge Purchasing Entity for any parts and/or labor required to bring the Device up to acceptable maintenance levels.

- iii) If the Device has been at the Purchasing Entity's location for less than five (5) years, then Maintenance Agreement pricing shall not exceed this Master Agreement pricing, until the Purchasing Entity reaches the five (5) year mark. Refer to §4.4.2(f)(iv) below for additional information.
- iv) If the Device has been at the Purchasing Entity's location for more than five (5) years, then Maintenance Agreement pricing shall not exceed 107% of the Service and Supply pricing in this Master Agreement for years 5 through 7, and 110% for years 8 and beyond. The Service and Supply pricing that will be used for this calculation will be based on the following:
 - 1) The Group and Segment to which the Device is categorized; and
 - 2) The Service and Supply pricing for that Group and Segment, as listed under Newly Manufactured Equipment in this Master Agreement.

4.4.3. Service Requirements

- a) **Technicians.** All technicians shall be factory trained by the OEM and certified to Service the Devices.
- b) **Standard Service Levels.** Participating States and/or Entities shall negotiate their own Service Level Agreement (SLA) with the Contractor. The SLA, must, at a minimum, adhere to the following requirements, and/or as described in **Exhibit F (HP Standard SLA)**:
 - i) **End-User Training**
 - 1) An initial, no charge, on-site, one-hour training session for each Device, must be offered by Contractor for all non-desktop Products placed at each Purchasing Entity's location. For drop-shipped or desktop Products, Contractor shall offer an initial, one-hour, no charge, web-based, or on-line training session.
 - 2) Technical support training shall also be included in the initial, no charge training, and will include network connectivity and print driver installation. This training will be in addition to the one-hour of free training for Device operation.
 - 3) If Purchasing Entity elects to exercise the training option, then Contractor shall provide the training within ten (10) Business Days of Purchasing Entity's request.
 - 4) Contractor shall offer additional on-site, one-hour training sessions for a flat rate fee. Additional charges for travel and per diem, if applicable, must be disclosed to the Purchasing Entity prior to Order placement.
 - 5) Contractor must provide on-site or off-site operational training to designated Purchasing Entity personnel, until the personnel are able to operate the Equipment independently. Pricing for operational training shall be based on a flat rate fee. Additional charges for travel and per diem, if applicable, must be disclosed to the Purchasing Entity prior to Order placement.
 - 6) Contractor shall provide Product literature, user-manuals, and access to on-line resources, if available, at no charge to the Purchasing Entity.
 - 7) Contractor shall provide a toll-free end-user technical support number that Purchasing Entities can utilize for everyday minor troubleshooting. A Purchasing Entity must be able to obtain assistance during Normal Business Hours.
 - 8) Contractor shall provide phone/technical support within two (2) hours of Purchasing Entity's request for assistance.

- ii) **Preventative Maintenance.** Contractor shall perform all Preventative Maintenance Services at the Manufacturer's suggested intervals, or as specified in an Order. Preventative Maintenance shall not be a requirement on desktop Devices.
- iii) **Equipment Performance**
 - 1) Equipment Downtime shall be calculated from the time a service call is placed with Contractor or with Dealer's dispatch department until the time the technician completes the repair.
 - 2) Equipment Downtime due to lack of consumable Supplies is not acceptable.
 - 3) Contractor shall guarantee that the fleet of Devices for each Purchasing Entity will be operational at least 96% of the time, during Normal Business Hours for Group A, B, D, E, and F.
 - 4) If any fleet of Devices fails to perform at the operation level specified in §4.4.3(b)(iii)(3), then §4.11.11 shall apply.
 - 5) Contractor must provide daily communication to the Purchasing Entity regarding inoperable Equipment, including updates regarding resolution timeframe, and any parts, Accessories, or Devices on back-order.
- iv) **Loaner Equipment.** If any Device is inoperable for two (2) Business Days, due to Equipment malfunction, as reasonably determined by Contractor, then Contractor shall provide the Purchasing Entity with:
 - 1) A loaner Device of similar speed and capabilities until such time as the inoperable Device(s) are now operable; or
 - 2) Provide the Purchasing Entity with off-site manned production capabilities to accomplish the work of the unit that is inoperable at the sole expense of the Contractor. Such costs shall be limited to the cost of production (Service and Supplies), Equipment, labor, and transportation to and from the off-site production facility and the Purchasing Entity location.
- v) **Repair Parts**
 - 1) Contractor shall guarantee the availability of repair parts for a minimum of five (5) years after the Purchasing Entity's Acceptance of any Device.
 - 2) All Device components, spare parts, application software, and ancillary Equipment that is supplied under this Master Agreement, must conform to Manufacturer specifications.
 - 3) Contractor shall be responsible for ensuring that any repair parts are operable and installed in accordance with Manufacturer specifications.
 - 4) Repair parts may be new, reconditioned, reprocessed or recovered.
- vi) **Replacement Equipment**
 - 1) If Purchasing Entity is not satisfied with any Device, Contractor will, at Purchasing Entity's written request, replace it without charge with an equivalent unit or, upon mutual agreement with the Purchasing Entity, with a Device of comparable features and capabilities.
 - 2) Prior to installing a substitute Device, Contractor will be allowed thirty (30) days to remedy any quality or reliability issues.

vii) Service Zones

- 1) Unless otherwise specified in a Participating Addendum, Contractor shall adhere to the following Service Call Response Times based on the distance that their Service Base Location is from the Purchasing Entity:

Service Zone	Definition	Response Time
Urban	Within 60 miles	4 - 6 Hours
Rural	60 – 120 miles	1 - 2 Business Days
Remote	120+ miles, or only accessible by plane or by boat	4 - 5 Business Days

- 2) Repair or replacement of parts and/or Devices shall occur within four (4) Business Days of Contractor arriving at Purchasing Entity's location, with the following exception:
- If Contractor is drop-shipping a new Device to replace a defective Device, then Purchasing Entity must receive the new Device within three (3) Business Days.
- 3) Contractor may charge different rates according to each Service zone.

viii) Service Logs

- 1) Contractors shall maintain a Service log which describes the maintenance and repair Services provided for each Device.
- 2) A no-cost copy of Service logs/reports must be provided to the Purchasing Entity or Participating State or Entity, within five (5) Business Days of the request.

ix) Equipment Relocation

- 1) Equipment relocation Services include dismantling, packing, transporting, and re-installing Equipment.
- 2) Contractor may charge for this Service based on the following table:

Service Zone	Distance from original placement of Device	Charge
1	Within the same building	No Charge Allowed*
2	Up to 50 miles from building in which Device was originally placed	Flat Rate Fee, plus Per Mile or Hourly Fee
3	More than 50 miles from building in which Device was originally placed	Flat Rate Fee, plus Per Mile or Hourly Fee

*Contractor may charge Purchasing Entities a mutually agreed upon price for special rigging in the event a Purchasing Entity's demographics require such rigging for Zone 1 relocation's. The price shall be agreed upon in writing by Contractor and Purchasing Entity prior to any Equipment relocation in Zone 1.

- 3) Contractor shall not charge for any fees incurred due to fuel or tolls.
- 4) Moves must be performed within thirty (30) calendar days of the Purchasing Entity request. Request may be verbal or written, but Contractor must confirm the request in writing and provide a date that the move will occur. Written confirmation must be

sent to the Purchasing Entity within three (3) Business Days of request. In the event that there will be a delay in these Services, Contractor shall communicate with Purchasing Entity and agree on a mutually beneficial time-frame.

c) Meter Read Invoicing

- i) In order for Contractor to generate accurate invoices, Purchasing Entities shall provide meter reads within the Contractor's requested time-frame.
- ii) Invoices that are generated without receiving the proper meter read information from the Purchasing Entity will not be considered inaccurate.
- iii) The Purchasing Entity shall provide written notice of any such alleged invoicing issue and the Contractor will be allowed a thirty (30) day cure period to address any such issue. During the thirty (30) day cure period, the Purchasing Entity will not be assessed any late fees for failure to submit payment by the invoice due date.
- iv) Failure on the Contractor's part to maintain accurate invoicing shall result in a \$25.00 per instance credit on the following month's invoice.

d) Service Level Calculations

- i) At the discretion of the Participating State or Entity, Contractor shall produce reports that can be measured against the required SLA components. Refer to §4.4.3(e) for reporting requirements.
- ii) The Participating State or Entity shall determine how the reports will be utilized and whether liquidated damages will be assessed for failure to meet the SLA requirements. Any liquidated damages or penalty structure shall be defined in the Participating State or Entity's Participating Addendum.

e) Reporting. Contractor shall provide periodic reporting to all Purchasing Entities upon request. The reports shall be provided on a quarterly basis, or at the discretion of the Participating State or Entity.

- i) The report shall include the following:
 - 1) Up-time percentage (%) per fleet of Devices;
 - 2) Number of Service Calls placed;
 - 3) Response Time per Device;
 - 4) Dates that Preventative Maintenance was performed, if applicable;
 - 5) Hours of end-user training performed; and
 - 6) Estimated end of Useful Life per Device, based on current usage.
- ii) The report may include, but not be limited to, the following:
 - 1) Location of Devices;
 - 2) Click usage per Device; and
 - 3) EPEAT certification level of each Device.

4.4.4. Software Subscriptions

- a) Software pricing shall be inclusive of available software patches and any updates.
- b) Purchasing Entities shall have the option to finance software subscriptions according to the lease rates listed in Groups A, B, D, E, and F of the Master Agreement.

- c) Any new releases of software versions (upgrades) shall be chargeable to the Purchasing Entity; however, Contractor may not charge for the installation of the software upgrade.
- d) License fees and support fees shall remain firm throughout the term of the agreement.
- e) Software subscriptions shall not be subject to automatic renewals. Should there be any conflicting language between the software agreement and the Master Agreement, the Master Agreement shall govern and control.
- f) Contractor shall be responsible for communicating all updates, patches, and new releases/versions to Purchasing Entities.
- g) Contractor shall provide a web-based or toll-free hotline during Normal Business Hours for Purchasing Entities to report software problems or answer software related questions.

4.5. Purchase and Lease Programs

4.5.1. Contractor shall offer the following acquisition methods:

Financial Vehicle	Standard Terms Offered
Purchase	N/A
Fair Market Value Lease	36, 48 and 60 months
\$1 Buyout Lease	
Straight Lease	

4.5.2. All Products on Contractor's Price List may be purchased or leased, either as a packaged-deal, or stand-alone item.

4.5.3. Equipment Trade-In

- a) A Purchasing Entity shall have the option, at the Contractor's sole discretion, and based upon Participating State or Entity regulations and laws, and Purchasing Entity policies, to do an Equipment Trade-In, when placing a purchase or lease Order.
- b) 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.

4.5.4. Lease Rates

- a) Contractor shall not include an estimated property tax amount in their lease rates, unless requested by a Participating Entity.
- b) The rate for any lease shall remain fixed throughout the Initial Lease Term.
- c) Equipment Payments for Renewal Terms shall never exceed Master Agreement pricing.
- d) If a Purchasing Entity enters into a Renewal Term, then the Equipment Payment will be subject to the lease rates listed in the most recent Price List(s) posted on the NASPO ValuePoint website.
- e) Contractor may update lease rates on a quarterly basis to allow for changes in the financial market. The rates must be indexed against the US Daily Treasury Yield Curve Rates, or something similar, and must be the rate in effect at the end of each calendar quarter. Refer to

<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield> for additional information.

- f) Contractor shall offer Coterminous lease rates to any Purchasing Entity wishing to add Products to an existing lease agreement.

4.5.5. Leasing Overview

- a) Contractor shall use a Third-Party leasing company for all lease transactions; however, all contractual obligations shall remain with the Contractor.
- b) A Purchasing Entity may lease Equipment pursuant to the terms and conditions identified herein.
- c) Lease agreements shall not be subject to automatic renewals.
- d) In the event that the term of a lease agreement extends beyond the term of the Participating Addendum, the terms and conditions of this Master Agreement and Participating Addendum shall continue to apply.
- e) A lease agreement issued prior to the termination of this Master Agreement and Participating Addendum, shall survive the termination of this Master Agreement and the Participating Addendum.
- f) With the exception of a \$1 Buyout Lease arrangement, or unless exercising the purchase option on an FMV Lease, a Purchasing Entity shall return the Equipment at the end of the Initial Lease Term, or at the end of the Renewal Lease Term, or the Contractor may pick the Equipment up, without any further financial obligations to the Purchasing Entity.
- g) Equipment pickups must be performed within thirty (30) calendar days of the end of the Initial or Renewal Term.
- h) Equipment returns must be performed within thirty (30) calendar days after the Contractor or Authorized Dealer provides return shipping instructions to the Purchasing Entity.
- i) Contractor shall be responsible for all Product pickup and return costs.
- j) The maximum term on any Initial Lease Term shall be 60 months.
- k) The length of a Renewal Term shall be at the discretion of the Participating State or Entity, but at no time shall the Renewal Term exceed the Useful Life of the Equipment.
- l) All Renewal Terms shall be billed on a monthly basis.

4.5.6. Leasing Options

a) FMV Lease

- i) A Purchasing Entity shall have the option to enter into an Initial Lease Term of 36, 48 or 60 months, at the discretion of the Participating State or Entity.
- ii) Upon the expiration of the Initial Lease Term, a Purchasing Entity may do one of the following:
 - 1) Exercise their purchase option;

- 2) Renew the lease on a month to month basis, or a 12-month basis, at the discretion of the Participating State or Entity; or
 - 3) Return the Equipment to the Contractor, or have the Contractor pick the Equipment up.
- b) \$1 Buyout Lease**
- i) A Purchasing Entity shall have the option to enter into an Initial Lease Term of 36, 48 or 60 months, at the discretion of the Participating State or Entity.
 - ii) Upon the expiration of the Initial Lease Term, the Contractor shall provide title to the Equipment to the Purchasing Entity, or as otherwise determined in a Participating Addendum, and the Purchasing Entity shall not be subject to any additional expense in order to assume possession of the Equipment.
- c) Straight Lease**
- i) A Purchasing Entity shall have the option to enter into an Initial Lease Term of 36, 48 or 60 months, at the discretion of the Participating State or Entity.
 - ii) Upon the expiration of the Initial Lease Term, a Purchasing Entity may do one of the following:
 - 1) Renew the lease on a month to month basis, or a 12-month basis, at the discretion of the Participating State or Entity; or
 - 2) Return the Equipment to the Contractor, or have the Contractor pick the Equipment up.

4.5.7. Leasing Terms and Conditions

- a) Possession and Return of Lease Equipment**
- i) Purchasing Entity is responsible for risk of loss to the Products while the Products are in Purchasing Entity's possession. Purchasing Entity shall be relieved of all risks of loss or damage to the Products during periods of transportation and de-installation.
 - ii) Contractor or Authorized Dealer must notify a Purchasing Entity, in writing, of their End of Term (EOT) options at least sixty (60) to ninety (90) days prior to the end of any Initial Lease Term. Such notification may include, but not be limited to, the following:
 - 1) Any acquisition or return options, based on the type of lease agreement;
 - 2) Any renewal options, if applicable; and/or
 - 3) Hard drive removal and surrender cost, if applicable.
 - iii) If a Purchasing Entity desires to exercise a purchase, renewal, or return of the Equipment, it shall give Contractor at least thirty (30) days written notice prior to the expiration of such lease term. Notwithstanding anything to the contrary, if Purchasing Entity fails to notify Contractor of its intent with respect to the exercise of a purchase, renewal, or return of the Equipment, the Initial Lease Term shall be terminated on the date as stated in the Order and removal of the Product will be mutually arranged, unless otherwise specified in a Participating State or Entity's Participating Addendum.
 - iv) If Purchasing Entity does not exercise the purchase or renewal option, it will immediately make the Product available to Contractor in as good of condition as when Purchasing Entity received it, except for ordinary wear and tear.
- b) Payment.** The first scheduled payment (as specified in the applicable Order), will be due following the Acceptance of the Products, or such later date as Contractor may designate. The

remaining payments will be due on the same day of each subsequent month, unless otherwise specified in the applicable Order.

- c) **Buyout to Keep 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 Keep option on an FMV or \$1 Buyout Lease.
- d) **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 an FMV, \$1 Buyout or Straight Lease, and return the Equipment to the Contractor in good working condition (ordinary wear and tear excepted).
- e) **Equipment Upgrade or Downgrade.** A Purchasing Entity may do an Equipment Upgrade or Downgrade on a lease at any time 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 less than the remaining stream of Equipment Payments.
- f) **Non-appropriation of Funds.** The continuation of any lease agreement will be subject to, and contingent upon, sufficient funds being made available by the Participating State Legislature and/or federal sources. The Purchasing Entity may terminate any such lease agreement, and Contractor waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the Purchasing Entity's funding sources are not available.
- g) **Assignment**
 - i) Purchasing Entity has no right to sell, transfer, encumber, sublet or assign the Product or any lease agreement without Contractor's prior written consent (which consent shall not be unreasonably withheld).
 - ii) Purchasing Entity agrees that Contractor may not sell or assign any portion of Contractor's interests in the Product and/or these Lease Terms or any Order for leases, without notice to Purchasing Entity even if less than all the payments have been assigned. In that event, the assignee (the "Assignee") will have such rights as Contractor assigns to them, but none of Contractor's obligations (Contractor will keep those obligations) and the rights of the Assignee will not be subject to any claims, defenses or set offs that Purchasing Entity may have against Contractor.
 - iii) No assignment to an Assignee will release Contractor from any obligations Contractor may have to Purchasing Entity.
- h) **Early Termination Charges.** Except in the case of Non-appropriation of funds, FMV, \$1 Buyout, and Straight Leases shall be subject to an early termination charge, and shall involve the return of the Equipment (in good working condition; ordinary wear and tear excepted) by the Purchasing Entity to the Contractor. With respect to the Equipment, the termination charge shall not exceed the balance of remaining Equipment Payments (including any current and past due amounts), and with respect to Service or maintenance obligations, the termination charge shall not exceed four (4) months of the Service and Supply base charge or twenty-five percent (25%) of the remaining Maintenance Agreement term, whichever is less.
- i) **Default.** Each of the following is a "default" under these lease terms:
 - i) Purchasing Entity fails to pay any payment or any other amount within forty-five (45) days (or as otherwise agreed to in a Participating Addendum) of its due date;

- ii) Any representation or warranty made by Purchasing Entity in these lease terms is false or incorrect and Purchasing Entity does not perform any of its obligations under these lease terms, and this failure continues for forty-five (45) days (or as otherwise agreed to in a Participating Addendum) after Contractor has notified Purchasing Entity;
 - iii) Purchasing Entity or any guarantor makes an assignment for the benefit of creditors;
 - iv) Any guarantor dies, stops doing business as a going concern, or transfers all or substantially all of such guarantor's assets; or
 - v) Purchasing Entity stops doing business as a going concern or transfers all or substantially all of Purchasing Entity's assets.
- j) **Remedies.** If a Purchasing Entity defaults on a lease agreement, then Contractor, in addition to, or in lieu of, the remedies set forth in this Master Agreement, and Participating Addendum, may do one or more of the following:
- i) Cancel or terminate any or all Orders, and/or any or all other agreements that Contractor has entered into with Purchasing Entity;
 - ii) Require Purchasing Entity to immediately pay to Contractor, as compensation for loss of Contractor's bargain and not as a penalty, a sum equal to:
 - 1) All past due payments and all other amounts payable under the lease agreement;
 - 2) All unpaid payments for the remainder of the lease term, discounted at a rate equal to three percent (3%) per year to the date of default; and
 - 3) Require Purchasing Entity to deliver the Product to Contractor per mutual arrangements.

4.6. Security Requirements

4.6.1. Network and Data Security

- a) Devices may be configured to include a variety of data security features. The set-up of such features shall be at the discretion of the Purchasing Entity, and all costs associated with their implementation must be conveyed by Contractor prior to Order placement.
- b) Contractor will not be permitted to download, transfer, or access print data stored on the Device in either hard drive or chip memory. Only system management accessibility will be allowed.
- c) Contractor shall ensure that delivery and performance of all Services shall adhere to the requirements and standards as outlined in each Participating State or Entity's Participating Addendum.

4.6.2. Sensitive Information. Sensitive information that is contained in any Legacy Equipment or applications shall be encrypted if practical. In addition, sensitive data will be encrypted in all newly developed applications. Since sensitive information is subjective, it shall be defined by each Participating State or Entity in their Participating Addendum.

4.6.3. Data Breach. Contractor shall have an incident response process that follows National Institute of Standards and Technology (NIST) standards as referenced in Special Publication 800-61, Revision 2 (available at <http://dx.doi.org/10.6028/NIST.SP.800-61r2>) and includes, at a minimum, breach detection, breach notification, and breach response.

4.6.4. Authentication and Access

- a) Any network connected Device must offer authentication for all features via LDAP and/or Windows AD, as well as the ability to disable authentication for any or all features.
- b) Any network connected Device must have the ability to connect via Dynamic Host Configuration Protocol (DHCP) or Static IP address.
- c) The credential information for any remote authentication method may not be maintained within the Device's memory.
- d) Access to the Device's administrative functions must be password protected per the Participating State or Entity requirements, and the default settings must be changed at the time of Equipment installation.

4.6.5. Hard Drive Removal and Surrender

- a) Contractor shall ensure that all hard drive data is cleansed and purged (if capable) from the Device at the end of its Useful Life, or when any hard drive leaves the Purchasing Entity's possession; or
- b) At the Participating State or Entity's discretion, Contractor shall remove the hard drive from the applicable Device and provide the Purchasing Entity with custody of the hard drive before the Device is removed from the Purchasing Entity's location, moved to another location, or any other disposition of the Device. The Purchasing Entity shall then be responsible for securely erasing or destroying the hard drive.
- c) If Contractor takes possession of any Device at the Purchasing Entity's location, then they shall also remove any ink, toner, and associated Supplies (drum, fuser, etc.) and dispose of them in accordance with applicable law, as well as environmental, and health considerations, or as otherwise specified in a Participating Addendum.
- d) Hard drive sanitation shall be at no expense to the Purchasing Entity; however, Contractor may charge the Purchasing Entity a fee if the Purchasing Entity elects to keep the hard drive in their possession. Contractor must disclose the price for removal and surrender of the hard drive, prior to Order placement.
- e) If the hard drive is not removable, or the Device does not contain a hard drive, then Contractor must convey this to the Purchasing Entity at the time of Order placement. In the case of a non-removable hard drive, §4.6.5(a) shall apply.
- f) If a Contractor is removing another Manufacturer's Equipment, they are not permitted to remove the hard drive. Only the Manufacturer or their Authorized Dealer shall remove hard drives in their own Devices. Contractor shall work with the Manufacturer to ensure the requirements pursuant to this Subsection are met.

4.7. Equipment Demonstration Requirements

- 4.7.1. Contractor must offer trial or demonstration Equipment for Group A, Group B, and if requested by the Purchasing Entity, Group D, Group E, and Group F.
- 4.7.2. Trial or demonstration Equipment may be new or used; however, no used, Remanufactured, or Refurbished Devices shall be converted to a purchase or lease.
- 4.7.3. At the discretion of the Participating State or Entity, and upon request by a Purchasing Entity, showroom Equipment for Groups A and B may be converted to a purchase or lease, providing the following conditions are met:

- a) The meter count on Group A and Group B Devices does not exceed 10,000 copies total (i.e. b&w and color combined);
- b) The Device must be discounted by at least 5% off of this Master Agreement pricing for that same Device; and
- c) The Purchasing Entity and the Contractor indicate on the Order that the Device is a showroom model.

4.7.4. Any trial or demonstration period shall not exceed thirty (30) calendar days.

4.8. Shipping and Delivery Requirements

- 4.8.1. All Orders, regardless of quantity, shall be delivered to the Purchasing Entity within thirty (30) calendar days after Contractor receipt of Order, unless otherwise specified by a Purchasing Entity.
- 4.8.2. Software related to the Device must be installed within five (5) Business Days of the Device installation, or as otherwise stated in an Order.
- 4.8.3. All deliveries shall be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor. The minimum shipment amount, if any, will be found in the special terms and conditions. Any Order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered shall be shipped without charge.
- 4.8.4. Responsibility and liability for loss or damage shall transfer to the Purchasing Entity upon delivery of the Product, except as to material defects, fraud and Contractor's warranty obligations, which shall remain with the Contractor.
- 4.8.5. All deliveries shall be made during Normal Business Hours, which may vary for each Purchasing Entity of each Participating State.
- 4.8.6. It shall be the responsibility of the Contractor to be aware of the delivery days and receiving hours for each Purchasing Entity.
- 4.8.7. The Purchasing Entity shall not be responsible for any additional charges, should the Contractor fail to observe specific delivery days and receiving hours.
- 4.8.8. The delivery days and delivery hours shall be established by the Purchasing Entity at the time of Order placement.
- 4.8.9. All deliveries, with the exception of drop-shipped or desktop Products, shall be made to the interior location specified by the Purchasing Entity. Specific delivery instructions will be noted on the Order. Any damage to the building interior, scratched walls, damage to the freight elevator, etc., will be the responsibility of the Contractor. If damage does occur, it is the responsibility of the Contractor to immediately notify the Purchasing Entity placing the Order.
- 4.8.10. Products shall be packaged and labeled so as to satisfy all legal and commercial requirements applicable for use by any Purchasing Entity, and shall include, without limitation and if applicable, OSHA material safety data sheets, and shall conform to all statements made on the label.
- 4.8.11. Packages that cannot be clearly identified may be refused and/or returned at no cost to the Purchasing Entity.

4.8.12. Laws and Regulations. Any and all Products and Services offered and furnished shall comply fully with all applicable Federal and State laws and regulations.

4.9. Equipment Installation Requirements

4.9.1. Prior to Order acceptance, Contractor must advise Purchasing Entity of any specialized installation and site requirements for the delivery and installation of Device. This information should include, but is not limited to, the following:

- a) Air conditioning;
- b) Electrical;
- c) Special grounding;
- d) Cabling;
- e) Space;
- f) Humidity and temperature limits; and
- g) Other considerations critical to the installation.

4.9.2. The Purchasing Entity shall be responsible for furnishing and installing any special wiring or dedicated lines.

4.9.3. Network installation shall include configuration of the Device for the proper network protocols, and installation of the appropriate print drivers on up to five (5) computers per Device, or as otherwise specified in a Participating Addendum.

4.9.4. If applicable, all Devices must be set-up with Preventative Maintenance notifications turned on, and with the most environmentally responsible defaults enabled, including Energy Star saving settings.

4.9.5. Contractor may charge for excessive installation requirements, including rigging, access alterations, and access to non-ground floors via stairs. Any such excessive installation charges must be quoted to the Purchasing Entity prior to the signature of any Order, and shall be based on the actual expenditures of Contractor or Authorized Dealer. In addition, Contractor may charge for expedited shipping.

4.9.6. Contractor or Authorized Dealers shall affix a label or a decal to the Device at the time of installation which shows the name, address, and telephone number of Contractor or Authorized Dealer responsible for warranty Service of the Equipment.

4.9.7. Contractor shall clean-up and remove all debris and rubbish resulting from their work as required by the Purchasing Entity. Upon completion of the work, the premises shall be left in good repair and in an orderly, neat, clean, and unobstructed condition.

4.10. Inspection and Acceptance

4.10.1. All Products are subject to inspection at reasonable times and places before Acceptance.

4.10.2. If the Product does not meet Contractor specifications during the initial period of Acceptance Testing, Purchasing Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the standard of performance is met. Upon rejection, the Contractor will have fifteen (15) calendar days to cure the standard of performance issue(s). If after the cure period, the Product still has not met the standard of performance, the Purchasing Entity may, at its option:

- a) Declare Contractor to be in breach and terminate the Order;

- b) Demand replacement Product from Contractor at no additional cost to Purchasing Entity; or,
 - c) Continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor. Contractor shall pay all costs related to the preparation and shipping of Product returned pursuant to the section. No Product shall be deemed Accepted and no charges shall be paid until the standard of performance is met.
- 4.10.3.** Purchasing Entity shall confirm delivery, installation and Acceptance of all Products covered by each purchase or lease Order, by signing a Delivery and Acceptance Certificate (D&A), as referenced in **Exhibit B (Sample D&A Certificate)**, which shows Acceptance of the Product(s) and allows Contractor to invoice for the Product(s).
- 4.10.4.** Purchasing Entity agrees to sign and return the D&A to Contractor (which, at mutual agreement, may be done electronically) within five (5) Business Days after any Product is installed, or as otherwise stated in a Participating Addendum.
- 4.10.5.** Failure to sign the D&A or reject the Product(s) within the foregoing five (5) day period shall be deemed as Acceptance by the Purchasing Entity; however, it does not relieve the Contractor of liability for material (nonconformity that substantially impairs value) defects subsequently revealed when Products are put to use. Acceptance of such Products may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor shall be liable for any resulting expense incurred by the Purchasing Entity in relation to the preparation and shipping of Product(s) rejected and returned, or for which Acceptance is revoked. Further, with regard to material defects discovered after Acceptance, the affected hardware Product will be subject to remedy in accordance with the applicable warranty purchased for that Product. Products may be returned thirty (30) days from date of shipment without penalty, subject to **Exhibit E (HP Customer Return Policy)**.
- 4.10.6. Transfer of Title**
- a) Contractor shall have exclusive title to the Products being delivered and the Products shall be free and clear of all liens, encumbrances, and security interests. Title to the Device shall only pass to the Purchasing Entity upon:
 - i) Purchasing Entity up-front purchase of the Device;
 - ii) Purchasing Entity exercising the purchase option at the end of a Fair Market Value Lease;
 - iii) Upon expiration of a Purchasing Entity's \$1 Buyout Lease; or
 - iv) Purchasing Entity has secured Third Party financing and payment is being made directly to the Contractor by the Purchasing Entity.
 - b) Transfer of title to the Product shall include an irrevocable and perpetual license to use any Embedded Software in the Product. If Purchasing Entity subsequently transfers title of the Product to another entity, Purchasing Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license shall be at no additional cost or charge to either Purchasing Entity or Purchasing Entity's transferee.
- 4.10.7.** If any Services do not conform to Contract requirements, the Purchasing Entity may require the Contractor to perform the Services again in conformity with Contract requirements, at no increase in Order amount. When defects cannot be corrected by re-performance, the Purchasing Entity may require the Contractor to take necessary action to ensure that future performance conforms to Contract requirements; and reduce the Contract price to reflect the reduced value of Services performed.

4.11. Warranty Requirements

- 4.11.1.** The Warranty period shall begin upon Acceptance of the Products, and shall be for a minimum of ninety (90) days for purchased and leased Equipment.
- 4.11.2.** Devices that are sold under this Master Agreement will come with the standard features as published on the Manufacturers website, and will not deviate from the stated specifications.
- 4.11.3.** Products shall be in good working order, free from any defects in material and workmanship, and confirm to Contractor specifications.
- 4.11.4.** If defects are identified, per mutual agreement of Contractor and the Purchasing Entity, Contractors obligations shall be limited solely to the repair or replacement of Products proven to be defective upon inspection.
- 4.11.5.** Replacement of Products shall be on a like-for-like basis and shall be at no cost to the Purchasing Entity.
- 4.11.6.** Repair of defective parts and/or Devices shall be at no cost to the Purchasing Entity.
- 4.11.7.** Upon significant failure of a Product, the warranty period shall commence again for the same amount of time as specified in §4.11.1. Significant failure shall be determined by the Participating State.
- 4.11.8.** Contractor warranty, Service and Maintenance obligations shall not apply if:
 - a) Product is installed, wired, modified, altered, or serviced by anyone other than Contractor and/or their Authorized Dealer;
 - b) Device is subjected to improper use, site preparation, or environmental conditions or other non-compliance with applicable Supporting Material;
 - c) Improper system maintenance or calibration is not performed by Contractor and/or Authorized Dealer;
 - d) There is failure or functional limitations of any non-Contractor software or Product impacting systems receiving Contractor support or Service;
 - e) Malware (e.g. virus, worms, etc.) is introduced by someone other than Contractor or their Authorized Dealer;
 - f) Abuse, negligence, accident, fire or water damage, electrical disturbances, unauthorized transportation or other causes beyond Contractor's control;
 - g) A defective or non-Contractor authorized Accessory, Supply, software, or part is attached to, or used in the Device; and
 - h) The Device is relocated to any place where Contractor Services are not available.
- 4.11.9.** Contractor agrees to perform its Services in a professional manner, consistent with applicable industry standards. Purchasing Entity agrees to provide prompt notice of any such Service concerns and Contractor will re-perform any Service that fails to meet this standard.
- 4.11.10.** It will be at the discretion of each Participating State or Entity to negotiate additional warranty requirements with the Contractor.

4.11.11. Lemon Clause

- a) This clause shall apply to all Devices that are purchased or leased under this Master Agreement.
- b) This clause shall not apply if Supplies are used in the Devices that were not manufactured, provided, or authorized by the Contractor.
- c) The application period is thirty-six (36) months from the date of Acceptance.
- d) This clause shall take precedence over any other warranty or Services clauses associated with this Master Agreement, or as specified by a Participating State or Entity in their Participating Addendum.
- e) A Purchasing Entity must maintain an uninterrupted Maintenance Agreement on all purchased Devices in order for this clause to apply past the initial ninety (90) day warranty.
- f) Any functional Device that fails (except due to operator error) to function in accordance with the Manufacturer's published performance specifications, four (4) times in any four (4) week period and/or is subject to the same recurring problems, shall be replaced with a comparable Device that meets or exceeds the requirements of the original Device, at no cost to the Purchasing Entity.

4.11.12. Deliverables Warranty. If Orders or Supporting Material for Services define specific deliverables, Contractor warrants those deliverables will conform materially to their written specifications for 30 days following delivery. If Purchasing Entity notifies Contractor of such a non-conformity during the 30-day period, Contractor will promptly remedy the impacted deliverables or refund to Purchasing Entity the fees paid for those deliverables and Purchasing Entity will return those deliverables to Contractor.

4.12. Customer Service

4.12.1. Key Personnel. Contractor shall ensure that staff has been allocated appropriately to ensure compliance with this Master Agreement and subsequent Participating State or Entity requirements and that the individuals occupying the Key Personnel positions have adequate experience and knowledge with successful implementation and management of a national cooperative contract. Contractor shall ensure that there is always a single point of contact for the following positions:

- a) **Master Agreement Contract Administrator** - the Lead State's primary contact in regards to Contract negotiations, amendments, Product and Price List updates, and any other information or documentation relating to this Master Agreement;
- b) **NASPO ValuePoint Reporting Contact** - Responsible for submitting quarterly reports and the quarterly Administrative Fee to the appropriate personnel;
- c) **Master Agreement Marketing Manager** - Responsible for marketing this Master Agreement, as well as creating Participating State websites, and ensuring that all uploaded data and content is current; and
- d) **National Service Manager** - Responsible for overseeing the Regional Service Managers, Field Service Technicians, training, and inside Service operations. This position works with the Lead State Contract Administrator to ensure contractual obligations are met, while providing leadership for the Contractor's operations, as well as strategic planning of the Service department.

- 4.12.2. Contractor shall provide a single point of contact for each Participating State, who will handle any questions regarding the Products provided, as well as pricing, delivery, billing, status of Orders, customer complaints and escalated issues.
- 4.12.3. Contractor shall provide full Service and support for Products during Normal Business Hours.
- 4.12.4. Contractor shall have a designated customer service team who will be available by phone (via local or toll free number), fax, or email during Normal Business Hours.
- 4.12.5. Customer service representatives shall have online access to account information and will respond to inquiries concerning the status of Orders (shipped or pending), delivery, back-orders, pricing, Product availability, Product information, and account and billing questions.

5. ADMINISTRATION OF ORDERS

5.1. Ordering and Invoicing Specifications

- 5.1.1. Master Agreement Order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.
- 5.1.2. Contractor shall accept procurement credit cards as a form of payment for purchases only, with no additional charge or fee assessed.
- 5.1.3. Contractor shall provide a centralized billing option for leasing and Managed Print Services, upon request, and at the discretion of a Participating State or Entity.
- 5.1.4. Authorized Dealers may invoice the Purchasing Entity directly, unless otherwise specified in a Participating Addendum.
- 5.1.5. Contractor and/or Authorized Dealers may charge the Purchasing Entity a re-stocking fee for any Products that are not accepted. The amount of the fee shall be the lesser of 10% of the purchase price, or \$200.00, unless otherwise specified in a Participating Addendum.
- 5.1.6. Contractor may bill property tax separately or as otherwise indicated in a Participating Addendum or an Order.
- 5.1.7. Contractor and/or Authorized Dealers may estimate meter reads if a Purchasing Entity fails to submit the required information within the specified time-frame.
- 5.1.8. This Master Agreement permits Purchasing Entities to define project-specific requirements and informally compete the requirement among other contractors having a NASPO ValuePoint Master Agreement, on an "as needed" basis. This procedure may also be used when requirements are aggregated or other firm commitments may be made to achieve reductions in pricing. This procedure may be modified in Participating Addenda and adapted to Purchasing Entity rules and policies. The Purchasing Entity may, in its sole discretion, determine which Master Agreement Contractors should be solicited for a quote. The Purchasing Entity may select the quote that it considers most advantageous, cost and other factors considered.
- 5.1.9. Each Purchasing Entity will identify and utilize its own appropriate purchasing procedure and documentation. Contractor is expected to become familiar with the Purchasing Entities' rules, policies, and procedures regarding the ordering of Products, and/or Services contemplated by this Master Agreement.

- 5.1.10.** Contractor shall not begin work without a valid purchase order or other appropriate commitment document compliant with the law of the Purchasing Entity.
- 5.1.11.** Orders must be placed consistent with the terms of this Master Agreement, and only during the term of this Master Agreement.
- 5.1.12.** All Orders pursuant to this Master Agreement, at a minimum, shall include:
- a) Name of Purchasing Entity;
 - b) The name, phone number, and address of the Purchasing Entity representative;
 - c) Order date;
 - d) Description of the Product and/or Service ordered;
 - e) Model number;
 - f) Serial number;
 - g) Price;
 - h) This Master Agreement number; and
 - i) Any additional information required by the Participating Entity.
- 5.1.13.** All software Orders must reference the Manufacturer's most recent release or version of the Product, unless the Purchasing Entity specifically requests a different version.
- 5.1.14.** All communications concerning administration of Orders placed shall be furnished solely to the authorized individual within the Purchasing Entity's location, or to such other individual identified in writing in the Order.
- 5.1.15.** Contractor shall not issue an invoice until the Purchasing Entity has confirmed Acceptance, per §4.10.3.
- 5.1.16.** Orders must be placed pursuant to this Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days past the then-current termination date of this Master Agreement. Contractor is reminded that financial obligations of Purchasing Entities payable after the current applicable fiscal year are contingent upon agency funds for that purpose being appropriated, budgeted, and otherwise made available.
- 5.1.17. Internet-based Portal and Electronic Catalogs.** If Contractor provides the ability to place an Order through an internet-based portal or electronic catalog, then Contractor shall maintain all necessary hardware, software, backup-capacity and network connections required to operate that internet-based portal or electronic catalog. In addition, Contractor shall adhere to the following requirements:
- a) The internet-based portal or electronic catalog shall clearly designate that the Products are part of this NASPO ValuePoint Master Agreement, and shall link to the Participating State or Entity's designated web location;
 - b) All Environmentally Preferable Products (EPP) shall be clearly listed;
 - c) If the Contractor's electronic catalog will either be hosted on or accessed through the Participating State's eCommerce system, then Contractor shall comply with all policies, procedures and directions from the Participating State or Entity in relation to hosting its catalog on or making its catalog accessible through that system;

- d) All information made available through the Participating State or Entity's eCommerce system is accurate and complies with this Master Agreement and the Participating Addendum; and
- e) Paper catalogs or catalogs on other digital media must be supplied to the Participating State or Entity upon request.

5.1.18. Substitutions are not allowed. If an ordered Product is out-of-stock, Contractor shall notify the Purchasing Entity and request approval before substituting for the out-of-stock item. Contractor's request to substitute shall explain how the substituted Product compares with the out-of-stock item. Any substitute Product offered must be on this Master Agreement Price List.

5.1.19. Notwithstanding the expiration or termination of this Master Agreement, Contractor agrees to perform in accordance with the terms of any Orders then outstanding at the time of such expiration or termination. Contractor shall not honor any Orders placed after the expiration or termination of this Master Agreement, or otherwise inconsistent with its terms. Orders from any separate indefinite quantity, task orders, or other form of indefinite delivery Order arrangement priced against this Master Agreement, may not be placed after the expiration or termination of this Master Agreement, notwithstanding the term of any such indefinite delivery Order agreement.

5.1.20. Contractor's process for resolving disputed invoices, issuing refunds and/or credit, and addressing over-payments is as follows:

a) Disputes – Invoices

- i) For hardware purchases, Contractor's standard process for invoice disputes directs the issues to the Order Management Customer Service Representative ("CSR"). The CSR will research details covering the dispute. Once details are confirmed, Contractor shall issue a credit against the open invoice. For invoices already paid, Contractor generates a credit memo invoice for the customer to utilize towards other invoices. Credits on procurement cards are applied within 3-5 business days. For customers that prefer a check, Contractor sends a check release form for confirmation of their request.
- ii) Escalations for any invoice dispute that is not resolved are sent to the Contract Sales Manager assigned to manage the contract, who ensures that any unresolved disputes are handled to the customer's satisfaction.
- iii) The process for MPS disputed invoices is handled directly by the Contractor Client Manager assigned to NASPO ValuePoint, who oversees the day-to-day Contractor MPS relationship with NASPO ValuePoint. As the single point of contact, the Client Manager also has overall responsibility for escalations and working with NASPO ValuePoint to gain agreement on the definition, action and success criteria associated with any escalations that might arise during the Contractor MPS engagement.

- b) If Contractor agrees to Purchasing Entity's dispute, the Purchasing Entity's account shall be credited. If the Master Agreement Contract Administrator does not agree with the Purchasing Entity's dispute, then the Purchasing Entity can request further review by the Director of Bids and Administration.

In all instances of dispute resolution, the Purchasing Entity may contact the Participating State Contract Administrator, or the Lead State for assistance in resolving the dispute.

5.2. Payment

5.2.1. Payment for a Contract Order for Products provided or Services rendered is made to Contractor within thirty (30) days following the date of Contractor's invoice, or the date a correct invoice is

received, whichever is later. After forty-five (45) days, the Contractor may assess overdue account charges up to a maximum rate of one (1) percent per month on the outstanding balance.

- 5.2.2. Contractor may suspend or cancel performance of open Orders or Services if Purchasing Entity fails to make payments when due.
- 5.2.3. Participating States and/or Entities may include any statutory payment terms in their Participating Addenda.

6. GENERAL PROVISIONS

6.1. Insurance

- 6.1.1. Unless otherwise agreed in a Participating Addendum, Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state and having a rating of A-, Class VII or better, in the most recently published edition of Best's Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or, at a Participating Entity's option; result in termination of its Participating Addendum.
- 6.1.2. Coverage shall be written on an occurrence basis. The minimum acceptable limits shall be as indicated below, with no deductible for each of the following categories:
 - a) Commercial General Liability covering premises operations, Independent Contractors, Products and completed operations, blanket contractual liability, personal injury (including death), advertising liability, and property damage, with a limit of not less than \$1 million per occurrence, \$2 million general aggregate, \$2 million Products and completed operations aggregate and \$50,000 and any one fire. If any aggregate limit is reduced below \$2,000,000 because of claims made or paid, the Contractor shall immediately obtain additional insurance to restore the full aggregate limit and furnish to the Participating Entity, a certificate or other document satisfactory to the Participating Entity, showing compliance with this provision.
 - b) Cyber Liability covering claims and losses with respect to network, internet (Cloud) or other data disclosure risks (such as data breaches, unauthorized 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.
 - c) Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements.
 - d) Automobile Liability covering any auto (including owned, hired and non-owned), with a minimum limit of \$1,000,000 each accident combined single limit.
- 6.1.3. Contractor shall pay premiums on all insurance policies. Such policies shall also reference this Master Agreement and shall have a condition that they not be revoked by the insurer until thirty (30) calendar days after notice of intended revocation thereof shall have been given to Purchasing Entity and Participating Entity by the Contractor.
- 6.1.4. Prior to commencement of performance, Contractor shall provide to the Lead State a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that:
 - a) Names the Participating States identified in the Request for Proposal as additional insured's, and;

- b) Provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of any Participating State as secondary and noncontributory. Unless otherwise agreed in any Participating Addendum, the Participating Entity's rights and Contractor's obligations are the same as those specified in the first sentence of this subsection. Before performance of any Purchase Order issued after execution of a Participating Addendum authorizing it, the Contractor shall provide to a Purchasing Entity or Participating Entity who requests it the same information described in this subsection.

6.1.5. Contractor shall furnish to the Lead State, Participating Entity, and, on request, the Purchasing Entity copies of certificates of all required insurance within seven (7) calendar days of the execution of this Master Agreement, the execution of a Participating Addendum, or the Purchase Order's effective date and prior to performing any work. The insurance certificate shall provide the following information: the name and address of the insured; name, address, telephone number and signature of the authorized agent; name of the insurance company (authorized to operate in all states); a description of coverage in detailed standard terminology (including policy period, policy number, limits of liability); and an acknowledgment of the requirement for notice of cancellation. Copies of renewal certificates of all required insurance shall be furnished within fifteen (15) days after any renewal date. These certificates of insurance must expressly indicate compliance with each and every insurance requirement specified in this section. Failure to provide evidence of coverage may, at sole option of the Lead State, or any Participating Entity, result in this Master Agreement's termination or the termination of any Participating Addendum.

6.1.6. Coverage and limits shall not limit Contractor's liability and obligations under this Master Agreement, any Participating Addendum, or any Order.

6.2. Records Administration and Audit

6.2.1. The Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Agreement and Orders placed by Purchasing Entities under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall permit the Lead State, a Participating Entity, a Purchasing Entity, the federal government (including its grant awarding entities and the U.S. Comptroller General), and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Agreement or Orders placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of five (5) years following termination of this Agreement or final payment for any Order placed by a Purchasing Entity against this Agreement, whichever is later, to assure compliance with the terms hereof or to evaluate performance hereunder.

6.2.2. Without limiting any other remedy available to any governmental entity, the Contractor shall reimburse the applicable Lead State, Participating Entity, or Purchasing Entity for any overpayments inconsistent with the terms of this Master Agreement or Orders, or underpayment of fees found as a result of the examination of the Contractor's records.

6.2.3. The rights and obligations herein right exist in addition to any quality assurance obligation in this Master Agreement requiring the Contractor to self-audit Contract obligations and that permits the Lead State to review compliance with those obligations.

6.2.4. The disclosure of records in Participating States relating to Participating Addenda and Orders placed against the Master Agreement shall be governed by the laws of the Participating Entity that placed the Order. Records will be retained longer if required by Participating Entity's law.

Contractor will be advised with reasonable prior written notice of each audit. The parties will work together in good faith to establish an audit process that does not interfere with Contractor's ability to perform its obligations under this Master Agreement or any other agreement, or compromise any reasonable security processes or procedures. Contractor will provide the auditor with information reasonably required to affect the audit, provided however that Contractor reserves the right to impose limitation or require additional assurances from Participating Entity and its auditor as may be necessary to protect the Confidential Information of Contractor to the extent such limitations and assurances are not in conflict with Participating Entity's governing laws. In no event will Contractor be required to provide Participating Entity or its auditor with access to Contractor's internal Products/Services labor and cost data, or data related to employees or other customers of Contractor to the extent it is not in conflict with Participating Entity's governing law.

6.3. Confidentiality, Non-Disclosure, and Injunctive Relief

6.3.1. Confidentiality. Contractor acknowledges that it and its employees or Authorized Dealers may, in the course of providing a Product under this Master Agreement, be exposed to or acquire information that is confidential to Purchasing Entity's or Purchasing Entity's clients. Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by Contractor or its employees or Authorized Dealers in the performance of this Master Agreement, including, but not necessarily limited to:

- a) Any Purchasing Entity's records;
- b) Personnel records;
- c) Information concerning individuals is Confidential Information of Purchasing Entity. Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information. Confidential Information does not include information that:
 - i) Is or becomes (other than by disclosure by Contractor) publicly known;
 - ii) Is furnished by Purchasing Entity to others without restrictions similar to those imposed by this Master Agreement;
 - iii) Is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement;
 - iv) Is obtained from a source other than Purchasing Entity without the obligation of confidentiality;
 - v) Is disclosed with the written consent of Purchasing Entity; or
 - vi) Is independently developed by employees, Dealers or Subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

6.3.2. Non-Disclosure. Contractor shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Master Agreement. Contractor shall advise each of its employees and Distributors of their obligations to keep Confidential Information confidential. Contractor shall use commercially reasonable efforts to assist Purchasing Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Contractor shall advise Purchasing Entity, applicable Participating Entity, and the Lead State promptly if Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement, and Contractor shall at its expense cooperate with Purchasing Entity in seeking injunctive or other equitable relief in the name of Purchasing Entity or Contractor against any such

person. Except as directed by Purchasing Entity, Contractor will not at any time during or after the term of this Master Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at Purchasing Entity's request, Contractor shall turn over to Purchasing Entity all documents, papers, and other matter in Contractor's possession that embody Confidential Information. Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits and evidence of the performance of this Master Agreement.

- 6.3.3. Injunctive Relief.** Contractor acknowledges that breach of this section, including disclosure of any Confidential Information, will cause irreparable injury to Purchasing Entity that is inadequately compensable in damages. Accordingly, Purchasing Entity may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Purchasing Entity and are reasonable in scope and content.
- 6.3.4. Purchasing Entity Law.** These provisions shall be applicable only to extent they are not in conflict with the applicable public disclosure laws of any Purchasing Entity.
- 6.3.5.** The rights granted to Purchasing Entities, and the Contractor obligations under this section shall also extend to the cooperative's Confidential Information, defined to include Participating Addenda, as well as Orders or transaction data relating to Orders under this Master Agreement that identify the entity/customer, Order dates, line item descriptions and volumes, and prices/rates. This provision does not apply to disclosure to the Lead State, a Participating State, or any governmental entity exercising an audit, inspection, or examination pursuant to §6.2 (**Records Administration and Audit**). To the extent permitted by law, Contractor shall, within a reasonable period of time, notify the Lead State of any entity seeking access to the Confidential Information described in this subsection.

6.4. License of Pre-Existing Intellectual Property

Contractor grants to the Purchasing Entity a non-exclusive, perpetual, irrevocable, unlimited license to use, modify, or dispose of the Intellectual Property and its derivatives, used or delivered under this Master Agreement, but not created under it ("Pre-existing Intellectual Property"). The license shall be subject to any third party rights in the Pre-existing Intellectual Property. Contractor shall obtain, at its own expense, on behalf of the Purchasing Entity, written consent of the owner for the licensed Pre-existing Intellectual Property.

6.5. Public Information

This Master Agreement and all related documents are subject to disclosure pursuant to the Purchasing Entity's public information laws.

6.6. Assignment/Subcontracts

- 6.6.1.** Contractor and the Lead State, shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Master Agreement, in whole or in part, without the prior written approval of the other Party.
- 6.6.2.** The Lead State reserves the right to assign any rights or duties, including written assignment of Contract administration duties to NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint.

6.7. Changes in Contractor Representation

The Contractor must notify the Lead State of changes in the Contractor's Key Personnel, in writing within ten (10) calendar days of the change. The Lead State reserves the right to approve changes in key personnel, as identified in the Contractor's proposal. The Contractor agrees to propose replacement key personnel having substantially equal or better education, training, and experience as was possessed by the key person proposed in the Contractor's proposal.

6.8. Independent Contractor

6.8.1. Contractor shall perform duties as an Independent Contractor, and not as an employee. Neither the Contractor nor any employee or Authorized Dealer of the Contractor, shall be or deemed to be an employee of the Lead State, NASPO ValuePoint, and/or any Participating State or Entity.

6.8.2. Contractor acknowledges that its employees are not entitled to unemployment insurance benefits unless the Contractor or a Third Party provides such coverage, and that the Lead State, NASPO ValuePoint and any Participating State or Entity does not pay for or otherwise provide such coverage.

6.8.3. Contractor shall have no authority to bind the Lead State, NASPO ValuePoint and any Participating State or Entity to any agreements, liability, or understanding except as may be expressly set forth in this Master Agreement, Participating Addendum or an Order.

6.9. Force Majeure

Neither party to this Master Agreement shall be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The Lead State may terminate this Master Agreement after determining such delay or default will reasonably prevent successful performance of this Master Agreement.

6.10. Defaults and Remedies

6.10.1. The occurrence of any of the following events shall be an event of default under this Master Agreement:

- a) Nonperformance of contractual requirements; or
- b) A material breach of any term or condition of this Master Agreement; or
- c) Any certification, representation or warranty by Contractor in this Master Agreement that proves to be untrue or materially misleading; or
- d) 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) calendar days after the institution or occurrence thereof; or
- e) Any default specified in another section of this Master Agreement.

6.10.2. Upon the occurrence of an event of default, Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of thirty (30) calendar days in which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part, if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis.

6.10.3. If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this

Master Agreement and Lead State shall have the right to exercise any or all of the following remedies:

- a) Exercise any remedy provided by law;
- b) Terminate this Master Agreement and any related Contracts or portions thereof;
- c) Impose liquidated damages as provided in this Master Agreement;
- d) Suspend Contractor from being able to respond to future Solicitations; and
- e) Suspend Contractor's performance.

6.10.4. Unless otherwise specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and have all of the rights and remedies under this paragraph regarding its participation in this Master Agreement, in addition to those set forth in its Participating Addendum.

6.10.5. Unless otherwise specified in an Order, a Purchasing Entity shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in these Master Agreement Terms and Conditions shall be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

6.11. Waiver of Breach

Failure of the Lead State, Participating Entity, Contractor, or Purchasing Entity to declare a default or enforce any rights and remedies shall not operate as a waiver under this Master Agreement or Participating Addendum. Any waiver by the Lead State, Participating Entity, Contractor, or Purchasing Entity must be in writing. Waiver by Contractor, the Lead State or Participating Entity of any default, right or remedy under this Master Agreement or Participating Addendum, or by Purchasing Entity with respect to any Order, or breach of any terms or requirements of this Master Agreement, a Participating Addendum, or Order shall not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement, Participating Addendum, or an Order.

6.12. Debarment

The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (Contract) by any governmental department or agency. This certification represents a recurring certification made at the time any Order is placed under this Master Agreement. If the Contractor cannot certify this statement, attach a written explanation for review by the Lead State.

6.13. Indemnification

6.13.1. The Contractor shall defend or settle, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), the Lead State, Participating Entities, and Purchasing Entities, along with their officers, agents, and employees as well as any person or entity for which they may be liable, from and against third-party claims, damages or causes of action. In connection with such claims, Contractor will pay all defense costs, settlement amounts, court-awarded damages (including reasonable attorneys' fees and court costs) for any death, bodily injury, or damage to tangible property to the extent caused by act(s), error(s), or omission(s) of the Contractor, its employees or Subcontractors, at any tier, relating to the performance under this Master Agreement.

6.13.2. Indemnification – Intellectual Property. The Contractor shall defend or settle, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), the Lead State, Participating Entities, Purchasing Entities, along with their

officers, agents, and employees as well as any person or entity for which they may be liable ("Indemnified Party"), from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that alleges that the Contractor-branded Product supplied under this Agreement, or its use, infringes Intellectual Property rights ("Intellectual Property Claim"). Where Contractor supplies Indemnified Parties a non-Contractor-branded Product, Contractor's obligations under this section shall be limited to passing on to Indemnified Parties the benefit of such protection (e.g. handling of claims) and remedies (e.g. refunds) as Contractor may be able to recover from the relevant third-party owner or supplier, which includes refunds, infringement claim defense costs, negotiated settlement amounts and court-awarded damages.

This section shall also apply to deliverables identified as such in the relevant Supporting Material except that Contractor is not responsible for claims resulting from deliverables content or design provided by Purchasing Entity.

6.13.3. The Contractor's obligations under this section shall not extend to:

- a) any claims resulting from any unauthorized use of the Contractor-branded Products or Services;
- b) any combination of the Product with any other Product, system or method, unless the Product, system or method is:
 - i) Provided by the Contractor or the Contractor's subsidiaries or affiliates; and
 - ii) Specified by the Contractor to work with the Product.

6.13.4. The Indemnified Party shall notify the Contractor promptly after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. The Contractor will promptly and reasonably investigate and defend or settle any Intellectual Property Claim, and it shall have sole control over the defense and settlement of it. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible. The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense.

6.14. No Waiver of Sovereign Immunity

6.14.1. In no event shall this Master Agreement, any Participating Addendum or any Contract or any Purchase Order issued thereunder, or any act of a Lead State, a Participating Entity, or a Purchasing Entity be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

6.14.2. This section applies to a claim brought against the Participating State only to the extent Congress has appropriately abrogated the Participating State's sovereign immunity and is not consent by the Participating State to be sued in federal court. This section is also not a waiver by the Participating State of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

6.15. Governing Law and Venue

6.15.1. The construction and effect of this Master Agreement shall be governed by the laws of the Lead State. Venue for any administrative or judicial action relating to this Master Agreement shall be in the City and County of Denver, Colorado.

6.15.2. The construction and effect of any Participating Addendum or Order against this Master Agreement shall be governed by and construed in accordance with the laws of the Participating Entity's or Purchasing Entity's State.

6.15.3. If a claim is brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court.

6.16. Assignment of Antitrust Rights

Contractor irrevocably assigns to a Participating Entity any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any Goods or Services provided to the Contractor for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at a Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

6.17. Contract Provisions for Orders Utilizing Federal Funds

Pursuant to Appendix II to 2 Code of Federal Regulations (CFR) Part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. These federal requirements may be proposed by Participating Entities in Participating Addenda and Purchasing Entities for incorporation in Orders placed under this Master Agreement.

THE PARTIES HERETO HAVE EXECUTED THIS MASTER AGREEMENT

* Individual signing for Contractor hereby swears and affirms that they are authorized to act on Contractor's behalf and acknowledge that the Lead State is relying on their representations to that effect.

**CONTRACTOR
HP Inc.**

By: Deborah Kaiser
Title: Contract Administrator

By: 
*Signature

Date: July 29, 2019

STATE OF COLORADO

Jared S. Polis, Governor

Department of Personnel & Administration
State Purchasing & Contracts Office
Kara Veitch, Executive Director

By: 
John Chapman, State Purchasing Manager

Date: Aug 1, 2019

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Master Agreement is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any Goods and/or Services provided hereunder.

STATE CONTROLLER

Robert Jaros, CPA, MBA, JD

By: 

Date: 8/8/19

EXHIBIT A, PRICE LISTS

Group A Price List (posted as separate file)
Group B Price List (posted as separate file)
Group D Price List (posted as separate file)
Group E Price List (posted as separate file)
Group F Price List (posted as separate file)
MPS Price List (posted as separate file)

EXHIBIT B, SAMPLE D&A CERTIFICATE

**NASPO VALUEPOINT MASTER AGREEMENT NO. 140596
AND THE STATE OF Insert Name of Participating State PARTICIPATING
ADDENDUM NO.
WITH HP Inc.**

To: Insert Name of Contractor or Authorized Dealer

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

Insert name of Purchasing Entity

By: _____

Title: _____

Date: _____

EXHIBIT C, AUTHORIZED DEALERS BY STATE

HP Dealer List (posted as separate file)

EXHIBIT D, AUTHORIZED DEALER FORM

Manufacturer Name: _____

(Check one)

- ☐ The Dealer listed below is authorized to provide Products and Services in accordance with the NASPO ValuePoint Copiers and Managed Print Services Master Agreement.
- ☐ The Dealer listed below will no longer provide Products and Services under the NASPO ValuePoint Copiers and Managed Print Services Master Agreement for the following reason:

State(s) Serviced by Dealer:	
Dealer Name:	
Address:	
Phone (include Toll-Free, if available):	
Contact Person(s):	
Email Address:	
FEIN:	

Signed: _____
(Contractor Representative)

Date: _____

Signed: _____
(Authorized Dealer Representative)

Date: _____

(Print First and Last Name of Authorized Dealer Representative)

EXHIBIT E, HP CUSTOMER RETURN POLICY

State and Local Government and Education Customer Return Policy

Coverage: These guidelines apply only to returns initiated by State and Local Government or Education customers purchasing HP branded product direct from HP Inc. (HP) or a customer purchase under one of HP's State and Local Government or Education direct contracts. A direct contract is defined as a contract by and between HP and a State, Local, or Education end user. This return policy does not apply to resellers purchasing directly from HP Direct under a contract held by and between the reseller and the end user. This return policy does not apply to loaners, early marketing units, or employee purchases administered as internal HP orders.

Products Not Eligible

- **Factory Express Services** - Products that require a custom image load, asset tagging, and/or special packaging are not eligible unless the products are damaged, customer received an overage, or HP incorrectly configured, ordered, or shipped product (HP error).
- **Refurbished products** - HP/Compaq branded refurbished products are not eligible.
- **Consumable products** - Printer cartridges, paper, open box software, etc. cannot be returned to HP.
- **Third Party Options** - Items where returns are otherwise governed by the original manufacturer cannot be returned to HP.

Note: The original manufacturer may provide its own warranties; the guidelines should be confirmed with the customer support representative when requesting a Return Good Authorization (RGA).

- **Product not purchased from HP directly** - Product purchased from another source, such as a reseller, distributor, etc. not covered under an HP Direct held contract.

Return of Products

Defective Product

For product that is defective on arrival, it is recommended that customers call Technical Support at 1-800-334-5144 to determine if the product can be corrected. Or, the customer may utilize the 30-day goodwill return policy and return the product by calling the Order Management Customer Service Representative at 1-800-888-3224, Option 2, Option 2.

Carrier Related Loss or Damaged Shipments

Customers should note damages or shortages on the Bill of Lading at the time of delivery. Within a reasonable time or not later than 30 days from delivery, notify the HP Customer Service team and provide a copy of the Bill of Lading/Packing Slip.

Concealed damage(s) or shortage(s) (where the box is in good condition but product is missing or damaged) is an exception and should be reported as soon as practical after delivery in order for HP to establish the claim with the carrier.

HP is committed to customer satisfaction and values our relationship with State and Local Government and Education Customers. To show our commitment, HP is providing a goodwill right to return, or exchange of unused products within 30 days from receipt of the product. HP does not charge a restocking or handling fee for products returned within 30 days. It is at HP's sole discretion to accept return products after 30 days. If a product return is accepted after 30 days, a restocking fee may apply.

Procedures for Returns

The State or Local Government Customer should contact the assigned Customer Service Representative by calling 800-727-2472 to coordinate returns or replacements within 30 days from receipt of product. At that time, the customer will be issued an RGA number that will remain valid for a period of 15 calendar days from the date of issuance. All materials must be received within the RGA validation period.

The HP Customer Service Representative will schedule the pickup for returns and forward an email to the person requesting the return. Faxes can also be forwarded in place of an email. The email will include all the information regarding the return, including the RGA and carrier name and date of pickup. The Customer Service Representative will assist the customer on any other details or specifics regarding returns, credits, and refunds.

HP reserves the right to refuse any return that does not meet the requirements stated below:

- Product must be returned in the original shipping packaging. In the event the packaging is not available or unusable, it must be noted when requesting an RGA.
- If possible, remove all mailing labels on the outside of the box that reference the customer address, or mark out the mailing labels address with a marker. The customer will either receive a mailing label via email that should be attached to the return products and/or will be provided a label by the carrier. Be sure to mark your RGA number on the box.
- If product for more than one RGA is being returned in the same box, make sure that all RGA numbers are listed on both the mailing label and packing list. If products are received at the Returns Center without valid RGA numbers on the mailing label, your credit may be delayed and proof of delivery or other supporting documentation may be required.
- The RGA number(s) must appear clearly on the box, as returns will not be accepted without an RGA number.
- Returns must be 100% complete, unused, and in original and re-sellable condition, with all original packaging, manuals, registration card(s), software, cabling, and accessories. If, after the product has been returned and inspected, it is discovered that components are missing from the return, HP reserves the right not to issue an RGA for the return of the missing components. If it is determined that there are missing components when the product is returned, and the customer has received a credit, the customer will be issued an invoice for the missing component. Missing components may include, but are not limited to, keyboard, mouse, software, speakers, accessories, drives, memory, microprocessors, and processor boards.
- RGA numbers that have been open for greater than 15 days may be cancelled and the customer subsequently invoiced for the unreturned product. Another RGA can be requested as long as it is within 30 days of receipt of the product. Please note that all returned products must be credited against the account and order from which the product was originally invoiced.

All products must be returned to the address provided by the HP Customer Service Representative via email or by the carrier:

HP Returns
421 New Sanford Road
Dock Door 47
LaVergne, TN 37086
RGA XXXXXXXX

Please note: HP reserves the right to change any part of its return guidelines.

EXHIBIT F, HP STANDARD SLA

OPERATIONAL: SERVICE LEVEL AGREEMENTS					
SLA No.	Assigned Weight	SLA	SLA Measurement Criteria	Measurement	Target
OP1	20%	Fleet Uptime	Percentage of availability of in-scope devices with 100% functionality during normal working hours	Fleet Uptime% = Minutes Fleet Available / Minutes Fleet Required Measured	97%
OP2	20%	Remote Management Center Availability	Availability to Receive Service Requests via Integrated Service Ticket System, Phone (Toll-Free #) or Online Portal	24 x 7 x 365	100%
OP3	20%	Break/Fix Remote Response	Telephone or email response	Within 4 Business Hours 8AM – 5PM Local Time Excluding National Holidays in Country. Minimum of 20 events required.	98%
OP4	20%	Break/Fix On-site Response	For issues not resolved remotely, on-site response at Customer facility	Next Business Day 8AM – 5PM Local Time Excluding National Holidays in Country. Minimum of 20 events required.	97%
OP5	20%	Supplies Management	No device downtime due to lack of consumable supplies or preventative maintenance parts being delivered to a Customer site	24 x 7 x 365	97%

Hardware Technical Support Service

HP Hardware Technical Support Service includes:

- Priority Phone Support
- Afterhours Phone Support (optional)
- Hardware Support

HP Priority Phone Support

HP Priority Phone Support is available business days from 8:00 a.m. to 5:00 p.m. local time, Monday through Friday. Local coverage hours may vary by time zone.

HP Priority Phone Support includes:

- Call response time within 4 business hours of logging ticket, 8:00 a.m. to 5:00 p.m. local time
- Single dedicated number for end-user or administrator access
- Technical assistance and troubleshooting

- Repair diagnosis and customer engineer dispatch
- Supplies Management Services support
- Event management and follow-up at the same phone number
- Contract questions and referrals

Afterhours Phone Support (Optional)

HP Priority Phone Support covers support during regular office hours. Afterhours Phone Support provides access to support personnel 24 hours per day.

Hardware Support

Hardware Support service options include:

Next Business Day On-Site Response 9x5

Next Business Day On-Site Response 9x5 will be provided if a service call is placed any business day before 4:00 p.m. local time. A HP representative will arrive on-site to begin hardware repair the next business day after the service request has been logged. Calls placed after 4:00 p.m. will be logged the next business day. This service is not available for all devices. Coverage window is 8:30 a.m. to 5:30 p.m., Monday to Friday excluding local public holidays. HP will dispatch an HP-authorized service technician on-site only if the problem has not been resolved remotely.

4-hour On-Site Response 9x5

Same day 4-hour response will be provided if a service call is placed any business day before 1:00 p.m. local time. A HP representative will arrive on-site to begin hardware repair within four (4) hours after the service request has been logged. Calls placed after 1:00 p.m. will be logged the next business day. This service is not available for all devices. Coverage window is 8:30 a.m. to 5:30 p.m., Monday through Friday excluding local public holidays. HP will dispatch an HP-authorized service technician on-site only if the problem has not been resolved remotely.

Fleet Uptime

HP will use reasonable commercial efforts to provide a Fleet Uptime SLA equal to 97% average as calculated monthly, pursuant to the terms herein. A minimum Uptime SLA Fleet of fifty (50) Devices is required to be installed and deployed as a prerequisite to begin and continue tracking and calculating Fleet Uptime SLA. In addition, there shall be one (1) full calendar year quarter following installation and deployment of the Uptime SLA Fleet, known as a stabilization quarter, before the calculation of Fleet Uptime percentage begins.

HP Fleet Manager

HP Fleet Manager allows Purchasing Entities to view the overall 'health' of the fleet as well as drill down to each device to see exact usage patterns, supplies levels and status of any outstanding consumables orders. Fleet Manager identifies under- or over-utilized devices, making performance and usage patterns easily visible. Non-reporting devices are also identified so that appropriate action can be taken.

EXHIBIT G, NASPO VALUEPOINT DETAILED SALES REPORTING TEMPLATE



NASPO ValuePoint
Detailed Sales Repo

ATTACHMENT A, HP MASTER LEASE PURCHASE AGREEMENT

Master Agreement Number: 140596

Lessee's Organization Number _____
Lessee's Tax Identification Number _____
Lessee's UCC Section 9-307 Location _____

STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT

This State and Local Government Master Lease Purchase Agreement (together with Exhibits A and B attached hereto and hereby made a part hereof, (this "Master Agreement"), dated as of _____, is entered into by and between Hewlett-Packard Financial Services Company,¹ a Delaware corporation ("Lessor"), and _____, an agency, department or political subdivision of the State of _____ ("Lessee"). Capitalized terms used in this Master Agreement without definition have the meanings ascribed to them in Section 32.

1. PURPOSE OF MASTER AGREEMENT. The purpose of this Master Agreement is to set forth the general terms and conditions upon which Lessor shall lease to Lessee, and Lessee shall lease from Lessor, items of Hardware, Software or both (the "Equipment"). In connection with its execution of this Master Agreement, Lessee shall deliver to Lessor an Officer's Certificate in form and substance acceptable to Lessor, executed by a duly authorized officer of Lessee and certifying as to, among other things, Lessee's authority to enter into this Master Agreement, and the authority of Lessee's officers or representatives specified therein to execute this Master Agreement and an opinion of Lessee's counsel in form and content satisfactory to Lessor.

2. COMMENCEMENT PROCEDURES. Subject to the other terms and conditions contained in this Master Agreement and the applicable Schedule, Lessee shall enter into individual Leases (hereinafter defined) with Lessor as follows:

(a) Execution of Schedule. Lessor and Lessee mutually agree to enter into a Lease by executing a Schedule in the form of Exhibit A with such changes as Lessor and Lessee shall have agreed to as conclusively evidenced by their execution thereof. Each such Schedule shall specifically identify (by serial number or other identifying characteristics) the items of Equipment to be leased under such Schedule. Each Schedule, when executed by both Lessee and Lessor, together with this Master Agreement, shall constitute a separate and distinct lease ("Lease"), enforceable according to its terms.

(b) Acceptance; Term of Leases. Lessee shall accept the Equipment subject to a Lease in accordance with Section 3. The Term of each Lease shall begin on the Acceptance Date of the Equipment subject to such Lease and shall continue for the period described in the applicable Schedule unless a Non-appropriation shall have occurred.

(c) Adjustments to Schedule. Lessee acknowledges that the Total Cost of Equipment and the related Rent payments set forth in any Schedule may be estimates, and if the final invoice from the Seller attached to the related Acceptance Certificate(s) specifies a Total Cost that is less than the estimated Total Cost set forth in the Schedule, Lessee hereby authorizes Lessor to reduce the applicable Total Cost and Rent payment on the Schedule by up to ten percent (10%) to reflect such final invoice amount (the "Final Invoice Amount"). All references in this Master Agreement and any Schedule to Total Cost and Rent shall mean the amounts thereof specified in the applicable Schedule, as adjusted pursuant to this paragraph.

(d) Payment by Lessor. Within 30 days after Lessee's delivery to Lessor of a properly completed and executed Acceptance Certificate and all other documentation necessary to establish Lessee's acceptance of such Equipment under the related Lease and Lessor's acceptance of such Acceptance Certificate, Lessor shall pay the Contractor for the Equipment. Lessor shall not accept the Acceptance Certificate until it has received from Lessee (1) evidence of insurance with respect to the Equipment in compliance with Section 14 hereof, (2) a completed and executed original Form 8038-G or 8038-GC, as applicable, or evidence of filing thereof with the Internal Revenue Service in the manner required by Code Section 149(e), (3) an opinion of Lessee's counsel, if required by Lessor, in form and substance reasonably satisfactory to Lessor and (4) any other documents or items reasonably required by Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to pay for the Equipment if a Lessee Default has occurred or an event has occurred and is continuing that with the passage of time or provision of notice would constitute a Lessee Default. Lessor and Lessee acknowledge that the date the Lessor pays the Contractor for the Equipment shall be the issue date of the obligation for federal income tax purposes in accordance with the Code and no Rent shall accrue prior to such date.

3. ACCEPTANCE OF EQUIPMENT. (a) Inspection of Equipment. Lessee agrees to inspect all Equipment as soon as reasonably practicable after the delivery thereof to Lessee.

(b) Acceptance Certificate. Upon the satisfactory inspection of the Equipment by Lessee, or if acceptance requirements for such Equipment are specified in the applicable Purchase Documents, as soon as such requirements are met, Lessee shall unconditionally and irrevocably accept the Equipment by executing and delivering to Lessor a properly completed Acceptance Certificate in substantially the form of Exhibit B.

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

4. RENT; LATE CHARGES. As lease payments ("Rent") for the Equipment under any Lease, Lessee agrees to pay the amounts specified in the applicable Schedule on the due dates specified in the applicable Schedule. Lessee agrees to pay Lessor interest on any Rent payment or other amount due hereunder that is not paid within 15 days of its due date, at the rate of 1% per month (or such lesser rate as is the maximum rate allowable under applicable law). Lessee will make provision for such payments in budgets submitted to its governing body for the purpose of obtaining funding for the payments.

5. TRANSFER OF EQUIPMENT ON EXPIRATION OF LEASE TERM. If Lessee has paid all Rent and all other amounts due under the Lease and has satisfied all other terms and conditions of the Lease, the Lease shall terminate and, except as provided in Section 28, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to the Equipment and Lessor shall transfer all of its interest in such Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor.

6. LEASES NON-CANCELABLE; NET LEASES; WAIVER OF DEFENSES TO PAYMENT. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT EACH LEASE HEREUNDER SHALL BE NON-CANCELABLE (EXCEPT AS SET FORTH IN SECTION 7 HEREOF), AND THAT EACH LEASE HEREUNDER IS A NET LEASE SO THAT AMONG OTHER THINGS LESSEE SHALL PAY IN ADDITION TO THE RENT, TAXES, INSURANCE AND MAINTENANCE CHARGES RELATED TO THE EQUIPMENT. LESSEE AGREES THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE. LESSEE HEREBY WAIVES ANY RECOUPMENT, CROSS-CLAIM, COUNTERCLAIM OR ANY OTHER DEFENSE AT LAW OR IN EQUITY TO ANY RENT OR OTHER AMOUNT DUE WITH RESPECT TO ANY LEASE, WHETHER ANY SUCH DEFENSE ARISES OUT OF THIS MASTER AGREEMENT, ANY SCHEDULE, ANY CLAIM BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNEES OR SUPPLIER OR OTHERWISE. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE OR INTEGRATE AS REPRESENTED OR WARRANTED BY SUPPLIER OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, LESSEE WILL MAKE ANY CLAIM ON ACCOUNT OF THOSE ISSUES SOLELY AGAINST SUPPLIER AND WILL NEVERTHELESS PAY ALL SUMS DUE WITH RESPECT TO EACH LEASE.

7. NONAPPROPRIATION. Notwithstanding anything contained in this Master Agreement to the contrary, in the event that sufficient funds are not appropriated and budgeted by Lessee's governing body or are not otherwise available from other legally available sources in any fiscal period for the payment of Rent and other amounts due under any Lease, the Lease shall terminate on the last day of the fiscal period for which appropriations were received or other amounts are available to pay amounts due under the Lease without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Rent payments or other amounts herein agreed upon for which funds shall have been appropriated or are otherwise available. Lessee will immediately notify the Lessor or its assignee of such occurrence. In the event of such termination, Lessee shall immediately cease all use of the Equipment, and shall immediately de-install, disassemble, pack, crate, and return the Equipment subject to such Lease to Lessor (all in accordance with Section 10 of this Master Agreement). Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by this Lease, shall be free and clear of any liens (except Lessor's lien) and shall comply with all applicable laws and regulations. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor or evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. At Lessor's request, Lessee shall promptly provide supplemental documentation as to such Non-Appropriation satisfactory to Lessor. Lessee's exercise of its rights pursuant to this Section 7 shall not affect the survival of any indemnity and other provisions (other than the obligation to lease the Equipment and pay amounts due under the Lease) which survive the termination of the Lease.

8. ASSIGNMENT OF PURCHASE DOCUMENTS. Lessee assigns to Lessor all of Lessee's right, title and interest in and to (a) the Equipment described in each Schedule, and (b) the Purchase Documents relating to such Equipment. Such assignment of the Purchase Documents is an assignment of rights only; nothing in this Master Agreement shall be deemed to have relieved Lessee of any obligation or liability under any of the Purchase Documents, except that, as between Lessee and Lessor, Lessor shall pay the Contractor for the Equipment in accordance with Section 2(d) hereof. Lessee represents and warrants that it has reviewed and approved the Purchase Documents. In addition, if Lessor shall so request, Lessee shall deliver to Lessor a document acceptable to Lessor whereby Seller acknowledges and provides any required consent to such assignment. For the avoidance of doubt, Lessee covenants and agrees that it shall at all times during the Term of each Lease comply in all respects with the terms of any License Agreement relating to any Equipment leased thereunder. **IT IS ALSO SPECIFICALLY UNDERSTOOD AND AGREED THAT NEITHER SUPPLIER NOR ANY SALESPERSON OF SUPPLIER IS AN AGENT OF LESSOR, NOR ARE THEY AUTHORIZED TO WAIVE OR ALTER ANY TERMS OF THIS MASTER AGREEMENT OR ANY SCHEDULE.**

9. ASSIGNMENT OF SUPPLIER WARRANTIES. To the extent permitted, Lessor hereby assigns to Lessee all Equipment warranties provided by any Supplier in the applicable Purchase Documents. Lessee shall have the right to take any action it deems appropriate to enforce such warranties provided such enforcement is pursued in Lessee's name and at its expense. In the event Lessee is precluded from enforcing any such warranty in its name and to the extent Lessor retains title to the Equipment, Lessor shall, upon Lessee's request, take reasonable steps to enforce such warranty. In such circumstances, Lessee shall,

promptly upon demand, reimburse Lessor for all expenses incurred by Lessor in enforcing the Supplier warranty. Any recovery resulting from any such enforcement efforts shall be divided between Lessor and Lessee as their interests may appear.

10. RESERVED.

11. EQUIPMENT USE, MAINTENANCE AND ADDITIONS. Lessee is solely responsible for the selection, and operation of the Equipment and all costs related thereto. Lessee shall at all times operate and maintain the Equipment in good working order, repair, condition and appearance, and in accordance with the manufacturer's specifications and recommendations. On reasonable prior notice to Lessee, Lessor and Lessor's agents shall have the right, during Lessee's normal business hours and subject to Lessee's reasonable, standard security procedures, to enter the premises where the Equipment is located for the purpose of inspecting the Equipment and observing its use. Except in the case of Software, Lessee shall, at its expense, enter into and maintain and enforce at all times during the Term of each Lease a maintenance agreement to service and maintain the related Equipment, upon terms, and with a provider, reasonably acceptable to Lessor. Lessee shall make no alterations or additions to the Equipment, except those that (a) will not void any warranty made by the Supplier of the Equipment, result in the creation of any security interest, lien or encumbrance on the Equipment or impair the value or use of the Equipment either at the time made or at the end of the Term of the applicable Lease, and are readily removable without damage to the Equipment ("Optional Additions"), or (b) are required by any applicable law, regulation or order. All additions to the Equipment or repairs made to the Equipment, except Optional Additions, become a part of the Equipment and Lessor's property at the time made; Optional Additions which have not been removed in the event of the return of the Equipment shall become Lessor's property upon such return.

12. EQUIPMENT OWNERSHIP; LIENS; LOCATION. Upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in Lessee; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 7 hereof, or (ii) upon the occurrence of a Lessee Default as defined in Section 22 hereof, and as long as such Lessee Default is continuing, title to the Equipment (including Substitute Equipment) will immediately vest in Lessor or its assignee. Lessee covenants with respect to each Lease that: (i) it will not pledge or encumber the Equipment or Lessor's interest in the Equipment in any manner whatsoever nor create or permit to exist any levy, lien or encumbrance thereof or thereon except those created by or through Lessor; (ii) the Equipment shall remain personal property whether or not affixed to realty and shall not become a fixture or be made to become a part of any real property on which it is placed without Lessor's prior written consent; and (iii) Lessee shall maintain the Equipment so that it does not become essential to and may be removed from any building in which it is placed without any damage to the building or the Equipment. Provided Lessee remains in possession and control of the Equipment, Lessee may relocate any Equipment from the Equipment Location specified in the applicable Schedule to another of its locations within the State of the Equipment Location upon prior written notice to Lessor specifying the new Equipment Location or to another of its locations within the United States after receiving the written consent of Lessor to such relocation. Lessee shall not locate or relocate any Equipment such that any third party comes into possession or control thereof without Lessor's prior written consent; provided, however, that Lessor shall not unreasonably withhold its consent to the location or relocation of Equipment to a third party co-location or hosting facility if such third party shall have executed and delivered to Lessor a waiver agreement in form and substance acceptable to Lessor pursuant to which, among other things, such third party shall have waived any rights to the Equipment and agreed to surrender the Equipment to Lessor in the event of a Lessee Default under this Master Agreement. Notwithstanding the foregoing, Lessor agrees that equipment usable outside of a fixed office environment, may be relocated on a non-permanent basis from the Equipment Location originally specified in the applicable Schedule without Lessor's prior written consent, provided that (i) such relocation is made by Lessee's primary employee in the custody and control of such Equipment; (ii) the primary employee remains in possession and control of the Equipment, and (iii) the primary employee's principal office is the Equipment Location.

13. SECURITY INTEREST; MAXIMUM RATE. In order to secure all of its obligations hereunder, Lessee hereby, to the extent permitted by law and to secure payment and performance of Lessee's obligations under this Master Agreement and all Leases, grants Lessor a purchase money security interest in the related Equipment and in all attachments, accessories, additions, substitutions, products, replacements, rentals and proceeds (including, without limitation, insurance proceeds) thereto as well as a security interest in any other Equipment financed pursuant to this Master Agreement or any other agreement between Lessor and Lessee (collectively, the "Collateral"). In any such event, notwithstanding any provisions contained in this Master Agreement or in any Schedule, neither Lessor nor any Assignee shall be entitled to receive, collect or apply as interest any amount in excess of the maximum rate or amount permitted by applicable law. In the event Lessor or any Assignee ever receives, collects or applies as interest any amount in excess of the maximum amount permitted by applicable law, such excess amount shall be applied to the unpaid principal balance and any remaining excess shall be refunded to Lessee. In determining whether the interest paid or payable under any specific contingency exceeds the maximum rate or amount permitted by applicable law, Lessor and Lessee shall, to the maximum extent permitted under applicable law, characterize any non-principal payment as an expense or fee rather than as interest, exclude voluntary prepayments and the effect thereof, and spread the total amount of interest over the entire term of this Master Agreement and all Leases. Lessee agrees that Lessor may file this Lease as a financing statement evidencing such security interest or any other financing statement deemed necessary by Lessor and agrees to execute and deliver all certificates of title and other instruments necessary or appropriate to evidence such security interest.

14. RISK OF LOSS AND INSURANCE. Lessee assumes any and all risk of loss or damage to the Equipment from the time such Equipment is in Lessee's possession until such Equipment is returned to and is received by Lessor in accordance with the terms and conditions of this Master Agreement. Lessee agrees to keep the Equipment insured at Lessee's expense against all risks of

loss from any cause whatsoever, including without limitation, loss by fire (including extended coverage), theft and damage. Lessee agrees that such insurance shall name Lessor as a loss payee and cover not less than the replacement value of the Equipment. Lessee also agrees that it shall carry commercial general liability insurance in an amount not less than \$2,000,000 total liability per occurrence and cause Lessor and its affiliates and its and their successors and assigns, to be named additional insureds under such insurance. Each policy shall provide that the insurance cannot be canceled without at least 30 days' prior written notice to Lessor, and no policy shall contain a deductible in excess of \$25,000. Upon Lessor's prior written consent, in lieu of maintaining insurance obtained by third party insurance carriers, Lessee may self-insure against such risks, provided that Lessor's interests are protected to the same extent as if the insurance had been obtained by third party insurance carriers and provided further that such self-insurance program is consistent with prudent business practices with respect with such insurance risk. Lessee shall provide to Lessor (a) on or prior to the Acceptance Date for each Lease, and from time to time thereafter, certificates of insurance evidencing such insurance coverage throughout the Term of each Lease, and (b) upon Lessor's request, copies of the insurance policies. If Lessee fails to provide Lessor with such evidence, then Lessor will have the right, but not the obligation, to purchase such insurance protecting Lessor at Lessee's expense. Lessee's expense shall include the full premium paid for such insurance and any customary charges, costs or fees of Lessor. Lessee agrees to pay such amounts in substantially equal installments allocated to each Rent payment (plus interest on such amounts at the rate of 1-1/2% per month or such lesser rate as is the maximum rate allowable under applicable law).

15. CASUALTY LOSS. Lessee shall notify Lessor of any Casualty Loss or repairable damage to any Equipment as soon as reasonably practicable after the date of any such occurrence but in no event later than 30 days after such occurrence. In the event any Casualty Loss shall occur, on the next Rent payment date Lessee shall (a) at Lessee's option provided no Lessee Default has occurred nor an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing or (b) at Lessor's option if a Lessee Default has occurred or an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing, (1) subject to Section 7 hereof, pay Lessor the Stipulated Loss Value of the Equipment suffering the Casualty Loss, or (2) substitute and replace each item of Equipment suffering the Casualty Loss with an item of Substitute Equipment. If Lessee shall pay the Stipulated Loss Value of the Equipment suffering a Casualty Loss, upon Lessor's receipt in full of such payment the applicable Lease shall terminate as it relates to such Equipment and, except as provided in Section 28, Lessee shall be relieved of all obligations under the applicable Lease as it relates to such Equipment. If Lessee shall replace Equipment suffering a Casualty Loss with items of Substitute Equipment the applicable Lease shall continue in full force and effect without any abatement of Rent with such Substitute Equipment thereafter being deemed to be Equipment leased thereunder. Upon Lessor's receipt of such payment of Stipulated Loss Value in full or replacement of the Equipment suffering the Casualty Loss with Substitute Equipment, Lessor shall transfer to Lessee all of Lessor's interest in the Equipment suffering the Casualty Loss "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event of any repairable damage to any Equipment, the Lease shall continue with respect to such Equipment without any abatement of Rent and Lessee shall, at its expense, from insurance proceeds or other funds legally available, promptly cause such Equipment to be repaired to the condition it is required to be maintained pursuant to Section 11.

16. TAXES. Lessor shall report and pay all Taxes now or hereafter imposed or assessed by any governmental body, agency or taxing authority upon the purchase, ownership, delivery, installation, leasing, rental, use or sale of the Equipment, the Rent or other charges payable hereunder, or otherwise upon or in connection with any Lease, whether assessed on Lessor or Lessee, other than any such Taxes required by law to be reported and paid by Lessee. Lessee shall promptly reimburse Lessor for all such Taxes paid by Lessor, together with any penalties or interest in connection therewith attributable to Lessee's acts or failure to act, excluding (a) Taxes on or measured by the overall gross or net income or items of tax preference of Lessor, (b) as to any Lease the related Equipment, Taxes attributable to the period after the return of such Equipment to Lessor, and (c) Taxes imposed as a result of a sale or other transfer by Lessor of any portions of its interest in any Lease or in any Equipment except for a sale of other transfer to Lessee or a sale or other transfer occurring after and during the continuance of any Lessee Default.

17. GENERAL LIABILITY. As between Lessor and Lessee, to the extent permitted by law, Lessee shall bear sole liability for any and all Claims arising directly or indirectly out of or in connection with any matter involving this Master Agreement, the Equipment or any Lease, including but not limited to the selection, manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, maintenance, use (including any patent, trademark or copyright infringement), condition, return or operation of any Equipment or the enforcement of Lessor's rights under any Lease. Notwithstanding the foregoing, Lessee shall have no liability for any Claim arising solely as a result of Lessor's gross negligence or willful misconduct.

18. TAX REPRESENTATIONS AND COVENANTS AND TAX PAYMENTS. (a) Lessee represents, covenants and warrants that: (i) Lessee is a political subdivision or agency or department of the State in which it is located; (ii) a portion of the Rent is interest based on the total Equipment cost as shown on a Schedule and such interest portion of the Rent shall be excluded from Lessor's gross income pursuant to Section 103 of the Code; (iii) Lessee will comply with the information reporting requirements of Section 149(e) of the Code, and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (iv) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (v) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Rent payments to be or become includable in gross income for federal income taxation purposes under the Code;

(vii) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term; (viii) Lessee has never failed to appropriate funds for payment of any amount due pursuant to a lease purchase agreement, a conditional sales agreement or any similar type of obligation; and (ix) Lessee is not and has never been in default under any bond, note, lease purchase agreement or other type of financial obligation to which it has been a party.

(b) This Master Agreement has been entered into on the basis that Lessor or any Assignee of Lessor shall claim that the interest paid hereunder is exempt from federal income tax under Section 103(a) of the Code. Upon a breach by Lessee of any of its representations, warranties and covenants in Section 18(a) above and as a result thereof, the United States Government disallows, eliminates, reduces, recaptures, or disqualifies, in whole or in part, any benefits of such exemption, Lessee shall then pay to Lessor, at Lessor's election, either: (i) supplemental payment(s) to Lessor during the remaining period of the Term(s) in an amount necessary to permit Lessor to receive (on an after tax basis over the full term of the Master Agreement) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such benefits, together with the amount of any interest or penalty which may be assessed by the governmental authority with respect to such loss or disallowance; or (ii) a lump sum payable upon demand to Lessor which shall be equal to the amount necessary to permit Lessor to receive (on an after tax basis over the full term of the Master Agreement) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such benefits together with the amount of any interest or penalty which may be assessed by the governmental authority with respect to such loss or disallowance.

19. COVENANT OF QUIET ENJOYMENT. So long as no Lessee Default exists, and no event shall have occurred and be continuing which, with the giving of notice or the passage of time or both, would constitute a Lessee Default, neither Lessor nor any party acting or claiming through Lessor, by assignment or otherwise, will disturb Lessee's quiet enjoyment of the Equipment during the Term of the related Lease.

20. DISCLAIMERS AND LESSEE WAIVERS. LESSEE LEASES THE EQUIPMENT FROM LESSOR "AS IS, WHERE IS." IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT (A) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 19, LESSOR MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY, OPERATION, OR CONDITION OF ANY EQUIPMENT (OR ANY PART THEREOF), THE MERCHANTABILITY OR FITNESS OF EQUIPMENT FOR A PARTICULAR PURPOSE, OR ISSUES REGARDING PATENT INFRINGEMENT, TITLE AND THE LIKE; (B) LESSOR SHALL NOT BE DEEMED TO HAVE MADE, BE BOUND BY OR LIABLE FOR, ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER OF ANY EQUIPMENT (EVEN IF LESSOR IS AFFILIATED WITH SUCH SUPPLIER); (C) LESSOR SHALL NOT BE LIABLE FOR ANY FAILURE OF ANY EQUIPMENT OR ANY DELAY IN THE DELIVERY OR INSTALLATION THEREOF; (D) LESSEE HAS SELECTED ALL EQUIPMENT WITHOUT LESSOR'S ASSISTANCE; AND (E) LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT. IT IS FURTHER AGREED THAT LESSOR SHALL HAVE NO LIABILITY TO LESSEE, OR ANY THIRD PARTIES FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS MASTER AGREEMENT OR ANY SCHEDULE OR CONCERNING ANY EQUIPMENT, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT LIABILITY OR LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT NOTHING IN THIS MASTER AGREEMENT SHALL DEPRIVE LESSEE OF ANY RIGHTS IT MAY HAVE AGAINST ANY PERSON OTHER THAN LESSOR. LESSOR AND LESSEE AGREE THAT THE LEASES SHALL BE GOVERNED BY THE EXPRESS PROVISIONS OF THIS MASTER AGREEMENT AND THE OTHER FUNDAMENTAL AGREEMENTS AND NOT BY THE CONFLICTING PROVISIONS OF ANY OTHERWISE APPLICABLE LAW. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY STATUTE OR OTHERWISE, IN EITHER CASE THAT ARE INCONSISTENT WITH OR THAT WOULD LIMIT OR MODIFY LESSOR'S RIGHTS SET FORTH IN THIS MASTER AGREEMENT.

21. LESSEE WARRANTIES. Lessee represents, warrants and covenants to Lessor with respect to each Lease that: (a) Lessee has the power and authority to enter into each of the Fundamental Agreements; (b) all Fundamental Agreements are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their terms and do not violate or create a default under any instrument or agreement binding on Lessee; (c) there are no pending or threatened actions or proceedings before any court or administrative agency that could have a material adverse effect on Lessee or any Fundamental Agreement, unless such actions have been disclosed to Lessor and consented to in writing by Lessor; (d) Lessee shall comply in all material respects with all laws and regulations the violation of which could have a material adverse effect upon the Equipment or Lessee's performance of its obligations under any Fundamental Agreement; (e) each Fundamental Agreement shall be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws, and shall raise no presumption of fraud; (f) all financial statements, certificates or summaries relating to Lessee's financial condition, fiscal budget or the assessment and collection of taxes and other related information furnished by Lessee shall be prepared in accordance with generally accepted accounting principles in the United States in effect at that time and shall fairly present Lessee's financial position as of the dates given on such statements; (g) since the date of the most recent annual financial statement, there has been no material adverse change in the financial condition of, or the level of assessment or collection of taxes by, the Lessee; (h) the Equipment, subject to any Lease, is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority and will be used during the Term of such Lease only by Lessee and only to perform such function; (i) Lessee intends to use the Equipment for the entire Term of such Lease and all Equipment will be used for business purposes only and not for personal, family or household purposes; (j) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (k) there has been no material change in the budget for Lessee's current Fiscal Period since its adoption; (l) Lessee's obligations to pay Rent and any

other amounts due under this Lease constitute a current expense and not a debt of Lessee under applicable state law; (m) no provision of this Lease constitutes a pledge of the tax or general revenues of Lessee; (n) Lessee does not export, re-export, or transfer any Equipment, Software, system software or source code or any direct product thereof to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States government and other applicable governments; (o) Lessee does not use any Equipment, Software or system software or technology, technical data, or technical assistance related thereto or the products thereof in the design, development, or production of nuclear, missile, chemical, or biological weapons or transfer the same to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States and other applicable governments; and (p) Lessee is not an entity designated by the United States government or any other applicable government with which transacting business without the prior consent of such government is prohibited.

22. DEFAULT. Any of the following shall constitute a default by Lessee (a "Lessee Default") under this Master Agreement and all Leases: (a) Lessee fails to pay any Rent payment or any other amount payable to Lessor under this Master Agreement or any Schedule within 45 days after its due date; or (b) Lessee defaults on or breaches any of the other terms and conditions of any Material Agreement, and fails to cure such breach within 45 days after written notice thereof from Lessor; or (c) any representation or warranty made by Lessee in any Material Agreement proves to be incorrect in any material respect when made or reaffirmed; or (d) any change occurs in relation to Lessee's financial condition that, in Lessor's opinion, would have a material adverse effect on Lessee's ability to perform its obligations under this Master Agreement or under any Schedule or (e) Lessee becomes insolvent or fails generally to pay its debts as they become due; or (f) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency or receivership law is filed by or against Lessee (and, if such is proceeding is involuntary, it is not dismissed within 60 days after the thereof) or Lessee takes any action to authorize any of the foregoing matters; (g) any Equipment is levied against, seized or attached; or (h) any letter of credit or guaranty issued in support of a Lease is revoked, breached, canceled or terminated (unless consented to in advance by Lessor).

23. REMEDIES. If a Lessee Default occurs, Lessor may, in its sole discretion, exercise one or more of the following remedies: (a) declare all amounts due and to become due during Lessee's current fiscal year to be immediately due and payable; or (b) terminate this Master Agreement; or (c) take possession of, or render unusable, the Equipment without demand or notice and without any court order or other process of law in accordance with Lessee's reasonable security procedures, and no such action shall constitute a termination of any Lease; or (d) require Lessee to deliver the Equipment to a location specified by Lessor; or (e) require Lessee to immediately pay to Lessor, as compensation for loss of Lessor's bargain and not as a penalty, a sum equal to: (1) All past due payments and all other amounts payable under the Lease, and (2) pay all unpaid payments for the remainder of the Lease term, discounted at a rate equal to three percent (3%) per year to the date of default; and require Lessee to promptly return the Equipment, or (f) exercise any other right or remedy available to Lessor at law or in equity. Also, Lessee shall pay Lessor (i) all costs and expenses that Lessor may incur to maintain, safeguard or preserve the Equipment, and other expenses incurred by Lessor in enforcing any of the terms, conditions or provisions of this Master Agreement (including reasonable legal fees and collection agency costs) and (ii) all costs incurred by Lessor in exercising any of its remedies hereunder (including reasonable legal fees). Upon repossession or surrender of any Equipment, Lessor will lease, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof to the amounts owed to Lessor under this Master Agreement; provided, however, that Lessee will remain liable to Lessor for any deficiency that remains after any sale or lease of such Equipment. Any proceeds of any sale or lease of such Equipment in excess of the amounts owed to Lessor under this Master Agreement will be retained by Lessor. Lessee agrees that with respect to any notice of a sale required by law to be given, 10 days' notice will constitute reasonable notice. With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or other Collateral securing Lessee's obligations under the applicable lease Schedule, Lessee acknowledges and agrees as follows: (i) Lessor shall cause Contractor to clean-up or otherwise prepare the Equipment or any other Collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment or other Collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any such disposition, and (iii) Lessor may convey the Equipment and any other Collateral on an "AS IS, WHERE IS" basis, and without limiting the generality of the foregoing, may specifically exclude or disclaim any and all warranties, including any warranty of title or the like with respect to the disposition of the Equipment or other Collateral, and no such conveyance or such exclusion or such disclaimer of any warranty shall be deemed to have adversely affected the commercial reasonableness of any such disposition. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

24. PERFORMANCE OF LESSEE'S OBLIGATIONS. If Lessee fails to perform any of its obligations hereunder, Lessor may perform any act or make any payment that Lessor deems reasonably necessary for the maintenance and preservation of the Equipment and Lessor's interests therein; provided, however, that the performance of any act or payment by Lessor shall not be deemed a waiver of, or release Lessee from, the obligation at issue. All sums so paid by Lessor, together with expenses (including legal fees and costs) incurred by Lessor in connection therewith, shall be paid to Lessor by Lessee immediately upon demand.

25. PURCHASE OPTIONS. Lessee may elect, by delivering to Lessor at least 30 days' prior written notice, to purchase on any Rent payment date not less than all Units of Equipment then subject to the Lease (other than items of Software that may not be sold by Lessor under the terms of any applicable License Agreement) for an amount equal to the sum of the Rent then due, all other amounts due under the Lease and the Concluding Payment for such Equipment as of the designated Rent payment date; provided no Lessee Default shall have occurred and be continuing or no event has occurred which with notice or lapse of time

could constitute a Lessee Default. In the event of such an election, Lessee shall pay such amount to Lessor, in immediately available funds, on or before the designated Rent payment date. If Lessee shall have elected to purchase the Equipment, shall have so paid the purchase price and shall have fulfilled the terms and conditions of this Master Agreement and the related Schedule, then (1) the Lease with respect to such Equipment shall terminate on the designated Rent payment date and, except as provided in Section 28, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to such Equipment, and (2) Lessor shall transfer all of its interest in such Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor.

26. ASSIGNMENT. Lessor shall have the unqualified right to sell, assign, grant a security interest in or otherwise convey any part of its interest in this Master Agreement, any Lease or any Equipment, in whole or in part, with prior notice to Lessee. If any Lease is sold, assigned, or otherwise conveyed, Lessee agrees that Lessor's purchaser, assignee or transferee, as the case may be ("Assignee") shall (a) have the same rights, powers and privileges that Lessor has under the applicable Lease, (b) have the right to receive from Lessee all amounts due under the applicable Lease; and (c) not be required to perform any obligations of Lessor, other than those that are expressly assumed in writing by such Assignee. Lessee agrees to execute such acknowledgements to such assignment as may be reasonably requested by Lessor or the Assignee. Lessee further agrees that, in any action brought by such Assignee against Lessee to enforce Lessor's rights hereunder, Lessee will not assert against such Assignee any set-off, defense or counterclaim that Lessee may have against Lessor or any other person. Unless otherwise specified by Lessor and the Assignee, Lessee shall continue to pay all amounts due under the applicable Lease to Lessor; provided, however, that upon notification from Lessor and the Assignee, Lessee covenants to pay all amounts due under the applicable Lease to such Assignee when due and as directed in such notice. Lessee further agrees that any Assignee may further sell, assign, grant a security interest in or otherwise convey its rights and interests under the applicable Lease with the same force and effect as the assignment described herein. Lessee may not assign, transfer, sell, sublease, pledge or otherwise dispose of this Master Agreement, any Lease, any Equipment or any interest therein. Lessee shall acknowledge each such assignment in writing if so requested and keep a complete and accurate record of all such assignments in a manner that complies with Section 149 of the Code, and regulations promulgated thereunder without the prior written consent of Lessor, which consent shall not be unreasonably withheld so long as any such proposed assignee is of equal or better creditworthiness than Lessee, and appropriate documentation has been signed and provided to Lessor, all as Lessor shall determine. Lessor shall remain liable for all of its obligations under this Master Agreement, or any Schedule not otherwise assigned to Assignee pursuant to this Section 26 unless Lessee otherwise agrees in writing.

27. FURTHER ASSURANCES. Lessee agrees to promptly execute and deliver to Lessor such further documents and take such further action as Lessor may require in order to more effectively carry out the intent and purpose of this Master Agreement and any Schedule. Without limiting the generality of the foregoing, Lessee agrees (a) to furnish to Lessor from time to time, its certified financial statements, officer's certificates and appropriate resolutions, opinions of counsel and such other information and documents as Lessor may reasonably request, and (b) to execute and timely deliver to Lessor such documents that Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. It is also agreed that Lessor or Lessor's agent may file as a financing statement, any lease document (or copy thereof, where permitted by law) or other financing statement that Lessor deems appropriate to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. Upon demand, Lessee will promptly reimburse Lessor for any filing or recordation fees or expenses (including legal fees and costs) incurred by Lessor in perfecting or protecting its interests in any Collateral. Lessee represents and warrants that Lessee's name as set forth in the signature block below is Lessee's full and accurate legal name and that the information set forth on the first page hereof regarding its organization number, tax identification number and location is true and correct as of the date hereof. Lessee further agrees to provide Lessor advance written notice of any change in the foregoing.

28. TERM OF MASTER AGREEMENT; SURVIVAL. This Master Agreement shall commence and be effective upon the execution hereof by both parties and shall continue in effect until terminated by either party by 30 days' prior written notice to the other, provided that the effective date of the termination is after all obligations of Lessee arising hereunder and pursuant to any Schedule have been fully satisfied. Notwithstanding the foregoing, all representations, warranties and covenants made by Lessee hereunder shall survive the termination of this Master Agreement and shall remain in full force and effect. All of Lessor's rights, privileges and indemnities under this Master Agreement or any Lease, to the extent they are fairly attributable to events or conditions occurring or existing on or prior to the expiration or termination of such Lease, shall survive such expiration or termination and be enforceable by Lessor and Lessor's successors and assigns.

29. WAIVER OF JURY TRIAL. LESSEE AND LESSOR HEREBY EXPRESSLY WAIVE ANY RIGHT TO DEMAND A JURY TRIAL WITH RESPECT TO ANY ACTION OR PROCEEDING INSTITUTED BY LESSOR OR LESSEE IN CONNECTION WITH THIS MASTER AGREEMENT OR ANY FUNDAMENTAL AGREEMENT.

30. NOTICES. All notices, requests, demands, waivers and other communications required or permitted to be given under this Master Agreement or any other Fundamental Agreement shall be in writing and shall be deemed to have been received upon receipt if delivered personally or by a nationally recognized overnight courier service, or by confirmed facsimile transmission, or 3 days after deposit in the United States mail, certified, postage prepaid with return receipt requested, addressed as follows (or such other address or fax number as either party shall so notify the other):

If to Lessor:

Hewlett-Packard Financial Services Company
200 Connell Drive, Suite 5000
Berkeley Heights, NJ 07922
Attn: Director of Operations North America
Fax: (908) 898-4882

If to Lessee:

Attn: _____
("Authorized Lessee Representative")
Fax: _____

31. MISCELLANEOUS

(a) **Governing Law.** THIS MASTER AGREEMENT AND EACH LEASE SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF EQUIPMENT LOCATION.

(b) **Credit Review.** Lessee consents to a reasonable credit review by Lessor for each Lease.

(c) **Captions and References.** The captions contained in this Master Agreement and any Schedule are for convenience only and shall not affect the interpretation of this Master Agreement or any Lease. All references in this Master Agreement to Sections and Exhibits refer to Sections hereof and Exhibits hereto unless otherwise indicated.

(d) **Entire Agreement; Amendments.** This Master Agreement and all other Fundamental Agreements executed by both Lessor and Lessee supersede all prior agreements relating thereto, whether written or oral, and may not be amended or modified except in a writing signed by the parties hereto.

(e) **No Waiver.** Any failure of Lessor to require strict performance by Lessee, or any written waiver by Lessor of any provision hereof, shall not constitute consent or waiver of any other breach of the same or any other provision hereof.

(f) **Lessor Affiliates.** Lessee understands and agrees that Hewlett-Packard Financial Services Company or any affiliate or subsidiary thereof may, as lessor, execute Schedules under this Master Agreement, in which event the terms and conditions of the applicable Schedule and this Master Agreement as it relates to the lessor under such Schedule shall be binding upon and shall inure to the benefit of such entity executing such Schedule as lessor, as well as any successors or assigns of such entity. Lessee agrees that Lessor may disclose any information provided by Lessee to Lessor or created by Lessor in the course of administering the Material Agreements to any parent or affiliate of Lessor.

(g) **Invalidity.** If any provision of this Master Agreement or any Schedule shall be prohibited by or invalid under law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Master Agreement or such Schedule.

(h) **Counterparts.** This Master Agreement may be executed in counterparts, which collectively shall constitute one document.

(i) **Lessor Reliance.** Lessor may act in reliance upon any instruction, instrument or signature reasonably believed by Lessor in good faith to be genuine. Lessor may assume that any employee of Lessee who executes any document or gives any written notice, request or instruction has the authority to do so.

32. DEFINITIONS. All capitalized terms used in this Master Agreement have the meanings set forth below or in the Sections of this Master Agreement referred to below:

"**Acceptance Certificate**" means an Acceptance Certificate in substantially the form of Exhibit B, executed by Lessee and delivered to Lessor in accordance with Section 3.

"**Acceptance Date**" means, as to any Lease, the date Lessee shall have accepted the Equipment subject to such Lease in accordance with Section 3.

"**Assignee**" means any assignee of all or any portion of Lessor's interest in this Master Agreement, any Schedule or any Equipment, whether such assignee received the assignment of such interest from Lessor or a previous assignee of such interest.

"**Authorized Lessee Representative**" has the meaning specified in Section 30.

"**Casualty Loss**" means, with respect to any Equipment, the condemnation, taking, loss, destruction, theft or damage beyond repair of such Equipment.

"**Casualty Value**" means, as to any Equipment, an amount determined as of the date of the Casualty Loss or Lessee Default in question ("Calculation Date") pursuant to a "Table of Casualty Values" attached to the applicable Schedule or, if no "Table of Casualty Values" is attached to the applicable Schedule, an amount equal to the sum of (a) the present value (as of the Calculation Date and discounted at the Discount Rate compounded monthly) of all Rent payments payable after the Calculation Date through the scheduled date of expiration of the Then Applicable Term, plus (b) an amount determined by multiplying the applicable casualty percentage specified below by the Total Cost of such Equipment. The "Discount Rate" shall mean a rate equal to the 2 year inter-bank swap rate quoted by Bloomberg L.P. (or, where not available, such other 2 year inter-bank swap rate quoted by a commercially available publication reasonably designated by us) at the Acceptance Date of the applicable Lease. The applicable casualty percentage will be 50% for Equipment having an Initial Term of less than 24 months; 40% for Equipment having an Initial Term of 24 months or greater, but less than 36 months; 30% for Equipment having an Initial Term of 36 months or greater, but less than 48 months; and 25% for Equipment having an Initial Term of 48 months or greater.

"**Claims**" means all claims, actions, suits, proceedings, costs, expenses (including, without limitation, court costs, witness fees and attorneys' fees), damages, obligations, judgments, orders, penalties, fines, injuries, liabilities and losses, including, without limitation, actions based on Lessor's strict liability in tort.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Collateral**" has the meaning specified in Section 13.

"**Concluding Payments**" means the list of concluding payments on the attachment to the applicable Schedule.

"Daily Rent" means, as to any Lease, an amount equal to the per diem Rent payable under the applicable Schedule (calculated on the basis of a 360 day year and 30 day months).

"Equipment" has the meaning specified in Section 1.

"Equipment Location" means, as to any Equipment, the address at which such Equipment is located from time to time, as originally specified in the applicable Schedule and as subsequently specified in a notice delivered to Lessor pursuant to Section 12, if applicable.

"Fair Market Value" means the total price that would be paid for any specified Equipment in an arm's length transaction between an informed and willing buyer (other than a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell. Such total price shall not be reduced by the costs of removing such Equipment from its current location or moving it to a new location.

"Final Invoice Amount" has the meaning set forth in Section 2(c).

"First Payment Date" means, as to any Lease, the date the first Rent payment with respect to such Lease is due, as determined pursuant to the terms of the applicable Schedule.

"Fiscal Period" shall mean the fiscal year of Lessee, as it may be more particularly described in a Schedule.

"Fundamental Agreements" means, collectively, this Master Agreement, each Schedule and Acceptance Certificate as part of the Participating Addendum Number _____ to Contract for the NASPO ValuePoint Master Agreement Number 140596 with Lessee as the Participating Entity and all other related instruments and documents.

"Hardware" means items of tangible equipment and other property.

"Lease" has the meaning specified in Section 2(a).

"Lessee" has the meaning specified in the preamble hereof.

"Lessee Default" has the meaning specified in Section 22.

"Lessor" has the meaning specified in the preamble hereof.

"License Agreement" means any license agreement or other document granting the purchaser the right to use Software or any technical information, confidential business information or other documentation relating to Hardware or Software, as amended, modified or supplemented by any other agreement between the licensor and Lessor.

"Master Agreement" has the meaning specified in the preamble hereof.

"Material Agreements" means, collectively, all Fundamental Agreements, all other material agreements by and between Lessor and Lessee, and any application for credit, financial statement, or financial data required to be provided by Lessee in connection with any Lease.

"Non-Appropriation" has the meaning specified in Section 7.

"Optional Additions" has the meaning specified in Section 11.

"Purchase Documents" means, as to any Equipment, any purchase order, contract, bill of sale, License Agreement, invoice and/or other documents that Lessee has, at any time, approved, agreed to be bound by or entered into with any Supplier of such Equipment relating to the purchase, ownership, use or warranty of such Equipment.

"Rent" has the meaning specified in Section 4.

"Schedule" means, unless the context shall otherwise require a Schedule executed by Lessor and Lessee pursuant to Section 2(a).

"Seller" means, as to any Equipment, the seller of such Equipment as specified in the applicable Schedule.

"Software" means copies of computer software programs owned or licensed by Lessor, and any disks, CDs, or other media on which such programs are stored or written.

"State" means any of the states of the United States, its territories and possessions.

"Stipulated Loss Value" means, as to any Equipment, an amount equal to the sum of (a) all Rent (including the Daily Rent from the Rent payment date immediately preceding the date of the Casualty Loss or Lessee Default to the date of the Casualty Loss or Lessee Default) and other amounts due and owing with respect to such Equipment as of the date of payment of such amount, plus (b) the Casualty Value of such Equipment.

"Substitute Equipment" means, as to any item of Hardware or Software subject to a Lease, a substantially equivalent or better item of Hardware or Software having equal or greater capabilities and equal or greater Fair Market Value manufactured or licensed by the same manufacturer or licensor as such item of Hardware or Software subject to a Lease. The determination of whether any item of Equipment is substantially equivalent or better than an item of Equipment subject to a Lease shall be based on all relevant facts and circumstances.

"Supplier" means as to any Equipment, the Seller and the manufacturer or licensor of such Equipment collectively, or where the context requires, any of them.

"System Software" means an item of Software that is pre-loaded on an item of Hardware purchased by Lessor for lease hereunder for which the relevant Purchase Documents specify no purchase price separate from the aggregate purchase price specified for such items of Hardware and Software.

"Taxes" means all license and registration fees and all taxes (local, state and federal), fees, levies, imposts, duties, assessments, charges and withholding of any nature whatsoever, however designated (including, without limitation, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) other than taxes measured by Lessor's income.

"Term" means the term thereof as specified in the related Schedule.

"Total Cost" means as to any Lease, the total acquisition cost to Lessor of the Equipment subject to such Lease as set forth in the applicable Purchase Documents, including related delivery, installation, taxes and other charges which Lessor has agreed to pay and treat as a portion of such acquisition cost, if any.

"UCC" means the Uniform Commercial Code as enacted and in effect in any applicable jurisdiction.

"Unit of Equipment" means, as to the Equipment leased pursuant to any Schedule (a) each individual item Equipment

leased pursuant to such Schedule, and (b) all Equipment taken as a whole leased pursuant to such Schedule.

IN WITNESS WHEREOF, LESSEE AND LESSOR HAVE EXECUTED THIS MASTER AGREEMENT ON THE DATES SPECIFIED BELOW.

LESSEE:

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

By: _____

Name and Title

Name and Title

Date

Date

Exhibit A to Master Agreement

Master Agreement Number _____
Schedule Number _____

COUNTERPART NO. _____ OF _____. TO THE EXTENT THAT THIS SCHEDULE CONSTITUTES CHATTEL PAPER (AS DEFINED ON THE UCC), NO SECURITY INTEREST IN THIS SCHEDULE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT
SCHEDULE

Hewlett-Packard Financial Services Company¹ ("Lessor") and _____, an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Lease Purchase Agreement identified by the Master Agreement Number specified above (the "Master Agreement"). This Schedule (which shall be identified by the Schedule Number specified above) and the Master Agreement together comprise a separate Lease between the parties. The terms and conditions of the Master Agreement are hereby incorporated by reference into this Schedule. All capitalized terms used in this Schedule without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE.

A. Description of Items of Leased Equipment § Total Cost

B. Term _____ Months

2. RENT. See Attachment A. ANNUAL RATE OF INTEREST _____

3. LATEST COMMENCEMENT DATE _____ Lessor's obligation to purchase and lease the Equipment is subject to the Acceptance Date being on or before the Latest Commencement Date.

4. EQUIPMENT LOCATION: _____

5. SELLER: _____

6. APPROPRIATIONS: Monies for all Rent and other payments due under the Lease for the Fiscal Period ending _____ are available from Lessee's appropriated funds for such Fiscal Period and that appropriations and/or other funds have been encumbered or designated for the payment of all Rent and other payments that shall become due under the Lease in such Fiscal Period.

7. NON-ASSIGNABILITY BY LESSOR: Notwithstanding any other terms or conditions set forth in the Master Agreement to the contrary, Lessor hereby agrees that it shall not and will not sell, discount, factor, hypothecate or otherwise dispose of its interest in the Equipment or this Schedule or any Lease, except to a Lessor Affiliate in connection with a merger, reorganization, sale of assets or substantial portfolio sale.

8. ADDITIONAL PROVISIONS:

9. FISCAL PERIOD: _____

LESSOR AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR THE EQUIPMENT DESCRIBED IN SECTION 1.A ABOVE. SUCH LEASE WILL BE GOVERNED BY THE MASTER AGREEMENT AND THIS SCHEDULE, INCLUDING THE IMPORTANT ADDITIONAL TERMS AND CONDITIONS SET FORTH ABOVE. LESSEE HEREBY REPRESENTS AND WARRANTS THAT ON AND AS OF THE DATE HEREOF EACH OF THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE IN THE MASTER AGREEMENT ARE TRUE, CORRECT AND COMPLETE.

LESSEE:

By: _____

Name and Title

Date

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

Name and Title

Date

Master Agreement Number _____
Schedule Number _____

ATTACHMENT A

TO

SCHEDULE TO STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT

The first payment of Rent will be due [] days after [on] the Acceptance Date and all payments will be due [monthly][quarterly][semi-annually][annually] thereafter.

Rent Payment No.	Rent	Interest	Principal	Principal Balance	Prepayment Premium	Concluding Payments □
1						
2						
3						
4						
Totals						

Please note that the Prepayment Premium is 2 % of the Principal Balance, only payable in the case of early repayment of the lease.

Lessee Please Initial and date: _____



Master Agreement Number _____
 Schedule Number _____

**STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT
 ACCEPTANCE CERTIFICATE**

Hewlett-Packard Financial Services Company¹ ("Lessor") and «Name_of_Lessee», an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Lease Purchase Agreement (the "Master Agreement") and Schedule under such Master Agreement (the "Schedule") identified by the Master Agreement Number and Schedule Number, respectively, specified above. The Master Agreement and Schedule together comprise a separate Lease that is being accepted and commenced pursuant to this Acceptance Certificate. All capitalized terms used in this Acceptance Certificate without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE ACCEPTANCE. Lessee hereby acknowledges that the Equipment described in Section 1 of the Schedule, or if different, the Equipment described in the attached invoice or other attachment hereto, has been delivered to the Equipment Location specified below, inspected by Lessee and found to be in good operating order and condition, and has been unconditionally and irrevocably accepted by Lessee under the Lease evidenced by the Master Agreement and the Schedule as of the Acceptance Date set forth below. Lessee authorizes Lessor to reduce the Rent payments on the Schedule to reflect the Final Invoice Amount set forth on the attached invoice(s) if such amount is lower than the Total Cost on the Schedule.

2. LESSEE ACKNOWLEDGEMENTS. Lessee hereby agrees to faithfully perform all of its obligations under the Master Agreement and the Schedule and reaffirms, as of the date hereof, its representations and warranties as set forth in the Master Agreement. Lessee hereby acknowledges its agreement to pay Lessor Rent payments, as set forth in the Schedule, plus any applicable taxes, together with all other costs, expenses and charges whatsoever which Lessee is required to pay pursuant to the Master Agreement and the Schedule, in each instance at the times, in the manner and under the terms and conditions set forth in the Master Agreement and the Schedule, respectively.

3. EQUIPMENT LOCATION. The Equipment has been installed and is located at the following Equipment Location:

4. REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants that on and as of the date hereof each of the representations and warranties made by Lessee in the Master Agreement are true, correct and complete.

By: _____

 Name and Title

Acceptance Date: _____

ATTACHMENT B, HP MASTER FMV LEASE AGREEMENT

Master Agreement Number: 140596

Lessee's Organization Number _____
Lessee's Tax Identification Number _____
Lessee's UCC Section 9-307 Location _____

STATE AND LOCAL GOVERNMENT MASTER FAIR MARKET VALUE (FMV) LEASE AGREEMENT

This State and Local Government Master FMV Lease Agreement (together with Exhibits A and B attached hereto and hereby made a part hereof, (this "Master Agreement"), dated as of _____, is entered into by and between Hewlett-Packard Financial Services Company², a Delaware corporation ("Lessor"), and _____, an agency, department or political subdivision of the State of _____ ("Lessee"). Capitalized terms used in this Master Agreement without definition have the meanings ascribed to them in Section 30.

1. PURPOSE OF MASTER AGREEMENT. The purpose of this Master Agreement is to set forth the general terms and conditions upon which Lessor shall lease to Lessee, and Lessee shall lease from Lessor, items of Hardware, Software or both (such Hardware and Software being collectively referred to as "Equipment").

2. COMMENCEMENT PROCEDURES. Subject to the other terms and conditions contained in this Master Agreement and the applicable Schedule, Lessee shall enter into individual Leases (hereinafter defined) with Lessor as follows:

(a) Execution of Schedule. Lessor and Lessee mutually agree to enter into a Lease by executing a Schedule in the form of Exhibit A with such changes as Lessor and Lessee shall have agreed to as conclusively evidenced by their execution thereof. Each such Schedule shall specifically identify (by serial number or other identifying characteristics) the items of Equipment to be leased under such Schedule (other than items of System Software, which shall be deemed to be items of Software leased under the Schedule pursuant to which the related items of Hardware are leased). Each Schedule, when executed by both Lessee and Lessor, together with this Master Agreement, shall constitute a separate and distinct lease ("Lease"), enforceable according to its terms.

(b) Acceptance: Initial Term of Leases. Lessee shall accept the Equipment subject to a Lease in accordance with Section 3. The Initial Term of each Lease shall begin on the Acceptance Date of the Equipment subject to such Lease and shall continue for the period described in the applicable Schedule unless a Non-appropriation shall have occurred.

(c) Adjustments to Schedule. Lessee acknowledges that the Total Cost of Equipment and the related Rent payments set forth in any Schedule may be estimates, and if the final invoice from the Seller attached to the related Acceptance Certificate(s) specifies a Total Cost that is less than the estimated Total Cost set forth in the Schedule, Lessee hereby authorizes Lessor to reduce the applicable Total Cost and Rent payment on the Schedule by up to ten percent (10%) to reflect such final invoice amount (the "Final Invoice Amount"). All references in this Master Agreement and any Schedule to Total Cost and Rent shall mean the amounts thereof specified in the applicable Schedule, as adjusted pursuant to this paragraph.

(d) Payment by Lessor. Within 30 days after Lessee's delivery to Lessor of a properly completed and executed Acceptance Certificate and all other documentation necessary to establish Lessee's acceptance of such Equipment under the related Lease and Lessor's acceptance of such Acceptance Certificate, Lessor shall pay the Contractor for the Equipment. Lessor shall not accept the Acceptance Certificate until it has received from Lessee (1) evidence of insurance with respect to the Equipment in compliance with Section 13 hereof, (2) an opinion of Lessee's counsel, if required by Lessor, in form and substance reasonably satisfactory to Lessor and (3) any other documents or items reasonably required by Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to pay to the Contractor for the Equipment if a Lessee Default has occurred or an event has occurred and is continuing that with the passage of time or provision of notice would constitute a Lessee Default.

3. ACCEPTANCE OF EQUIPMENT.

(a) Inspection of Equipment. Lessee agrees to inspect all Equipment as soon as reasonably practicable after the delivery thereof to Lessee.

(b) Acceptance Certificate. Upon the satisfactory inspection of the Equipment by Lessee, or if acceptance requirements for such Equipment are specified in the applicable Purchase Documents, as soon as such requirements are met, Lessee shall unconditionally and irrevocably accept the Equipment by executing and delivering to Lessor a properly completed Acceptance Certificate in substantially the form of Exhibit B.

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

4. LESSEE'S END-OF-LEASE-TERM OPTIONS. Lessee shall have the following options in respect of each Lease at the end of each of the Initial Term, any Renewal Term and any optional extension of the Initial Term or any Renewal Term:

a. Purchase Option. As an accommodation to Lessee, Lessor agrees to provide Lessee with notice ninety (90) days prior to the expiration of the Initial Term that an End-of-Term Notice from Lessee is due; provided, however, that Lessor's failure to provide Lessee with said notice shall not be deemed to have relieved Lessee of any of Lessee's obligations or liabilities under this Schedule or the Master Agreement. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 30 days prior to the expiration of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term, to purchase any or all Units of Equipment then subject to such Lease (other than items of Software that may not be sold by Lessor under the terms of any applicable License Agreement) for an amount equal to the Fair Market Value of such Units of Equipment as of the end of the Then Applicable Term, provided no Lessee Default shall have occurred and be continuing. In the event of such an election, Lessee shall pay such amount to Lessor, in immediately available funds, on or before the last day of the Then Applicable Term. If Lessee shall have so elected to purchase any of the Units of Equipment, shall have so paid the applicable purchase price and shall have fulfilled the terms and conditions of this Master Agreement, then on the last day of the Then Applicable Term (1) the Lease with respect to such Units of Equipment shall terminate and, except as provided in Section 26, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to such Units of Equipment, and (2) Lessor shall transfer all of its interest in such Units of Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event Lessor and Lessee are unable to agree on the Fair Market Value of any Units of Equipment, Lessor shall, at Lessee's expense, select an independent appraiser to conclusively determine such amount.

b. Renewal Option. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 30 days prior to the expiration of the Initial Term, any Renewal Term, or any optional extension of the Initial Term or any Renewal Term, to renew the Lease with respect to any or all Units of Equipment then subject to such Lease (other than items of Software that may not be re-released by Lessor under the terms of any applicable License Agreement). In the event of such an election, Lessee shall enter into a mutually agreeable renewal agreement with Lessor ("Renewal Agreement") on or before the last day of the Then Applicable Term confirming the Units of Equipment as to which the Lease is to be renewed, the period for which the Lease is to be renewed (the "Renewal Term"), at the same amount of Rent as the Initial Term.

c. Return. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 30 days prior to the expiration of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term, to return any or all of the Units of Equipment then subject to such Lease in accordance with Section 10 of this Master Agreement.

IF LESSEE SHALL HAVE DELIVERED TO LESSOR AN END-OF-TERM NOTICE BY THE DATE SET FORTH HEREIN WITH RESPECT TO A LEASE, BUT SHALL HAVE SUBSEQUENTLY FAILED TO COMPLY WITH ITS OBLIGATIONS ARISING FROM ITS ELECTIONS SPECIFIED THEREIN (E.G., LESSEE SHALL HAVE FAILED, ON OR BEFORE THE LAST DAY OF THE THEN APPLICABLE TERM (1) TO PAY LESSOR THE PURCHASE PRICE FOR EQUIPMENT TO BE PURCHASED IN ACCORDANCE WITH SECTION 4(A) ABOVE, (2) TO EXECUTE A RENEWAL AGREEMENT WITH RESPECT TO EQUIPMENT AS TO WHICH THE LEASE IS TO BE RENEWED IN ACCORDANCE WITH SECTION 4(B) ABOVE, OR (3) TO RETURN TO LESSOR EQUIPMENT TO BE RETURNED IN ACCORDANCE WITH SECTION 4(C) ABOVE), THEN LESSEE SHALL CONTINUE TO PAY TO LESSOR RENT IN AN AMOUNT EQUAL TO THE MONTHLY RENT PAYMENT IN EFFECT DURING THE INITIAL TERM (OR THE APPROPRIATE PRO RATA PORTION OF THE RENT PAYMENT THEN IN EFFECT IN THE CASE OF RENT PAYABLE OTHER THAN ON A MONTHLY BASIS), ON A MONTH TO MONTH BASIS WITHOUT ANY ADDITIONAL NOTICE OR DOCUMENTATION UNTIL THE MUTUALLY AGREED UPON RETURN DATE OF THE EQUIPMENT. ALL OTHER PROVISIONS OF THIS MASTER AGREEMENT AND THE APPLICABLE SCHEDULE SHALL CONTINUE TO APPLY. NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SECTION 4 TO THE CONTRARY, IF ANY LESSEE DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING AT ANY TIME DURING THE LAST 90 DAYS OF THE THEN APPLICABLE TERM OF ANY LEASE, LESSOR MAY CANCEL ANY RENEWAL TERM OR OPTIONAL EXTENSION OF THE THEN APPLICABLE TERM IMMEDIATELY UPON WRITTEN NOTICE TO LESSEE.

5. RENT; LATE CHARGES. As lease payments ("Rent") for the Equipment under any Lease, Lessee agrees to pay the amounts specified in the applicable Schedule on the due dates specified in the applicable Schedule. Lessee agrees to pay Lessor interest on any Rent payment or other amount due hereunder that is not paid within 15 days of its due date, at the rate of 1% per month (or such lesser rate as is the maximum rate allowable under applicable law). Lessee will make provision for such payments in budgets submitted to its governing body for the purpose of obtaining funding for the payments.

6. LEASES NON-CANCELABLE; NET LEASES; WAIVER OF DEFENSES TO PAYMENT. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT EACH LEASE HEREUNDER SHALL BE NON-CANCELABLE (EXCEPT AS SET FORTH IN SECTION 7 HEREOF), AND THAT EACH LEASE HEREUNDER IS A NET LEASE (SO THAT AMONG OTHER THINGS LESSEE SHALL PAY IN ADDITION TO THE RENT, TAXES, INSURANCE AND MAINTENANCE CHARGES RELATED TO THE EQUIPMENT). LESSEE AGREES THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE. LESSEE HEREBY WAIVES ANY RECOUPMENT, CROSS-CLAIM, COUNTERCLAIM OR ANY OTHER DEFENSE AT LAW OR IN EQUITY TO ANY RENT OR OTHER AMOUNT DUE WITH RESPECT TO ANY LEASE, WHETHER ANY SUCH DEFENSE ARISES OUT OF THIS MASTER AGREEMENT, ANY SCHEDULE, ANY CLAIM BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNEES OR SUPPLIER OR OTHERWISE. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE OR INTEGRATE AS REPRESENTED OR WARRANTED BY SUPPLIER OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, LESSEE WILL MAKE ANY

CLAIM ON ACCOUNT OF THOSE ISSUES SOLELY AGAINST SUPPLIER AND WILL NEVERTHELESS PAY ALL SUMS DUE WITH RESPECT TO EACH LEASE.

7. NONAPPROPRIATION. Notwithstanding anything contained in this Master Agreement to the contrary, in the event that sufficient funds are not appropriated and budgeted by Lessee's governing body or are not otherwise available from other legally available sources in any fiscal period for the payment of Rent and other amounts due under any Lease, the Lease shall terminate on the last day of the fiscal period for which appropriations were received or other amounts are available to pay amounts due under the Lease without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Rent payments or other amounts herein agreed upon for which funds shall have been appropriated or are otherwise available. Lessee will immediately notify the Lessor or its assignee of such occurrence. In the event of such termination, Lessee shall immediately cease all use of the Equipment, and shall immediately de-install, disassemble, pack, crate, and return the Equipment subject to such Lease to Lessor (all in accordance with Section 10 of this Master Agreement). Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by this Lease, shall be free and clear of any liens (except Lessor's lien) and shall comply with all applicable laws and regulations. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor or evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. At Lessor's request, Lessee shall promptly provide supplemental documentation as to such Non-Appropriation satisfactory to Lessor. Lessee's exercise of its rights pursuant to this Section 7 shall not affect the survival of any indemnity and other provisions (other than the obligation to lease the Equipment and pay amounts due under the Lease) which survive the termination of the Lease.

8. ASSIGNMENT OF PURCHASE DOCUMENTS. Lessee assigns to Lessor all of Lessee's right, title and interest in and to (a) the Equipment described in each Schedule, and (b) the Purchase Documents relating to such Equipment. Such assignment of the Purchase Documents is an assignment of rights only; nothing in this Master Agreement shall be deemed to have relieved Lessee of any obligation or liability under any of the Purchase Documents, except that, as between Lessee and Lessor, Lessor shall pay the Contractor for the Equipment in accordance with Section 2(d) hereof. Lessee represents and warrants that it has reviewed and approved the Purchase Documents. In addition, if Lessor shall so request, Lessee shall deliver to Lessor a document acceptable to Lessor whereby Seller acknowledges and provides any required consent to such assignment. For the avoidance of doubt, Lessee covenants and agrees that it shall at all times during the Total Term of each Lease comply in all respects with the terms of any License Agreement relating to any Equipment leased thereunder. **IT IS ALSO SPECIFICALLY UNDERSTOOD AND AGREED THAT NEITHER SUPPLIER NOR ANY SALESPERSON OF SUPPLIER IS AN AGENT OF LESSOR, NOR ARE THEY AUTHORIZED TO WAIVE OR ALTER ANY TERMS OF THIS MASTER AGREEMENT OR ANY SCHEDULE.**

9. ASSIGNMENT OF SUPPLIER WARRANTIES. To the extent permitted, Lessor hereby assigns to Lessee, for the Total Term of any Lease, all Equipment warranties provided by any Supplier in the applicable Purchase Documents. Lessee shall have the right to take any action it deems appropriate to enforce such warranties. In the event Lessee is precluded from enforcing any such warranty in its name, Lessor shall, upon Lessee's request, take reasonable steps to enforce such warranty. In such circumstances, Lessee shall, promptly upon demand, reimburse Lessor for all expenses incurred by Lessor in enforcing the Supplier warranty. Any recovery resulting from any such enforcement efforts shall be divided among Lessor and Lessee as their interests may appear.

10. EQUIPMENT RETURN REQUIREMENTS. At any time Lessee is required to return Equipment to Lessor under the terms of this Master Agreement or any Schedule, Lessee shall cause the Contractor to de-install and make the Equipment available for pick-up pursuant to the terms and conditions stated in the applicable Schedule. In the case of any item of Software or License Agreement subject to a Schedule, at the time of the occurrence of a Non-Appropriation or a Lessee Default, Lessee shall also be automatically deemed to have reassigned any License Agreement, and all Software.

11. EQUIPMENT USE, MAINTENANCE, AND ADDITIONS. Lessee is solely responsible for the selection, and operation of the Equipment and all costs related thereto. Lessee shall at all times operate and maintain the Equipment in good working order, repair, condition and appearance, and in accordance with the manufacturer's specifications and recommendations. On reasonable prior notice to Lessee, Lessor and Lessor's agents shall have the right, during Lessee's normal business hours and subject to Lessee's reasonable, standard security procedures, to enter the premises where the Equipment is located for the purpose of inspecting the Equipment and observing its use. If Lessor shall have provided to Lessee any tags or identifying labels, Lessor shall affix and maintain in a prominent position on each item of Equipment such tags or labels to indicate Lessor's ownership of the Equipment. Except in the case of Software, Lessee shall, at its expense, enter into and maintain and enforce at all times during the Total Term of each Lease a maintenance agreement to service and maintain the related Equipment, upon terms, and with a provider reasonably acceptable to Lessor. Lessee shall make no alterations or additions to the Equipment, except those that (a) will not void any warranty made by the Supplier of the Equipment, result in the creation of any security interest, lien or encumbrance on the Equipment or impair the value or use of the Equipment either at the time made or at the end of the Term of the applicable Lease, and are readily removable without damage to the Equipment ("Optional Additions"), or (b) are required by any applicable law, regulation or order. All additions to the Equipment or repairs made to the Equipment, except Optional Additions, become a part of the Equipment and Lessor's property at the time made; Optional Additions which have not been removed in the event of the return of the Equipment shall become Lessor's property upon such return.

12. EQUIPMENT OWNERSHIP; LIENS; LOCATION. As between Lessor and Lessee, Lessor is the sole owner of the Equipment and has sole title thereto, Lessee shall not make any representation to any third party inconsistent with Lessor's sole ownership of the Equipment. Lessee covenants with respect to each Lease that: (i) it will not pledge or encumber the Equipment or Lessor's interest in the Equipment in any manner whatsoever nor create or permit to exist any levy, lien or encumbrance thereof or thereon except those created by or through Lessor; (ii) the Equipment shall remain personal property whether or not affixed to realty and shall not become a fixture or be made to become a part of any real property on which it is placed without Lessor's prior written consent; and (iii) Lessee shall maintain the Equipment so that it does not become essential to and may be removed from any building in which it is placed without any damage to the building or the Equipment. Lessee may permit use of the Equipment by its affiliates or independent contractors at the Equipment Location provided it does not relinquish possession and control of the Equipment. Provided Lessee remains in possession and control of the Equipment, Lessee may relocate any Equipment from the Equipment Location specified in the applicable Schedule to another of its locations within the State of the Equipment Location upon prior written notice to Lessor specifying the new Equipment Location or to another of its locations within the United States after receiving the written consent of Lessor to such relocation. Lessee shall not locate or relocate any Equipment such that any third party comes into possession or control thereof without Lessor's prior written consent; provided, however, that Lessor shall not unreasonably withhold its consent to the location or relocation of Equipment to a third party co-location or hosting facility if such third party shall have executed and delivered to Lessor a waiver agreement in form and substance acceptable to Lessor pursuant to which, among other things, such third party shall have waived any rights to the Equipment and agreed to surrender the Equipment to Lessor in the event of a Lessee Default under this Master Agreement. Notwithstanding the foregoing, Lessor agrees that equipment usable outside of a fixed office environment, may be relocated on a non-permanent basis from the Equipment Location originally specified in the applicable Schedule without Equipment; (ii) the primary employee remains in possession and control of the Equipment, and (iii) the primary employee's principal office is the Equipment Location.

13. RISK OF LOSS AND INSURANCE. Lessee assumes any and all risk of loss or damage to the Equipment from the time such Equipment is in Lessee's possession until such Equipment is returned to and is received by Lessor in accordance with the terms and conditions of this Master Agreement. Lessee agrees to keep the Equipment insured at Lessee's expense against all risks of loss from any cause whatsoever, including without limitation, loss by fire (including extended coverage), theft and damage. Lessee agrees that such insurance shall name Lessor as a loss payee and cover not less than the replacement value of the Equipment. Lessee also agrees that it shall carry commercial general liability insurance in an amount not less than \$2,000,000 total liability per occurrence and cause Lessor and its affiliates and its and their successors and assigns, to be named additional insureds under such insurance. Each policy shall provide that the insurance cannot be canceled without at least 30 days' prior written notice to Lessor, and no policy shall contain a deductible in excess of \$25,000. Upon Lessor's prior written consent, in lieu of maintaining insurance obtained by third party insurance carriers, Lessee may self-insure against such risks, provided that Lessor's interests are protected to the same extent as if the insurance had been obtained by third party insurance carriers and provided further that such self-insurance program is consistent with prudent business practices with respect with such insurance risk. Lessee shall provide to Lessor (a) on or prior to the Acceptance Date for each Lease, and from time to time thereafter, certificates of insurance evidencing such insurance coverage throughout the Total Term of each Lease, and (b) upon Lessor's request, copies of the insurance policies. If Lessee fails to provide Lessor with such evidence, then Lessor will have the right, but not the obligation, to purchase such insurance protecting Lessor at Lessee's expense. Lessee's expense shall include the full premium paid for such insurance and any customary charges, costs or fees of Lessor. Lessee agrees to pay such amounts in substantially equal installments allocated to each Rent payment (plus interest on such amounts at the rate of 1-1/2% per month or such lesser rate as is the maximum rate allowable under applicable law).

14. CASUALTY LOSS. Lessee shall notify Lessor of any Casualty Loss or repairable damage to any Equipment as soon as reasonably practicable after the date of any such occurrence but in no event later than 30 days after such occurrence. In the event any Casualty Loss shall occur, on the next Rent payment date Lessee shall (a) at Lessee's option provided no Lessee Default has occurred nor an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing or (b) at Lessor's option if a Lessee Default has occurred and is continuing (1) subject to Section 7 hereof, pay Lessor the Stipulated Loss Value of the Equipment suffering the Casualty Loss, or (2) substitute and replace each item of Equipment suffering the Casualty Loss with an item of Substitute Equipment. If Lessee shall pay the Stipulated Loss Value of the Equipment suffering a Casualty Loss, upon Lessor's receipt in full of such payment the applicable Lease shall terminate as it relates to such Equipment and, except as provided in Section 26, Lessee shall be relieved of all obligations under the applicable Lease as it relates to such Equipment. If Lessee shall replace Equipment suffering a Casualty Loss with items of Substitute Equipment (i) the applicable Lease shall continue in full force and effect without any abatement of Rent with such Substitute Equipment thereafter being deemed to be Equipment leased thereunder, and (ii) Lessee shall deliver to Lessor a bill of sale or other documentation, in either case in form and substance satisfactory to Lessor, in which Lessee shall represent and warrant that it has transferred to Lessor good and marketable title to all Substitute Equipment, free and clear of all liens, encumbrances and claims of others. Upon Lessor's receipt of such payment of Stipulated Loss Value in full, or such bill of sale or other documentation, as the case may be, Lessor shall transfer to Lessee all of Lessor's interest in the Equipment suffering the Casualty Loss "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event of any repairable damage to any Equipment, the Lease shall continue with respect to such Equipment without any abatement of Rent and Lessee shall, at its expense, from insurance proceeds or other funds legally available, promptly cause such Equipment to be repaired to the condition it is required to be maintained pursuant to Section 11.

15. TAXES. Lessor shall report and pay all Taxes now or hereafter imposed or assessed by any governmental body, agency or taxing authority upon the purchase, ownership, delivery, installation, leasing, rental, use or sale of the Equipment, the Rent or other charges payable hereunder, or otherwise upon or in connection with any Lease, whether assessed on Lessor or Lessee, other than any such Taxes required by law to be reported and paid by Lessee. Lessee shall promptly reimburse Lessor for all such Taxes paid by Lessor, together with any penalties or interest in connection therewith attributable to Lessee's acts or failure to act, excluding (a) Taxes on or measured by the overall gross or net income or items of tax preference of Lessor, (b) as to any Lease the related Equipment, Taxes attributable to the period after the return of such Equipment to Lessor, and (c) Taxes imposed as a result of a sale or other transfer by Lessor of any portions of its interest in any Lease or in any Equipment except for a sale of other transfer to Lessee or a sale or other transfer occurring after and during the continuance of any Lessee Default.

16. GENERAL LIABILITY. As between Lessor and Lessee, to the extent permitted by law, Lessee shall bear sole liability for any and all Claims arising directly or indirectly out of or in connection with any matter involving this Master Agreement, the Equipment or any Lease, including but not limited to the selection, manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, maintenance, use (including any patent, trademark or copyright infringement), condition, return or operation of any Equipment or the enforcement of Lessor's rights under any Lease. Notwithstanding the foregoing, Lessee shall have no liability for any Claim arising solely as a result of Lessor's gross negligence or willful misconduct.

17. COVENANT OF QUIET ENJOYMENT. So long as no Lessee Default exists, and no event shall have occurred and be continuing which, with the giving of notice or the passage of time or both, would constitute a Lessee Default, neither Lessor nor any party acting or claiming through Lessor, by assignment or otherwise, will disturb Lessee's quiet enjoyment of the Equipment during the Total Term of the related Lease.

18. DISCLAIMERS AND LESSEE WAIVERS. LESSEE LEASES THE EQUIPMENT FROM LESSOR "AS IS, WHERE IS". IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT (A) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 17, LESSOR MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY, OPERATION, OR CONDITION OF ANY EQUIPMENT (OR ANY PART THEREOF), THE MERCHANTABILITY OR FITNESS OF EQUIPMENT FOR A PARTICULAR PURPOSE, OR ISSUES REGARDING PATENT INFRINGEMENT, TITLE AND THE LIKE; (B) LESSOR SHALL NOT BE DEEMED TO HAVE MADE, BE BOUND BY OR LIABLE FOR, ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER OF ANY EQUIPMENT (EVEN IF LESSOR IS AFFILIATED WITH SUCH SUPPLIER); (C) LESSOR SHALL NOT BE LIABLE FOR ANY FAILURE OF ANY EQUIPMENT OR ANY DELAY IN THE DELIVERY OR INSTALLATION THEREOF; (D) LESSEE HAS SELECTED ALL EQUIPMENT WITHOUT LESSOR'S ASSISTANCE; AND (E) LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT. IT IS FURTHER AGREED THAT LESSOR SHALL HAVE NO LIABILITY TO LESSEE, LESSEE'S CUSTOMERS, OR ANY THIRD PARTIES FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS MASTER AGREEMENT OR ANY SCHEDULE OR CONCERNING ANY EQUIPMENT, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT LIABILITY OR LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT NOTHING IN THIS MASTER AGREEMENT SHALL DEPRIVE LESSEE OF ANY RIGHTS IT MAY HAVE AGAINST ANY PERSON OTHER THAN LESSOR. LESSOR AND LESSEE AGREE THAT THE LEASES SHALL BE GOVERNED BY THE EXPRESS PROVISIONS OF THIS MASTER AGREEMENT AND THE OTHER FUNDAMENTAL AGREEMENTS AND NOT BY THE CONFLICTING PROVISIONS OF ANY OTHERWISE APPLICABLE LAW. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC (INCLUDING, BUT NOT LIMITED TO, LESSEE'S RIGHTS, CLAIMS AND DEFENSES UNDER UCC SECTIONS 2A-303 AND 2A-508 THROUGH 2A-522) AND THOSE RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE, IN EITHER CASE THAT ARE INCONSISTENT WITH OR THAT WOULD LIMIT OR MODIFY LESSOR'S RIGHTS SET FORTH IN THIS MASTER AGREEMENT.

19. LESSEE WARRANTIES. Lessee represents, warrants and covenants to Lessor with respect to each Lease that: (a) Lessee is an agency or department of, or a political subdivision of the state in which it is located; (b) Lessee has the power and authority to enter into each of the Fundamental Agreements; (c) all Fundamental Agreements are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their terms and do not violate or create a default under any instrument or agreement binding on Lessee; (d) there are no pending or threatened actions or proceedings before any court or administrative agency that could reasonably be expected to have a material adverse effect on Lessee or any Fundamental Agreement, unless such actions have been disclosed to Lessor and consented to in writing by Lessor; (e) Lessee shall comply in all material respects with all laws and regulations the violation of which could have a material adverse effect upon the Equipment or Lessee's performance of its obligations under any Fundamental Agreement; (f) each Fundamental Agreement shall be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws, and shall raise no presumption of fraud; (g) all financial statements, certificates or summaries relating to Lessee's financial condition, fiscal budget or the assessment and collection of taxes and other related information furnished by Lessee shall be prepared in accordance with generally accepted accounting principles in the United States in effect at that time and shall fairly present Lessee's financial position as of the dates given on such statements; (h) since the date of the most recent annual financial statement, there has been no material adverse change in the financial condition of, or the level of assessment or collection of taxes by, the Lessee; (i) the Equipment, subject to the Lease, is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority and will be used during the Term of the Lease only by Lessee and only to perform such function; (j) Lessee intends to use the Equipment for the entire Term of the Lease and all Equipment will be used for business purposes

only and not for personal, family or household purposes; (k) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with the Lease and the acquisition of the Equipment; (l) there has been no material change in the budget for Lessee's current Fiscal Period since its adoption; (m) Lessee's obligations to pay Rent and any other amounts due under the Lease constitute a current expense and not a debt of Lessee under applicable state law; (n) no provision of the Lease constitutes a pledge of the tax or general revenues of Lessee; (o) Lessee does not export, re-export, or transfer any Equipment, Software, system software or source code or any direct product thereof to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States government and other applicable governments; (p) Lessee does not use any Equipment, Software or system software or technology, technical data, or technical assistance related thereto or the products thereof in the design, development, or production of nuclear, missile, chemical, or biological weapons or transfer the same to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States and other applicable governments; and (q) Lessee is not an entity designated by the United States government or any other applicable government with which transacting business without the prior consent of such government is prohibited.

20. DEFAULT. Any of the following shall constitute a default by Lessee (a "Lessee Default") under this Master Agreement and all Leases: (a) Lessee fails to pay any Rent payment or any other amount payable to Lessor under this Master Agreement or any Schedule within 45 days after its due date; or (b) Lessee defaults on or breaches any of the other terms and conditions of any Material Agreement, and fails to cure such breach within 45 days after written notice thereof from Lessor; or (c) any representation or warranty made by Lessee in any Material Agreement proves to be incorrect in any material respect when made or reaffirmed; or (d) any change occurs in relation to Lessee's financial condition that, in Lessor's opinion, would have a material adverse effect on Lessee's ability to perform its obligations under this Master Agreement or under any Schedule; or (e) Lessee becomes insolvent or fails generally to pay its debts as they become due; or (f) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency or receivership law is filed by or against Lessee (and if such proceeding is involuntary, it is not dismissed within 60 days after the filing thereof) or Lessee takes any action to authorize any of the foregoing matters; or (g) any letter of credit or guaranty issued in support of a Lease is revoked, breached, canceled or terminated (unless consented to in advance by Lessor); or (h) any Equipment is levied against, seized or attached.

REMEDIES. If a Lessee Default occurs, Lessor may, in its sole discretion, exercise one or more of the following remedies: (a) declare all amounts due and to become due during Lessee's current fiscal year to be immediately due and payable; or (b) terminate this Master Agreement; or (c) take possession of, or render unusable, the Equipment without demand or notice and without any court order or other process of law in accordance with Lessee's reasonable security procedures, and no such action shall constitute a termination of any Lease; or (d) require Lessee to immediately pay to Lessor, as compensation for loss of Lessor's bargain and not as a penalty, a sum equal to: (1) All past due payments and all other amounts payable under the Lease, and (2) pay all unpaid payments for the remainder of the lease term, discounted at a rate equal to three percent (3%) per year to the date of default; and require Lessee to make the Equipment available to return as specified in Section 10 above or (e) exercise any other right or remedy available to Lessor at law or in equity. Also, Lessee shall pay Lessor (i) all costs and expenses that Lessor may incur to maintain, safeguard or preserve the Equipment, and other expenses incurred by Lessor in enforcing any of the terms, conditions or provisions of this Master Agreement (including reasonable legal fees and collection agency costs) and (ii) all costs incurred by Lessor in exercising any of its remedies hereunder (including reasonable legal fees). Upon repossession or surrender of any Equipment, Lessor will lease, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof to the amounts owed to Lessor under this Master Agreement; provided, however, that Lessee will remain liable to Lessor for any deficiency that remains after any sale or lease of such Equipment. Any proceeds of any sale or lease of such Equipment in excess of the amounts owed to Lessor under this Master Agreement will be retained by Lessor. Lessee agrees that with respect to any notice of a sale required by law to be given, 10 days' notice will constitute reasonable notice. With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or other Collateral securing Lessee's obligations under the applicable lease Schedule, Lessee acknowledges and agrees as follows: (i) Lessee shall cause Contractor to prepare the Equipment or any other Collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment or other Collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any such disposition, and (iii) Lessor may convey the Equipment and any other Collateral on an "AS IS, WHERE IS" basis, and without limiting the generality of the foregoing, may specifically exclude or disclaim any and all warranties, including any warranty of title or the like with respect to the disposition of the Equipment or other Collateral, and no such conveyance or such exclusion or such disclaimer of any warranty shall be deemed to have adversely affected the commercial reasonableness of any such disposition. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

21. PERFORMANCE OF LESSEE'S OBLIGATIONS. If Lessee fails to perform any of its obligations hereunder, Lessor may perform any act or make any payment that Lessor deems reasonably necessary for the maintenance and preservation of the Equipment and Lessor's interests therein; provided, however, that the performance of any act or payment by Lessor shall not be deemed a waiver of, or release Lessee from, the obligation at issue. All sums so paid by Lessor, together with expenses (including legal fees and costs) incurred by Lessor in connection therewith, and shall be paid to Lessor by Lessee immediately upon demand.

22. TRUE LEASE; SECURITY INTEREST; MAXIMUM RATE. Each Lease is intended to be a "Finance Lease" as defined in Article 2A of the UCC, and Lessee hereby authorizes Lessor to file a financing statement to give public notice of Lessor's ownership

of the Equipment. The parties' intent that each Lease be a "Finance Lease" within the meaning of Article 2A and the UCC shall have no effect on the characterization of any Lease for accounting purposes, which characterization shall be made by each party independently on the basis of generally accepted accounting principles in the United States in effect at the time. Lessee, by its execution of each Schedule, acknowledges that Lessor has informed it that (a) the identity of Seller is set forth in the applicable Schedule, (b) Lessee is entitled under Article 2A of the UCC to the promises and warranties, including those of any third party, provided to Lessor in connection with, or as a part of, the applicable Purchase Documents, and (c) Lessee may communicate with Seller and receive an accurate and complete statement of the promises and warranties, including any disclaimers and limitations of them or of remedies. If (1) notwithstanding the express intention of Lessor and Lessee to enter into a true lease, any Lease is ever deemed by a court of competent jurisdiction to be a lease intended for security, or (2) Lessor and Lessee enter into a Lease with the intention that it be treated as a lease intended as security by so providing in the applicable Schedule, then to secure payment and performance of Lessee's obligations under this Master Agreement and all Leases, Lessee hereby grants Lessor a purchase money security interest in the related Equipment and in all attachments, accessories, additions, substitutions, products, replacements, rentals and proceeds (including, without limitation, insurance proceeds) thereto as well as a security interest in any other equipment financed pursuant to this Master Agreement or any other agreement between Lessor and Lessee (collectively, the "Collateral"). In any such event, notwithstanding any provisions contained in this Master Agreement or in any Schedule, neither Lessor nor any Assignee shall be entitled to receive, collect or apply as interest any amount in excess of the maximum rate or amount permitted by applicable law. In the event Lessor or any Assignee ever receives, collects or applies as interest any amount in excess of the maximum amount permitted by applicable law, such excess amount shall be applied to the unpaid principal balance and any remaining excess shall be refunded to Lessee. In determining whether the interest paid or payable under any specific contingency exceeds the maximum rate or amount permitted by applicable law, Lessor and Lessee shall, to the maximum extent permitted under applicable law, characterize any non-principal payment as an expense or fee rather than as interest, exclude voluntary prepayments and the effect thereof, and spread the total amount of interest over the entire term of this Master Agreement and all Leases.

24. ASSIGNMENT. Lessor shall have the unqualified right to sell, assign, grant a security interest in or otherwise convey any part of its interest in this Master Agreement, any Lease or any Equipment, in whole or in part, with prior notice to Lessee. If any Lease is sold, assigned, or otherwise conveyed, Lessee agrees that Lessor's purchaser, assignee or transferee, as the case may be ("Assignee") shall (a) have the same rights, powers and privileges that Lessor has under the applicable Lease, (b) have the right to receive from Lessee all amounts due under the applicable Lease; and (c) not be required to perform any obligations of Lessor, other than those that are expressly assumed in writing by such Assignee. Lessee agrees to execute such acknowledgements to such assignment as may be reasonably requested by Lessor or the Assignee. Lessee further agrees that, in any action brought by such Assignee against Lessee to enforce Lessor's rights hereunder, Lessee will not assert against such Assignee any set-off, defense or counterclaim that Lessee may have against Lessor or any other person. Unless otherwise specified by Lessor and the Assignee, Lessee shall continue to pay all amounts due under the applicable Lease to Lessor; provided, however, that upon notification from Lessor and the Assignee, Lessee covenants to pay all amounts due under the applicable Lease to such Assignee when due and as directed in such notice. Lessee further agrees that any Assignee may further sell, assign, grant a security interest in or otherwise convey its rights and interests under the applicable Lease with the same force and effect as the assignment described herein. Lessee may not assign, transfer, sell, sublease, pledge or otherwise dispose of this Master Agreement, any Lease, any Equipment or any interest therein without the prior written consent of Lessor, which consent shall not be unreasonably withheld so long as any such proposed assignee is of equal or better creditworthiness than Lessee, and appropriate documentation has been signed and provided to Lessor, all as Lessor shall determine. Lessor shall remain liable for all of its obligations under this Master Agreement, or any Schedule not otherwise assigned to Assignee pursuant to this Section 24 unless Lessee otherwise agrees in writing.

25. FURTHER ASSURANCES. Lessee agrees to promptly execute and deliver to Lessor such further documents and take such further action as Lessor may require in order to more effectively carry out the intent and purpose of this Master Agreement and any Schedule. Without limiting the generality of the foregoing, Lessee agrees (a) to furnish to Lessor from time to time, its certified financial statements, officer's certificates and appropriate resolutions, opinions of counsel and such other information and documents as Lessor may reasonably request, and (b) to execute and timely deliver to Lessor such documents that Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. It is also agreed that Lessor or Lessor's agent may file as a financing statement, any lease document (or copy thereof, where permitted by law) or other financing statement that Lessor deems appropriate to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. Upon demand, Lessee will promptly reimburse Lessor for any filing or recordation fees or expenses (including legal fees and costs) incurred by Lessor in perfecting or protecting its interests in any Collateral. Lessee represents and warrants that Lessee's name as set forth in the signature block below is Lessee's full and accurate legal name and that the information set forth on the first page hereof regarding its organization number, tax identification number and location is true and correct as of the date hereof. Lessee further agrees to provide Lessor advance written notice of any change in the foregoing.

26. TERM OF MASTER AGREEMENT; SURVIVAL. This Master Agreement shall commence and be effective upon the execution hereof by both parties and shall continue in effect until terminated by either party by 30 days prior written notice to the other, provided that the effective date of the termination is after all obligations of Lessee arising hereunder and pursuant to any Schedule have been fully satisfied. Notwithstanding the foregoing, all representations, warranties and covenants made by Lessee hereunder shall survive the termination of this Master Agreement and shall remain in full force and effect. All of Lessor's rights, privileges and indemnities under this Master Agreement or any Lease, to the extent they are fairly attributable to events or conditions

occurring or existing on or prior to the expiration or termination of such Lease, shall survive such expiration or termination and be enforceable by Lessor and Lessor's successors and assigns.

27. WAIVER OF JURY TRIAL. LESSEE AND LESSOR HEREBY EXPRESSLY WAIVE ANY RIGHT TO DEMAND A JURY TRIAL WITH RESPECT TO ANY ACTION OR PROCEEDING INSTITUTED BY LESSOR OR LESSEE IN CONNECTION WITH THIS MASTER AGREEMENT OR ANY FUNDAMENTAL AGREEMENT.

28. NOTICES. All notices, requests, demands, waivers and other communications required or permitted to be given under this Master Agreement or any other Fundamental Agreement shall be in writing and shall be deemed to have been received upon receipt if delivered personally or by a nationally recognized overnight courier service, or by confirmed facsimile transmission, or 3 days after deposit in the United States mail, certified, postage prepaid with return receipt requested, addressed as follows (or such other address or fax number as either party shall so notify the other):

If to Lessor:

Hewlett-Packard Financial Services Company
200 Connell Drive, Suite 5000
Berkeley Heights, NJ 07922
Attn: Director of Operations North America
Fax: (908) 898-4109

If to Lessee:

Attn: _____ ("Authorized Lessee Representative")
Fax: _____

29. MISCELLANEOUS

(a) **Governing Law.** THIS MASTER AGREEMENT AND EACH LEASE SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF EQUIPMENT LOCATION.

(b) **Credit Review.** Lessee consents to a reasonable credit review by Lessor for each Lease.

(c) **Captions and References.** The captions contained in this Master Agreement and any Schedule are for convenience only and shall not affect the interpretation of this Master Agreement or any Lease. All references in this Master Agreement to Sections and Exhibits refer to Sections hereof and Exhibits hereto unless otherwise indicated.

(d) **Entire Agreement; Amendments.** This Master Agreement and all other Fundamental Agreements executed by both Lessor and Lessee supersede all prior agreements relating thereto, whether written or oral, and may not be amended or modified except in a writing signed by the parties hereto.

(e) **No Waiver.** Any failure of Lessor to require strict performance by Lessee, or any written waiver by Lessor of any provision hereof, shall not constitute consent or waiver of any other breach of the same or any other provision hereof.

(f) **Lessor Affiliates.** Lessee understands and agrees that Hewlett-Packard Financial Services Company or any affiliate or subsidiary thereof may, as lessor, execute Schedules under this Master Agreement, in which event the terms and conditions of the applicable Schedule and this Master Agreement as it relates to the lessor under such Schedule shall be binding upon and shall inure to the benefit of such entity executing such Schedule as lessor, as well as any successors or assigns of such entity. Lessee agrees that Lessor may disclose any information provided by Lessee to Lessor or created by Lessor in the course of administering the Material Agreements to any parent or affiliate of Lessor.

(g) **Invalidity.** If any provision of this Master Agreement or any Schedule shall be prohibited by or invalid under law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Master Agreement or such Schedule.

(h) **Counterparts.** This Master Agreement may be executed in counterparts, which collectively shall constitute one document.

(i) **Lessor Reliance.** Lessor may act in reliance upon any instruction, instrument or signature reasonably believed by Lessor in good faith to be genuine. Lessor may assume that any employee of Lessee who executes any document or gives any written notice, request or instruction has the authority to do so.

30 DEFINITIONS. All capitalized terms used in this Master Agreement have the meanings set forth below or in the Sections of this Master Agreement referred to below:

"**Acceptance Certificate**" means an Acceptance Certificate in substantially the form of Exhibit B executed by Lessee and delivered to Lessor in accordance with Section 3.

"**Acceptance Date**" means, as to any Lease, the date Lessee shall have accepted the Equipment subject to such Lease in accordance with Section 3.

"**Authorized Lessee Representative**" has the meaning specified in Section 28.

"**Assignee**" means any assignee of all or any portion of Lessor's interest in this Master Agreement, any Schedule or any Equipment, whether such assignee received the assignment of such interest from Lessor or a previous assignee of such interest.

"**Casualty Loss**" means, with respect to any Equipment, the condemnation, taking, loss, destruction, theft or damage beyond repair of such Equipment.

"**Casualty Value**" means, as to any Equipment, an amount determined as of the date of the Casualty Loss or Lessee Default in question ("Calculation Date") pursuant to a "Table of Casualty Values" attached to the applicable Schedule or, if no "Table of Casualty Values" is attached to the applicable Schedule, an amount equal to the sum of (a) the present value (as of the Calculation Date and discounted at the Discount Rate compounded monthly) of all Rent payments payable after the Calculation Date through the scheduled date of expiration of the Then Applicable Term, plus (b) an amount determined by multiplying the applicable casualty percentage specified below by the Total Cost of such Equipment. The "Discount Rate" shall mean a rate equal to the 2 year inter-

bank swap rate quoted by Bloomberg L.P. (or, where not available, such other 2 year inter-bank swap rate quoted by a commercially available publication reasonably designated by us) at the Acceptance Date of the applicable Lease. The applicable casualty percentage will be 50% for Equipment having an Initial Term of less than 24 months; 40% for Equipment having an Initial Term of 24 months or greater, but less than 36 months; 30% for Equipment having an Initial Term of 36 months or greater, but less than 48 months; and 25% for Equipment having an Initial Term of 48 months or greater.

"Claims" means all claims, actions, suits, proceedings, costs, expenses (including, without limitation, court costs, witness fees and attorneys' fees), damages, obligations, judgments, orders, penalties, fines, injuries, liabilities and losses, including, without limitation, actions based on Lessor's strict liability in tort.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning specified in Section 23.

"Daily Rent" means, as to any Lease, an amount equal to the per diem Rent payable under the applicable Schedule (calculated on the basis of a 360 day year and 30 day months).

"End-of-Term Notice" means, as to any Lease, a written notice delivered by Lessee to Lessor at least 30 days prior to the end of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term setting forth Lessee's elections pursuant to Section 4 with respect to the Equipment subject to such Lease. Each End-of-Term Notice shall specify on a line item basis and in the same format as the Equipment is described in the applicable Schedule (or if different, in the applicable Acceptance Certificate) the Units of Equipment to be purchased by Lessee (if any), as to which the Lease is to be renewed (if any) and that are to be returned to Lessor (if any).

"Equipment" has the meaning specified in Section 1.

"Equipment Location" means, as to any Equipment, the address at which such Equipment is located from time to time, as originally specified in the applicable Schedule and as subsequently specified in a notice delivered to Lessor pursuant to Section 12, if applicable.

"Fair Market Value" means the total price that would be paid for any specified Equipment in an arm's length transaction between an informed and willing buyer (other than a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell. Such total price shall not be reduced by the costs of removing such Equipment from its current location or moving it to a new location.

"Final Invoice Amount" has the meaning set forth in Section 2(c).

"First Payment Date" means, as to any Lease, the date the first Rent payment with respect to the Initial Term of such Lease is due, as determined pursuant to the terms of the applicable Schedule.

"Fiscal Period" shall mean the fiscal year of Lessee, as it may be more particularly described in a Schedule.

"Fundamental Agreements" means, collectively, this Master Agreement, each Schedule and Acceptance Certificate as part of the Participating Addendum Number _____ to Contract for the NASPO ValuePoint Master Agreement Number 140596 with Lessee as the Participating Entity and all other related instruments and documents.

"Hardware" means items of tangible equipment and other property.

"Initial Term" means, as to any Lease, the initial term thereof as specified in the related Schedule.

"Lease" has the meaning specified in Section 2(a).

"Lessee" has the meaning specified in the preamble hereof.

"Lessee Default" has the meaning specified in Section 20.

"Lessor" has the meaning specified in the preamble hereof.

"License Agreement" means any license agreement or other document granting the purchaser the right to use Software or any technical information, confidential business information or other documentation relating to Hardware or Software, as amended, modified or supplemented by any other agreement between the licensor and Lessor.

"Master Agreement" has the meaning specified in the preamble hereof.

"Material Agreements" means, collectively, all Fundamental Agreements, all other material agreements by and between Lessor and Lessee, and any application for credit, financial statement, or financial data required to be provided by Lessee in connection with any Lease.

"Non-Appropriation" has the meaning specified in Section 7.

"Optional Additions" has the meaning specified in Section 11.

"Purchase Documents" means, as to any Equipment, any purchase order, contract, bill of sale, License Agreement, invoice and/or other documents that Lessee has, at any time, approved, agreed to be bound by or entered into with any Supplier of such Equipment relating to the purchase, ownership, use or warranty of such Equipment.

"Renewal Agreement" has the meaning specified in Section 4.

"Renewal Term" has the meaning specified in Section 4.

"Rent" has the meaning specified in Section 5.

"Schedule" means, unless the context shall otherwise require a Schedule executed by Lessor and Lessee pursuant to Section 2(a).

"Seller" means, as to any Equipment, the seller of such Equipment as specified in the applicable Schedule.

"Software" means copies of computer software programs owned or licensed by Lessor, and any disks, CDs, or other media on which such programs are stored or written.

"State" means any of the states of the United States, its territories and possessions.

"Stipulated Loss Value" means, as to any Equipment, an amount equal to the sum of (a) all Rent and other amounts due and owing with respect to such Equipment as of the date of payment of such amount, plus (b) the Casualty Value of such Equipment.

"Substitute Equipment" means, as to any item of Hardware or Software subject to a Lease, a substantially equivalent or better item of Hardware or Software having equal or greater capabilities and equal or greater Fair Market Value manufactured or licensed by the same manufacturer or licensor as such item of Hardware or Software subject to a Lease. The determination of whether

any item of Equipment is substantially equivalent or better than an item of Equipment subject to a Lease shall be based on all relevant facts and circumstances.

"Supplier" means as to any Equipment, the Seller and the manufacturer or licensor of such Equipment collectively, or where the context requires, any of them.

"System Software" means an item of Software that is pre-loaded on an item of Hardware purchased by Lessor for lease hereunder for which the relevant Purchase Documents specify no purchase price separate from the aggregate purchase price specified for such items of Hardware and Software.

"Taxes" means all license and registration fees and all taxes (local, state and federal), fees, levies, imposts, duties, assessments, charges and withholding of any nature whatsoever, however designated (including, without limitation, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) other than taxes measured by Lessor's income.

"Term" means the term thereof as specified in the related Schedule.

"Then Applicable Term" means, as to any Lease, the term of the Lease in effect at the time of determination, whether it be the Initial Term, any Renewal Term or any optional or other automatic extension of the Initial Term or any Renewal Term pursuant to Section 4.

"Total Cost" means as to any Lease, the total acquisition cost to Lessor of the Equipment subject to such Lease as set forth in the applicable Purchase Documents, including related delivery, installation, taxes and other charges which Lessor has agreed to pay and treat as a portion of such acquisition cost, if any.

"Total Term" means, as to any Lease, the aggregate term of such Lease, including the Initial Term, any Renewal Term and any optional extension of the Initial Term or any Renewal Term pursuant to Section 4.

"UCC" means the Uniform Commercial Code as enacted and in effect in any applicable jurisdiction.

"Unit of Equipment" means, as to the Equipment leased pursuant to any Schedule (a) each individual item Equipment leased pursuant to such Schedule, and (b) all Equipment taken as a whole leased pursuant to such Schedule.

IN WITNESS WHEREOF, LESSEE AND LESSOR HAVE EXECUTED THIS MASTER AGREEMENT ON THE DATES SPECIFIED BELOW.

LESSEE:

By: _____

Name and Title

Date

LESSOR:

**HEWLETT-PACKARD FINANCIAL SERVICES
COMPANY⁴**

By: _____

Name and Title

Date

Exhibit A to Master Agreement

Master Agreement Number _____

Schedule Number _____

COUNTERPART NO. _____ OF _____. TO THE EXTENT THAT THIS SCHEDULE CONSTITUTES CHATTEL PAPER (AS DEFINED ON THE UCC), NO SECURITY INTEREST IN THIS SCHEDULE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE AND LOCAL GOVERNMENT MASTER FMV LEASE AGREEMENT
SCHEDULE

Hewlett-Packard Financial Services Company³ ("Lessor") and _____, an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Operating Lease Agreement identified by the Master Agreement Number specified above (the "Master Agreement"). This Schedule (which shall be identified by the Schedule Number specified above) and the Master Agreement together comprise a separate Lease between the parties. The terms and conditions of the Master Agreement are hereby incorporated by reference into this Schedule. All capitalized terms used in this Schedule without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE.

A. Description of Items of Leased Equipment Total Cost
\$

B. Initial Term: _____ Months

2. RENT: \$ _____

RENT is payable: _____ «Frequency» in «Advance_or_Arrears»

If the Rent is due in advance, then the first Rent payment shall be due on the Acceptance Date. If the Rent is due in arrears, then the first Rent payment shall be due at the end of the first payment frequency period as selected above.

3. LATEST COMMENCEMENT DATE: _____. Lessor's obligation to purchase and lease the Equipment is subject to the Acceptance Date being on or before the Latest Commencement Date.

4. EQUIPMENT LOCATION: _____

5. SELLER: _____

6. APPROPRIATIONS: Monies for all Rent and other payments due under the Lease for the Fiscal Period ending _____ are available from Lessee's appropriated funds for such Fiscal Period and that appropriations and/or other funds have been encumbered or designated for the payment of all Rent and other payments that shall become due under the Lease in such Fiscal Period.

ADDITIONAL PROVISIONS: With respect to this Schedule only, Section 10 of the Master Agreement is hereby replaced in its entirety with the following:

***10. EQUIPMENT RETURN REQUIREMENTS.** As soon as practical following the last day of the Total Term of any Schedule (and any other time Lessee is required to return Equipment to Lessor), but in no event later than thirty (30) days thereafter, Lessee shall cause the Contractor to (a) remove any Lessee labels, tags or other identifying marks and all hard drives or external drives containing identifying data of Lessee on or attached to the Equipment (b) carefully de-install the Equipment in accordance with the manufacturer's specifications and guidelines, and (c) make all of the Equipment available for Lessor's pick-up at a loading dock at Lessee's facilities, which must be accessible to a full size tractor trailer (individually each a "Designated Pick-up Location" and collectively the "Designated Pick-up Locations"). In the case of any item of Software to be returned to Lessor, Lessee shall also deliver to Lessor the original certificate of authenticity issued by the licensor of such Software, if any, the end user license agreement, any CD-ROM, diskettes or other media relating to such Software and any other materials originally delivered to Lessee

³ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

with such Software. Tender of Equipment for return to Lessor shall be made at a mutually agreeable time during normal business hours and Lessee shall provide Lessor with not less than five (5) business days advance notice for any requested pick up. Lessor shall cause its authorized carrier to pack the Equipment, pick up the Equipment at the applicable Designated Pick-up Location, and to ship the Equipment, insured, to Lessor's designated return facility. So long as the Designated Pick-up Location is within the State Lessee is located, and Lessee tenders Equipment under the Schedule for pick-up of Equipment at each Designated Pick-up Location ("Minimum Pickup"), all actual charges from the Designated Pick-up Locations to Lessor's return facility(ies) shall be borne by Lessor; provided, however, that, Lessee shall pay further return charges if any one or more of the foregoing assumptions in this sentence are not applicable as follows: a) in the event Lessee fails to tender the Minimum Pickup, Lessee shall pay a minimum charge of \$_____ which shall be payable by Lessee promptly upon Lessor's demand therefor after the return of the Equipment into Lessor's possession. All Equipment shall be returned to Lessor in the same condition and working order as when delivered to Lessee, reasonable wear and tear excepted.

7. FISCAL PERIOD: [Annual]

LESSOR AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR THE EQUIPMENT DESCRIBED IN SECTION 1 A ABOVE. SUCH LEASE WILL BE GOVERNED BY THE MASTER AGREEMENT AND THIS SCHEDULE, INCLUDING THE IMPORTANT ADDITIONAL TERMS AND CONDITIONS SET FORTH ABOVE. LESSEE HEREBY REPRESENTS AND WARRANTS THAT ON AND AS OF THE DATE HEREOF EACH OF THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE IN THE MASTER AGREEMENT ARE TRUE, CORRECT AND COMPLETE.

LESSEE:

By: _____

Name and Title

Date

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES
COMPANY⁴

By: _____

Name and Title

Date

Exhibit B to Master Agreement

Master Agreement Number _____

Schedule Number _____

STATE AND LOCAL GOVERNMENT MASTER FAIR MARKET VALUE (FMV) LEASE AGREEMENT ACCEPTANCE CERTIFICATE

Hewlett-Packard Financial Services Company⁵ ("Lessor") and _____, an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master FMV Lease Agreement (the "Master Agreement") and Schedule under such Master Agreement (the "Schedule") identified by the Master Agreement Number and Schedule Number, respectively, specified above. The Master Agreement and Schedule together comprise a separate Lease that is being accepted and commenced pursuant to this Acceptance Certificate. All capitalized terms used in this Acceptance Certificate without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE ACCEPTANCE. Lessee hereby acknowledges that the Equipment described in Section 1 of the Schedule, or if different, the Equipment described in the attached invoice or other attachment hereto, has been delivered to the Equipment Location specified below, inspected by Lessee and found to be in good operating order and condition, and has been unconditionally and irrevocably accepted by Lessee under the Lease evidenced by the Master Agreement and the Schedule as of the Acceptance Date set forth below. Lessee authorizes Lessor to adjust the Rent payments on the Schedule to reflect the Final Invoice Amount set forth on the attached invoice(s) if such amount is lower than the Total Cost on the Schedule.

2. LESSEE ACKNOWLEDGEMENTS. Lessee hereby agrees to faithfully perform all of its obligations under the Master Agreement and the Schedule and reaffirms, as of the date hereof, its representations and warranties as set forth in the Master Agreement. Lessee hereby acknowledges its agreement to pay Lessor Rent payments, as set forth in the Schedule, plus any applicable taxes, together with all other costs, expenses and charges whatsoever which Lessee is required to pay pursuant to the Master Agreement and the Schedule, in each instance at the times, in the manner and under the terms and conditions set forth in the Master Agreement and the Schedule, respectively.

3. EQUIPMENT LOCATION. The Equipment has been installed and is located at the following Equipment Location:

4. REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants that on and as of the date hereof each of the representations and warranties made by Lessee in the Master Agreement are true, correct and complete.

By _____

Name and Title

Acceptance Date _____

ATTACHMENT C, HP SOFTWARE LICENSING AND MAINTENANCE AGREEMENT



1. **Parties.** These terms represent the agreement ("Software Licensing Agreement") that governs the purchase of software product licences, support, and related services from HP Inc. ("HP") by the Customer entity identified below ("Customer").
2. **Orders.** Orders, Statements of Work, and Supporting Material are defined in NASPO ValuePoint Master Agreement §2, and governed by §5, Administration of Orders.
3. **Scope and Order Placement.** These terms may be used by Customer either for a single Order or as a framework for multiple Orders. The parties can confirm their agreement to these terms either by signature where indicated at the end or by referencing these terms on Orders.
4. **Prices and Taxes.** Prices are governed by NASPO ValuePoint Master Agreement §3.1, Price and Rate Guarantee Period and will be as quoted in writing by HP or, in the absence of a written quote, as set out on HP's website or customer-specific portal, based upon the NASPO ValuePoint Master Agreement price at the time an order is submitted to HP. If a withholding tax is required by law, please contact the HP order representative to discuss appropriate procedures.
5. **Invoices and Payment.** This paragraph is governed by NASPO ValuePoint Master Agreement §5, Administration of Orders.
6. **Software.**
 - (a) **Delivery.** HP will use all commercially reasonable efforts to deliver software products in a timely manner. HP may elect to deliver software and related software product/license information by electronic transmission or via download.
 - (b) **Product Warranty Claims.** NASPO ValuePoint Master Agreement §4.11, Warranty Requirements, will govern valid warranty claims for HP software products.
 - (c) **License Grant.** HP grants Customer a non-exclusive license to use the version or release of the HP-branded software listed in the Order. Permitted use is for internal purposes only (and not for further commercialization) and is subject to any specific software licensing information that is in the software product or its Supporting Material. For non-HP branded software, the third party's license terms will govern its use.
 - (d) **Updates.** NASPO ValuePoint Master Agreement §4.3.3, Device Standards, governs this section.
 - (e) **License Restrictions.** HP may monitor use/license restrictions remotely and, if HP makes a license management program available, Customer agrees to install and use it within a reasonable period of time. Customer may make a copy or adaptation of a licensed software product only for archival purposes or when it is an essential step in the authorized use of the software. Customer may use this archival copy without paying an additional license only when the primary system is inoperable. Customer may not copy licensed software onto or otherwise use or make it available on any public external distributed network. Licenses that allow use over Customer's intranet require restricted access by authorized users only. Customer will also not modify, reverse engineer, disassemble, decrypt, decompile or make derivative works of any software licensed to Customer under this Software Licensing Agreement unless permitted by statute, in which case Customer will provide HP with reasonably detailed information about those activities.
 - (f) **License Term and Termination.** Unless otherwise specified, any license granted is perpetual, provided however that if Customer fails to comply with the terms of this Software Licensing Agreement, HP may terminate the license upon written notice. Immediately upon termination, or in the case of a limited-term license, upon expiration, Customer will either destroy all copies of the software or return them to HP, except that Customer may retain one copy for archival purposes only.
 - (g) **License Transfer.** Customer may not sublicense, assign, transfer, rent or lease the software or software license except as permitted by HP. HP-branded software licenses are generally transferable subject to

HP's prior written authorization and payment to HP of any applicable fees. Upon such transfer, Customer's rights shall terminate, and Customer shall transfer all copies of the software to the transferee. Transferee must agree in writing to be bound by the applicable software license terms. Customer may transfer firmware only upon transfer of associated hardware.

- (h) **Software Performance.** HP warrants that its branded software products will conform materially to their specifications and be free of malware at the time of delivery. HP warranties for software products will begin on the date of delivery and unless otherwise specified in Supporting Material, will last for ninety (90) days. HP does not warrant that the operation of software products will be uninterrupted or error-free or that software products will operate in hardware and software combinations other than as authorized by HP in Supporting Material.
- (i) **US Federal Government Use.** If software is licensed to Customer for use in the performance of a US Government prime contract or subcontract, Customer agrees that consistent with FAR 12.211 and 12.212, commercial computer software, documentation and technical data for commercial items are licensed under HP's standard commercial license.

7. Services.

- (a) **Support Services.** HP's support services will be described in the applicable Statement(s) of Work or other agreements, which will cover the description of HP's offering, eligibility requirements, service limitations and Customer responsibilities, as well as the Customer systems supported.
- (b) **Professional Services.** HP will deliver any ordered IT consulting, training or other services as described in the NASPO ValuePoint Master Agreement, Participating Addenda, or Statement(s) of Work.
- (c) **Professional Services Acceptance.** The acceptance process (if any) will be described in the Statement of Work, will apply only to the deliverables specified, and shall not apply to other products or services to be provided by HP.
- (d) **Services Performance.** Services are performed using generally recognized commercial practices and standards. Customer agrees to provide prompt notice of any such service concerns and HP will re-perform any service that fails to meet this standard.
- (e) **Services with Deliverables.** If Statement(s) of Work for services defines specific deliverables, HP warrants those deliverables will conform materially to their written specifications for 30 days following delivery. If Customer notifies HP of such a non-conformity during the 30-day period, HP will promptly remedy the impacted deliverables or refund to Customer the fees paid for those deliverables and Customer will return those deliverables to HP.
- (f) **Dependencies.** HP's ability to deliver services will depend on Customer's reasonable and timely cooperation and the accuracy and completeness of any information from Customer needed to deliver the services.
- (g) **Change Orders.** Requests to change the scope of services or deliverables will require a change order signed by both parties.

8. Eligibility. NASPO ValuePoint Master Agreement §4.11.8, governs when claims for HP's Service, Maintenance and warranty obligations are excluded from coverage.

9. Remedies. The NASPO ValuePoint Master Agreement, Participating Addenda, and this Software Licensing Agreement states all remedies for warranty claims. To the extent permitted by law, HP disclaims all other warranties.

10. Intellectual Property Rights. No transfer of ownership of any intellectual property will occur under this Agreement. Customer grants HP a non-exclusive, worldwide, royalty-free right and license to any intellectual property that is necessary for HP and its designees to perform the ordered services. If deliverables are created by HP specifically for Customer and identified as such in Supporting Material, HP hereby grants Customer a worldwide, non-exclusive, fully paid, royalty-free license to reproduce and use copies of the deliverables internally. The License of Pre-Existing Intellectual Property is governed by NASPO ValuePoint Master Agreement §6.4.

11. Indemnification.

- (a) **Indemnification – Intellectual Property.** NASPO ValuePoint Master Agreement §6.13.2 shall govern Intellectual Property Indemnification.
- (b) **General.** NASPO ValuePoint Master Agreement §6.13.1 shall govern General Indemnification.
- (c) **Limitation of Liability.** NASPO ValuePoint Master Agreement §6.13 shall govern Limitation of Liability.

12. **Confidentiality.** NASPO ValuePoint Master Agreement §6.3, Confidentiality, Non-Disclosure, and Injunctive Relief, shall govern Purchasing Entity's or Purchasing Entity's clients' confidential information. Information provided by HP to Purchasing Entity's or Purchasing Entity's clients under this Software Licensing Agreement will be treated as confidential if identified as such at disclosure or if the circumstances of disclosure would reasonably indicate such treatment. HP's confidential information may only be used for the purpose of fulfilling obligations or exercising rights under this Software Licensing Agreement, and shared with employees, agents or contractors of Purchasing Entity's or Purchasing Entity's clients with a need to know such information to support that purpose. HP's confidential information will be protected using a reasonable degree of care to prevent unauthorized use or disclosure for three (3) years from the date of receipt or (if longer) for such period as the information remains confidential. These obligations do not cover information that: (i) was known or becomes known to the receiving party without obligation of confidentiality; (ii) is independently developed by the receiving party; or (iii) where disclosure is required by law or a governmental agency.
13. **Personal Information.** Each party shall comply with their respective obligations under applicable data protection legislation. HP does not intend to have access to personally identifiable information ("PII") of Customer in providing services. To the extent HP has access to Customer PII stored on a system or device of Customer, such access will likely be incidental and Customer will remain the data controller of Customer PII at all times. HP will use any PII to which it has access strictly for purposes of delivering the services ordered.
14. **Termination.** NASPO ValuePoint Master Agreement §6.10, Defaults and Remedies, shall govern Purchasing Entity's or Purchasing Entity's termination rights and obligation. HP may terminate this Software Licensing Agreement on written notice if Purchasing Entity or Purchasing Entity fails to meet any material obligation and fails to remedy the breach within a reasonable period after being notified in writing of the details. If Purchasing Entity or Purchasing Entity becomes insolvent, unable to pay debts when due, files for or is subject to bankruptcy or receivership or asset assignment, HP may terminate this Software Licensing Agreement and cancel any unfulfilled obligations.
15. **General.**
- (a) **Entire Agreement.** The NASPO ValuePoint Master Agreement, the Participating Addenda, and this Software Licensing Agreement represents the parties' entire understanding with respect to its subject matter and supersedes any previous communication or agreements that may exist.
 - (b) **Amendments.** Modifications to the Software Licensing Agreement will be made only through a written amendment signed by both parties.
 - (c) **Governing Law.** The construction and effect of this Software Licensing Agreement shall be governed by the laws of the Participating State/Entity, excluding rules as to choice and conflict of law. Venue shall be determined in accordance with the Participating Addenda.
 - (d) **Disputes.** HP's process for resolving disputed invoices, issuing refunds and/or credit, and addressing over-payments, is governed by NASPO ValuePoint Master Agreement §5.1.20. If Customer is dissatisfied with any services purchased under these terms and disagrees with HP's proposed resolution, we both agree to promptly escalate the issue to a Vice President (or equivalent executive) in each party's respective organizations for an amicable resolution without prejudice to the right to later seek a legal remedy.
 - (e) **Force Majeure.** NASPO ValuePoint Master Agreement §6.9, Force Majeure, will govern this section.
 - (f) **Global Trade Compliance.** Products and services provided under these terms are for Customer's internal use and not for further commercialization. If Customer exports, imports or otherwise transfers products and/or deliverables provided under these terms, Customer will be responsible for complying with applicable laws and regulations and for obtaining any required export or import authorizations. HP may suspend its performance under this Agreement to the extent required by laws applicable to either party.
 - (g) **Assignment.** NASPO ValuePoint Master Agreement §6.6, Assignment/Subcontracts, will govern this section.
 - (h) **Survivability.** Any terms in the Software Licensing Agreement which by their nature extend beyond termination or expiration of the Agreement will remain in effect until fulfilled and will apply to both parties' respective successors and permitted assigns.

The parties confirm their agreement to these terms either by referencing them in the relevant Order or by executing below, which is effective as of the last date signed below ("Effective Date").

HP INC.

CUSTOMER: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT D, HP MPS STATEMENT OF WORK



HP MPS Statement of
Work.docx

ATTACHMENT A, HP MASTER LEASE PURCHASE AGREEMENT

Master Agreement Number _____

Lessee's Organization Number _____
Lessee's Tax Identification Number _____
Lessee's UCC Section 9-307 Location _____

STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT

This State and Local Government Master Lease Purchase Agreement (together with Exhibits A and B attached hereto and hereby made a part hereof, (this "Master Agreement"), dated as of _____, is entered into by and between Hewlett-Packard Financial Services Company,¹ a Delaware corporation ("Lessor"), and _____, an agency, department or political subdivision of the State of _____ ("Lessee"). Capitalized terms used in this Master Agreement without definition have the meanings ascribed to them in Section 32.

1. PURPOSE OF MASTER AGREEMENT. The purpose of this Master Agreement is to set forth the general terms and conditions upon which Lessor shall lease to Lessee, and Lessee shall lease from Lessor, items of Hardware, Software or both (the "Equipment"). In connection with its execution of this Master Agreement, Lessee shall deliver to Lessor an Officer's Certificate in form and substance acceptable to Lessor, executed by a duly authorized officer of Lessee and certifying as to, among other things, Lessee's authority to enter into this Master Agreement, and the authority of Lessee's officers or representatives specified therein to execute this Master Agreement and an opinion of Lessee's counsel in form and content satisfactory to Lessor.

2. COMMENCEMENT PROCEDURES. Subject to the other terms and conditions contained in this Master Agreement and the applicable Schedule, Lessee shall enter into individual Leases (hereinafter defined) with Lessor as follows:

(a) Execution of Schedule. Lessor and Lessee mutually agree to enter into a Lease by executing a Schedule in the form of Exhibit A with such changes as Lessor and Lessee shall have agreed to as conclusively evidenced by their execution thereof. Each such Schedule shall specifically identify (by serial number or other identifying characteristics) the items of Equipment to be leased under such Schedule. Each Schedule, when executed by both Lessee and Lessor, together with this Master Agreement, shall constitute a separate and distinct lease ("Lease"), enforceable according to its terms.

(b) Acceptance; Term of Leases. Lessee shall accept the Equipment subject to a Lease in accordance with Section 3. The Term of each Lease shall begin on the Acceptance Date of the Equipment subject to such Lease and shall continue for the period described in the applicable Schedule unless a Non-appropriation shall have occurred.

(c) Adjustments to Schedule. Lessee acknowledges that the Total Cost of Equipment and the related Rent payments set forth in any Schedule may be estimates, and if the final invoice from the Seller attached to the related Acceptance Certificate(s) specifies a Total Cost that is less than the estimated Total Cost set forth in the Schedule, Lessee hereby authorizes Lessor to reduce the applicable Total Cost and Rent payment on the Schedule by up to ten percent (10%) to reflect such final invoice amount (the "Final Invoice Amount"). All references in this Master Agreement and any Schedule to Total Cost and Rent shall mean the amounts thereof specified in the applicable Schedule, as adjusted pursuant to this paragraph.

(d) Payment by Lessor. Within 30 days after Lessee's delivery to Lessor of a properly completed and executed Acceptance Certificate and all other documentation necessary to establish Lessee's acceptance of such Equipment under the related Lease and Lessor's acceptance of such Acceptance Certificate, Lessor shall pay the Contractor for the Equipment. Lessor shall not accept the Acceptance Certificate until it has received from Lessee (1) evidence of insurance with respect to the Equipment in compliance with Section 14 hereof, (2) a completed and executed original Form 8038-G or 8038-GC, as applicable, or evidence of filing thereof with the Internal Revenue Service in the manner required by Code Section 149(e), (3) an opinion of Lessee's counsel, if required by Lessor, in form and substance reasonably satisfactory to Lessor and (4) any other documents or items reasonably required by Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to pay for the Equipment if a Lessee Default has occurred or an event has occurred and is continuing that with the passage of time or provision of notice would constitute a Lessee Default. Lessor and Lessee acknowledge that the date the Lessor pays the Contractor for the Equipment shall be the issue date of the obligation for federal income tax purposes in accordance with the Code and no Rent shall accrue prior to such date.

3. ACCEPTANCE OF EQUIPMENT. (a) Inspection of Equipment. Lessee agrees to inspect all Equipment as soon as reasonably practicable after the delivery thereof to Lessee.

(b) Acceptance Certificate. Upon the satisfactory inspection of the Equipment by Lessee, or if acceptance requirements for such Equipment are specified in the applicable Purchase Documents, as soon as such requirements are met, Lessee shall unconditionally and irrevocably accept the Equipment by executing and delivering to Lessor a properly completed Acceptance Certificate in substantially the form of Exhibit B.

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

4. RENT; LATE CHARGES. As lease payments ("Rent") for the Equipment under any Lease, Lessee agrees to pay the amounts specified in the applicable Schedule on the due dates specified in the applicable Schedule. Lessee agrees to pay Lessor interest on any Rent payment or other amount due hereunder that is not paid within 15 days of its due date, at the rate of 1% per month (or such lesser rate as is the maximum rate allowable under applicable law). Lessee will make provision for such payments in budgets submitted to its governing body for the purpose of obtaining funding for the payments.

5. TRANSFER OF EQUIPMENT ON EXPIRATION OF LEASE TERM. If Lessee has paid all Rent and all other amounts due under the Lease and has satisfied all other terms and conditions of the Lease, the Lease shall terminate and, except as provided in Section 28, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to the Equipment and Lessor shall transfer all of its interest in such Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor.

6. LEASES NON-CANCELABLE; NET LEASES; WAIVER OF DEFENSES TO PAYMENT. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT EACH LEASE HEREUNDER SHALL BE NON-CANCELABLE (EXCEPT AS SET FORTH IN SECTION 7 HEREOF), AND THAT EACH LEASE HEREUNDER IS A NET LEASE SO THAT AMONG OTHER THINGS LESSEE SHALL PAY IN ADDITION TO THE RENT, TAXES, INSURANCE AND MAINTENANCE CHARGES RELATED TO THE EQUIPMENT. LESSEE AGREES THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE. LESSEE HEREBY WAIVES ANY RECOUPMENT, CROSS-CLAIM, COUNTERCLAIM OR ANY OTHER DEFENSE AT LAW OR IN EQUITY TO ANY RENT OR OTHER AMOUNT DUE WITH RESPECT TO ANY LEASE, WHETHER ANY SUCH DEFENSE ARISES OUT OF THIS MASTER AGREEMENT, ANY SCHEDULE, ANY CLAIM BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNEES OR SUPPLIER OR OTHERWISE. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE OR INTEGRATE AS REPRESENTED OR WARRANTED BY SUPPLIER OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, LESSEE WILL MAKE ANY CLAIM ON ACCOUNT OF THOSE ISSUES SOLELY AGAINST SUPPLIER AND WILL NEVERTHELESS PAY ALL SUMS DUE WITH RESPECT TO EACH LEASE.

7. NONAPPROPRIATION. Notwithstanding anything contained in this Master Agreement to the contrary, in the event that sufficient funds are not appropriated and budgeted by Lessee's governing body or are not otherwise available from other legally available sources in any fiscal period for the payment of Rent and other amounts due under any Lease, the Lease shall terminate on the last day of the fiscal period for which appropriations were received or other amounts are available to pay amounts due under the Lease without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Rent payments or other amounts herein agreed upon for which funds shall have been appropriated or are otherwise available. Lessee will immediately notify the Lessor or its assignee of such occurrence. In the event of such termination, Lessee shall immediately cease all use of the Equipment, and shall immediately de-install, disassemble, pack, crate, and return the Equipment subject to such Lease to Lessor (all in accordance with Section 10 of this Master Agreement). Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by this Lease, shall be free and clear of any liens (except Lessor's lien) and shall comply with all applicable laws and regulations. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor or evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. At Lessor's request, Lessee shall promptly provide supplemental documentation as to such Non-Appropriation satisfactory to Lessor. Lessee's exercise of its rights pursuant to this Section 7 shall not affect the survival of any indemnity and other provisions (other than the obligation to lease the Equipment and pay amounts due under the Lease) which survive the termination of the Lease.

8. ASSIGNMENT OF PURCHASE DOCUMENTS. Lessee assigns to Lessor all of Lessee's right, title and interest in and to (a) the Equipment described in each Schedule, and (b) the Purchase Documents relating to such Equipment. Such assignment of the Purchase Documents is an assignment of rights only; nothing in this Master Agreement shall be deemed to have relieved Lessee of any obligation or liability under any of the Purchase Documents, except that, as between Lessee and Lessor, Lessor shall pay the Contractor for the Equipment in accordance with Section 2(d) hereof. Lessee represents and warrants that it has reviewed and approved the Purchase Documents. In addition, if Lessor shall so request, Lessee shall deliver to Lessor a document acceptable to Lessor whereby Seller acknowledges and provides any required consent to such assignment. For the avoidance of doubt, Lessee covenants and agrees that it shall at all times during the Term of each Lease comply in all respects with the terms of any License Agreement relating to any Equipment leased thereunder. **IT IS ALSO SPECIFICALLY UNDERSTOOD AND AGREED THAT NEITHER SUPPLIER NOR ANY SALESPERSON OF SUPPLIER IS AN AGENT OF LESSOR, NOR ARE THEY AUTHORIZED TO WAIVE OR ALTER ANY TERMS OF THIS MASTER AGREEMENT OR ANY SCHEDULE.**

9. ASSIGNMENT OF SUPPLIER WARRANTIES. To the extent permitted, Lessor hereby assigns to Lessee all Equipment warranties provided by any Supplier in the applicable Purchase Documents. Lessee shall have the right to take any action it deems appropriate to enforce such warranties provided such enforcement is pursued in Lessee's name and at its expense. In the event Lessee is precluded from enforcing any such warranty in its name and to the extent Lessor retains title to the Equipment, Lessor shall, upon Lessee's request, take reasonable steps to enforce such warranty. In such circumstances, Lessee shall, promptly upon demand, reimburse Lessor for all expenses incurred by Lessor in enforcing the Supplier warranty. Any recovery resulting from any such enforcement efforts shall be divided between Lessor and Lessee as their interests may appear.

10. RESERVED.

11. EQUIPMENT USE, MAINTENANCE AND ADDITIONS. Lessee is solely responsible for the selection, and operation of the Equipment and all costs related thereto. Lessee shall at all times operate and maintain the Equipment in good working order, repair, condition and appearance, and in accordance with the manufacturer's specifications and recommendations. On reasonable prior notice to Lessee, Lessor and Lessor's agents shall have the right, during Lessee's normal business hours and subject to Lessee's reasonable,

standard security procedures, to enter the premises where the Equipment is located for the purpose of inspecting the Equipment and observing its use. Except in the case of Software, Lessee shall, at its expense, enter into and maintain and enforce at all times during the Term of each Lease a maintenance agreement to service and maintain the related Equipment, upon terms, and with a provider, reasonably acceptable to Lessor. Lessee shall make no alterations or additions to the Equipment, except those that (a) will not void any warranty made by the Supplier of the Equipment, result in the creation of any security interest, lien or encumbrance on the Equipment or impair the value or use of the Equipment either at the time made or at the end of the Term of the applicable Lease, and are readily removable without damage to the Equipment ("Optional Additions"), or (b) are required by any applicable law, regulation or order. All additions to the Equipment or repairs made to the Equipment, except Optional Additions, become a part of the Equipment and Lessor's property at the time made; Optional Additions which have not been removed in the event of the return of the Equipment shall become Lessor's property upon such return.

12. EQUIPMENT OWNERSHIP; LIENS; LOCATION. Upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in Lessee; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 7 hereof, or (ii) upon the occurrence of a Lessee Default as defined in Section 22 hereof, and as long as such Lessee Default is continuing, title to the Equipment (including Substitute Equipment) will immediately vest in Lessor or its assignee. Lessee covenants with respect to each Lease that: (i) it will not pledge or encumber the Equipment or Lessor's interest in the Equipment in any manner whatsoever nor create or permit to exist any levy, lien or encumbrance thereof or thereon except those created by or through Lessor; (ii) the Equipment shall remain personal property whether or not affixed to realty and shall not become a fixture or be made to become a part of any real property on which it is placed without Lessor's prior written consent; and (iii) Lessee shall maintain the Equipment so that it does not become essential to and may be removed from any building in which it is placed without any damage to the building or the Equipment. Provided Lessee remains in possession and control of the Equipment, Lessee may relocate any Equipment from the Equipment Location specified in the applicable Schedule to another of its locations within the State of the Equipment Location upon prior written notice to Lessor specifying the new Equipment Location or to another of its locations within the United States after receiving the written consent of Lessor to such relocation. Lessee shall not locate or relocate any Equipment such that any third party comes into possession or control thereof without Lessor's prior written consent; provided, however, that Lessor shall not unreasonably withhold its consent to the location or relocation of Equipment to a third party co-location or hosting facility if such third party shall have executed and delivered to Lessor a waiver agreement in form and substance acceptable to Lessor pursuant to which, among other things, such third party shall have waived any rights to the Equipment and agreed to surrender the Equipment to Lessor in the event of a Lessee Default under this Master Agreement. Notwithstanding the foregoing, Lessor agrees that equipment usable outside of a fixed office environment, may be relocated on a non-permanent basis from the Equipment Location originally specified in the applicable Schedule without Lessor's prior written consent, provided that (i) such relocation is made by Lessee's primary employee in the custody and control of such Equipment; (ii) the primary employee remains in possession and control of the Equipment, and (iii) the primary employee's principal office is the Equipment Location.

13. SECURITY INTEREST; MAXIMUM RATE. In order to secure all of its obligations hereunder, Lessee hereby, to the extent permitted by law and to secure payment and performance of Lessee's obligations under this Master Agreement and all Leases, grants Lessor a purchase money security interest in the related Equipment and in all attachments, accessories, additions, substitutions, products, replacements, rentals and proceeds (including, without limitation, insurance proceeds) thereto as well as a security interest in any other Equipment financed pursuant to this Master Agreement or any other agreement between Lessor and Lessee (collectively, the "Collateral"). In any such event, notwithstanding any provisions contained in this Master Agreement or in any Schedule, neither Lessor nor any Assignee shall be entitled to receive, collect or apply as interest any amount in excess of the maximum rate or amount permitted by applicable law. In the event Lessor or any Assignee ever receives, collects or applies as interest any amount in excess of the maximum amount permitted by applicable law, such excess amount shall be applied to the unpaid principal balance and any remaining excess shall be refunded to Lessee. In determining whether the interest paid or payable under any specific contingency exceeds the maximum rate or amount permitted by applicable law, Lessor and Lessee shall, to the maximum extent permitted under applicable law, characterize any non-principal payment as an expense or fee rather than as interest, exclude voluntary prepayments and the effect thereof, and spread the total amount of interest over the entire term of this Master Agreement and all Leases. Lessee agrees that Lessor may file this Lease as a financing statement evidencing such security interest or any other financing statement deemed necessary by Lessor and agrees to execute and deliver all certificates of title and other instruments necessary or appropriate to evidence such security interest.

14. RISK OF LOSS AND INSURANCE. Lessee assumes any and all risk of loss or damage to the Equipment from the time such Equipment is in Lessee's possession until such Equipment is returned to and is received by Lessor in accordance with the terms and conditions of this Master Agreement. Lessee agrees to keep the Equipment insured at Lessee's expense against all risks of loss from any cause whatsoever, including without limitation, loss by fire (including extended coverage), theft and damage. Lessee agrees that such insurance shall name Lessor as a loss payee and cover not less than the replacement value of the Equipment. Lessee also agrees that it shall carry commercial general liability insurance in an amount not less than \$2,000,000 total liability per occurrence and cause Lessor and its affiliates and its and their successors and assigns, to be named additional insureds under such insurance. Each policy shall provide that the insurance cannot be canceled without at least 30 days' prior written notice to Lessor, and no policy shall contain a deductible in excess of \$25,000. Upon Lessor's prior written consent, in lieu of maintaining insurance obtained by third party insurance carriers, Lessee may self-insure against such risks, provided that Lessor's interests are protected to the same extent as if the insurance had been obtained by third party insurance carriers and provided further that such self-insurance program is consistent with prudent business practices with respect with such insurance risk. Lessee shall provide to Lessor (a) on or prior to the Acceptance Date for each Lease, and from time to time thereafter, certificates of insurance evidencing such insurance coverage throughout the Term of each Lease, and (b) upon Lessor's request, copies of the insurance policies. If Lessee fails to provide Lessor with such evidence, then Lessor will have the right, but not the obligation, to purchase such insurance protecting Lessor at Lessee's expense. Lessee's expense shall include the full premium paid for such insurance and any customary charges, costs or fees of Lessor. Lessee agrees to pay such amounts in substantially equal installments allocated to each Rent payment (plus interest on such amounts at the rate of 1-1/2% per month or such lesser rate as is the maximum rate allowable under applicable law).

15. CASUALTY LOSS. Lessee shall notify Lessor of any Casualty Loss or repairable damage to any Equipment as soon as reasonably practicable after the date of any such occurrence but in no event later than 30 days after such occurrence. In the event any Casualty Loss shall occur, on the next Rent payment date Lessee shall (a) at Lessee's option provided no Lessee Default has occurred nor an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing or (b) at Lessor's option if a Lessee Default has occurred or an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing, (1) subject to Section 7 hereof, pay Lessor the Stipulated Loss Value of the Equipment suffering the Casualty Loss, or (2) substitute and replace each item of Equipment suffering the Casualty Loss with an item of Substitute Equipment. If Lessee shall pay the Stipulated Loss Value of the Equipment suffering a Casualty Loss, upon Lessor's receipt in full of such payment the applicable Lease shall terminate as it relates to such Equipment and, except as provided in Section 28, Lessee shall be relieved of all obligations under the applicable Lease as it relates to such Equipment. If Lessee shall replace Equipment suffering a Casualty Loss with items of Substitute Equipment the applicable Lease shall continue in full force and effect without any abatement of Rent with such Substitute Equipment thereafter being deemed to be Equipment leased thereunder. Upon Lessor's receipt of such payment of Stipulated Loss Value in full or replacement of the Equipment suffering the Casualty Loss with Substitute Equipment, Lessor shall transfer to Lessee all of Lessor's interest in the Equipment suffering the Casualty Loss "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event of any repairable damage to any Equipment, the Lease shall continue with respect to such Equipment without any abatement of Rent and Lessee shall, at its expense, from insurance proceeds or other funds legally available, promptly cause such Equipment to be repaired to the condition it is required to be maintained pursuant to Section 11.

16. TAXES. Lessor shall report and pay all Taxes now or hereafter imposed or assessed by any governmental body, agency or taxing authority upon the purchase, ownership, delivery, installation, leasing, rental, use or sale of the Equipment, the Rent or other charges payable hereunder, or otherwise upon or in connection with any Lease, whether assessed on Lessor or Lessee, other than any such Taxes required by law to be reported and paid by Lessee. Lessee shall promptly reimburse Lessor for all such Taxes paid by Lessor, together with any penalties or interest in connection therewith attributable to Lessee's acts or failure to act, excluding (a) Taxes on or measured by the overall gross or net income or items of tax preference of Lessor, (b) as to any Lease the related Equipment, Taxes attributable to the period after the return of such Equipment to Lessor, and (c) Taxes imposed as a result of a sale or other transfer by Lessor of any portions of its interest in any Lease or in any Equipment except for a sale or other transfer to Lessee or a sale or other transfer occurring after and during the continuance of any Lessee Default.

17. GENERAL LIABILITY. As between Lessor and Lessee, to the extent permitted by law, Lessee shall bear sole liability for any and all Claims arising directly or indirectly out of or in connection with any matter involving this Master Agreement, the Equipment or any Lease, including but not limited to the selection, manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, maintenance, use (including any patent, trademark or copyright infringement), condition, return or operation of any Equipment or the enforcement of Lessor's rights under any Lease. Notwithstanding the foregoing, Lessee shall have no liability for any Claim arising solely as a result of Lessor's gross negligence or willful misconduct.

18. TAX REPRESENTATIONS AND COVENANTS AND TAX PAYMENTS. (a) Lessee represents, covenants and warrants that: (i) Lessee is a political subdivision or agency or department of the State in which it is located; (ii) a portion of the Rent is interest based on the total Equipment cost as shown on a Schedule and such interest portion of the Rent shall be excluded from Lessor's gross income pursuant to Section 103 of the Code; (iii) Lessee will comply with the information reporting requirements of Section 149(e) of the Code, and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (iv) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (v) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Rent payments to be or become includable in gross income for federal income taxation purposes under the Code; (vii) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term; (viii) Lessee has never failed to appropriate funds for payment of any amount due pursuant to a lease purchase agreement, a conditional sales agreement or any similar type of obligation; and (ix) Lessee is not and has never been in default under any bond, note, lease purchase agreement or other type of financial obligation to which it has been a party.

(b) This Master Agreement has been entered into on the basis that Lessor or any Assignee of Lessor shall claim that the interest paid hereunder is exempt from federal income tax under Section 103(a) of the Code. Upon a breach by Lessee of any of its representations, warranties and covenants in Section 18(a) above and as a result thereof, the United States Government disallows, eliminates, reduces, recaptures, or disqualifies, in whole or in part, any benefits of such exemption, Lessee shall then pay to Lessor, at Lessor's election, either: (i) supplemental payment(s) to Lessor during the remaining period of the Term(s) in an amount necessary to permit Lessor to receive (on an after tax basis over the full term of the Master Agreement) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such benefits, together with the amount of any interest or penalty which may be assessed by the governmental authority with respect to such loss or disallowance; or (ii) a lump sum payable upon demand to Lessor which shall be equal to the amount necessary to permit Lessor to receive (on an after tax basis over the full term of the Master Agreement) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such benefits together with the amount of any interest or penalty which may be assessed by the governmental authority with respect to such loss or disallowance.

19. COVENANT OF QUIET ENJOYMENT. So long as no Lessee Default exists, and no event shall have occurred and be continuing which, with the giving of notice or the passage of time or both, would constitute a Lessee Default, neither Lessor nor any party acting or claiming through Lessor, by assignment or otherwise, will disturb Lessee's quiet enjoyment of the Equipment during the Term of the related Lease.

20. DISCLAIMERS AND LESSEE WAIVERS. LESSEE LEASES THE EQUIPMENT FROM LESSOR "AS IS, WHERE IS." IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT (A) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 19, LESSOR MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY, OPERATION, OR CONDITION OF ANY EQUIPMENT (OR ANY PART THEREOF), THE MERCHANTABILITY OR FITNESS OF EQUIPMENT FOR A PARTICULAR PURPOSE, OR ISSUES REGARDING PATENT INFRINGEMENT, TITLE AND THE LIKE; (B) LESSOR SHALL NOT BE DEEMED TO HAVE MADE, BE BOUND BY OR LIABLE FOR, ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER OF ANY EQUIPMENT (EVEN IF LESSOR IS AFFILIATED WITH SUCH SUPPLIER); (C) LESSOR SHALL NOT BE LIABLE FOR ANY FAILURE OF ANY EQUIPMENT OR ANY DELAY IN THE DELIVERY OR INSTALLATION THEREOF; (D) LESSEE HAS SELECTED ALL EQUIPMENT WITHOUT LESSOR'S ASSISTANCE; AND (E) LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT. IT IS FURTHER AGREED THAT LESSOR SHALL HAVE NO LIABILITY TO LESSEE, OR ANY THIRD PARTIES FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS MASTER AGREEMENT OR ANY SCHEDULE OR CONCERNING ANY EQUIPMENT, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT LIABILITY OR LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT NOTHING IN THIS MASTER AGREEMENT SHALL DEPRIVE LESSEE OF ANY RIGHTS IT MAY HAVE AGAINST ANY PERSON OTHER THAN LESSOR. LESSOR AND LESSEE AGREE THAT THE LEASES SHALL BE GOVERNED BY THE EXPRESS PROVISIONS OF THIS MASTER AGREEMENT AND THE OTHER FUNDAMENTAL AGREEMENTS AND NOT BY THE CONFLICTING PROVISIONS OF ANY OTHERWISE APPLICABLE LAW. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY STATUTE OR OTHERWISE, IN EITHER CASE THAT ARE INCONSISTENT WITH OR THAT WOULD LIMIT OR MODIFY LESSOR'S RIGHTS SET FORTH IN THIS MASTER AGREEMENT.

21. LESSEE WARRANTIES. Lessee represents, warrants and covenants to Lessor with respect to each Lease that: (a) Lessee has the power and authority to enter into each of the Fundamental Agreements; (b) all Fundamental Agreements are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their terms and do not violate or create a default under any instrument or agreement binding on Lessee; (c) there are no pending or threatened actions or proceedings before any court or administrative agency that could have a material adverse effect on Lessee or any Fundamental Agreement, unless such actions have been disclosed to Lessor and consented to in writing by Lessor; (d) Lessee shall comply in all material respects with all laws and regulations the violation of which could have a material adverse effect upon the Equipment or Lessee's performance of its obligations under any Fundamental Agreement; (e) each Fundamental Agreement shall be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws, and shall raise no presumption of fraud; (f) all financial statements, certificates or summaries relating to Lessee's financial condition, fiscal budget or the assessment and collection of taxes and other related information furnished by Lessee shall be prepared in accordance with generally accepted accounting principles in the United States in effect at that time and shall fairly present Lessee's financial position as of the dates given on such statements; (g) since the date of the most recent annual financial statement, there has been no material adverse change in the financial condition of, or the level of assessment or collection of taxes by, the Lessee; (h) the Equipment, subject to any Lease, is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority and will be used during the Term of such Lease only by Lessee and only to perform such function; (i) Lessee intends to use the Equipment for the entire Term of such Lease and all Equipment will be used for business purposes only and not for personal, family or household purposes; (j) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (k) there has been no material change in the budget for Lessee's current Fiscal Period since its adoption; (l) Lessee's obligations to pay Rent and any other amounts due under this Lease constitute a current expense and not a debt of Lessee under applicable state law; (m) no provision of this Lease constitutes a pledge of the tax or general revenues of Lessee; (n) Lessee does not export, re-export, or transfer any Equipment, Software, system software or source code or any direct product thereof to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States government and other applicable governments; (o) Lessee does not use any Equipment, Software or system software or technology, technical data, or technical assistance related thereto or the products thereof in the design, development, or production of nuclear, missile, chemical, or biological weapons or transfer the same to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States and other applicable governments; and (p) Lessee is not an entity designated by the United States government or any other applicable government with which transacting business without the prior consent of such government is prohibited.

22. DEFAULT. Any of the following shall constitute a default by Lessee (a "Lessee Default") under this Master Agreement and all Leases: (a) Lessee fails to pay any Rent payment or any other amount payable to Lessor under this Master Agreement or any Schedule within 45 days after its due date; or (b) Lessee defaults on or breaches any of the other terms and conditions of any Material Agreement, and fails to cure such breach within 45 days after written notice thereof from Lessor; or (c) any representation or warranty made by Lessee in any Material Agreement proves to be incorrect in any material respect when made or reaffirmed; or (d) any change occurs in relation to Lessee's financial condition that, in Lessor's opinion, would have a material adverse effect on Lessee's ability to perform its obligations under this Master Agreement or under any Schedule or (e) Lessee becomes insolvent or fails generally to pay its debts as they become due; or (f) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency or receivership law is filed by or against Lessee (and, if such is proceeding is involuntary, it is not dismissed within 60 days after the thereof) or Lessee takes any action to authorize any of the foregoing matters; (g) any Equipment is levied against, seized or attached; or (h) any letter of credit or guaranty issued in support of a Lease is revoked, breached, canceled or terminated (unless consented to in advance by Lessor).

23. REMEDIES. If a Lessee Default occurs, Lessor may, in its sole discretion, exercise one or more of the following remedies: (a) declare all amounts due and to become due during Lessee's current fiscal year to be immediately due and payable; or (b) terminate this Master Agreement; or (c) take possession of, or render unusable, the Equipment without demand or notice and without any court order or other process of law in accordance with Lessee's reasonable security procedures, and no such action shall constitute a termination of any Lease; or (d) require Lessee to deliver the Equipment to a location specified by Lessor; or (e) require Lessee to immediately pay to Lessor, as compensation for loss of Lessor's bargain and not as a penalty, a sum equal to: (1) All past due payments and all other amounts payable under the Lease, and (2) pay all unpaid payments for the remainder of the Lease term, discounted at a rate equal to

three percent (3%) per year to the date of default; and require Lessee to promptly return the Equipment, or (f) exercise any other right or remedy available to Lessor at law or in equity. Also, Lessee shall pay Lessor (i) all costs and expenses that Lessor may incur to maintain, safeguard or preserve the Equipment, and other expenses incurred by Lessor in enforcing any of the terms, conditions or provisions of this Master Agreement (including reasonable legal fees and collection agency costs) and (ii) all costs incurred by Lessor in exercising any of its remedies hereunder (including reasonable legal fees). Upon repossession or surrender of any Equipment, Lessor will lease, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof to the amounts owed to Lessor under this Master Agreement; provided, however, that Lessee will remain liable to Lessor for any deficiency that remains after any sale or lease of such Equipment. Any proceeds of any sale or lease of such Equipment in excess of the amounts owed to Lessor under this Master Agreement will be retained by Lessor. Lessee agrees that with respect to any notice of a sale required by law to be given, 10 days' notice will constitute reasonable notice. With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or other Collateral securing Lessee's obligations under the applicable lease Schedule, Lessee acknowledges and agrees as follows: (i) Lessor shall cause Contractor to clean-up or otherwise prepare the Equipment or any other Collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment or other Collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any such disposition, and (iii) Lessor may convey the Equipment and any other Collateral on an "AS IS, WHERE IS" basis, and without limiting the generality of the foregoing, may specifically exclude or disclaim any and all warranties, including any warranty of title or the like with respect to the disposition of the Equipment or other Collateral, and no such conveyance or such exclusion or such disclaimer of any warranty shall be deemed to have adversely affected the commercial reasonableness of any such disposition. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

24. PERFORMANCE OF LESSEE'S OBLIGATIONS. If Lessee fails to perform any of its obligations hereunder, Lessor may perform any act or make any payment that Lessor deems reasonably necessary for the maintenance and preservation of the Equipment and Lessor's interests therein; provided, however, that the performance of any act or payment by Lessor shall not be deemed a waiver of, or release Lessee from, the obligation at issue. All sums so paid by Lessor, together with expenses (including legal fees and costs) incurred by Lessor in connection therewith, shall be paid to Lessor by Lessee immediately upon demand.

25. PURCHASE OPTIONS. Lessee may elect, by delivering to Lessor at least 30 days' prior written notice, to purchase on any Rent payment date not less than all Units of Equipment then subject to the Lease (other than items of Software that may not be sold by Lessor under the terms of any applicable License Agreement) for an amount equal to the sum of the Rent then due, all other amounts due under the Lease and the Concluding Payment for such Equipment as of the designated Rent payment date; provided no Lessee Default shall have occurred and be continuing or no event has occurred which with notice or lapse of time could constitute a Lessee Default. In the event of such an election, Lessee shall pay such amount to Lessor, in immediately available funds, on or before the designated Rent payment date. If Lessee shall have elected to purchase the Equipment, shall have so paid the purchase price and shall have fulfilled the terms and conditions of this Master Agreement and the related Schedule, then (1) the Lease with respect to such Equipment shall terminate on the designated Rent payment date and, except as provided in Section 28, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to such Equipment, and (2) Lessor shall transfer all of its interest in such Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor.

26. ASSIGNMENT. Lessor shall have the unqualified right to sell, assign, grant a security interest in or otherwise convey any part of its interest in this Master Agreement, any Lease or any Equipment, in whole or in part, with prior notice to Lessee. If any Lease is sold, assigned, or otherwise conveyed, Lessee agrees that Lessor's purchaser, assignee or transferee, as the case may be ("Assignee") shall (a) have the same rights, powers and privileges that Lessor has under the applicable Lease, (b) have the right to receive from Lessee all amounts due under the applicable Lease; and (c) not be required to perform any obligations of Lessor, other than those that are expressly assumed in writing by such Assignee. Lessee agrees to execute such acknowledgements to such assignment as may be reasonably requested by Lessor or the Assignee. Lessee further agrees that, in any action brought by such Assignee against Lessee to enforce Lessor's rights hereunder, Lessee will not assert against such Assignee any set-off, defense or counterclaim that Lessee may have against Lessor or any other person. Unless otherwise specified by Lessor and the Assignee, Lessee shall continue to pay all amounts due under the applicable Lease to Lessor; provided, however, that upon notification from Lessor and the Assignee, Lessee covenants to pay all amounts due under the applicable Lease to such Assignee when due and as directed in such notice. Lessee further agrees that any Assignee may further sell, assign, grant a security interest in or otherwise convey its rights and interests under the applicable Lease with the same force and effect as the assignment described herein. Lessee may not assign, transfer, sell, sublease, pledge or otherwise dispose of this Master Agreement, any Lease, any Equipment or any interest therein. Lessee shall acknowledge each such assignment in writing if so requested and keep a complete and accurate record of all such assignments in a manner that complies with Section 149 of the Code, and regulations promulgated thereunder without the prior written consent of Lessor, which consent shall not be unreasonably withheld so long as any such proposed assignee is of equal or better creditworthiness than Lessee, and appropriate documentation has been signed and provided to Lessor, all as Lessor shall determine. Lessor shall remain liable for all of its obligations under this Master Agreement, or any Schedule not otherwise assigned to Assignee pursuant to this Section 26 unless Lessee otherwise agrees in writing.

27. FURTHER ASSURANCES. Lessee agrees to promptly execute and deliver to Lessor such further documents and take such further action as Lessor may require in order to more effectively carry out the intent and purpose of this Master Agreement and any Schedule. Without limiting the generality of the foregoing, Lessee agrees (a) to furnish to Lessor from time to time, its certified financial statements, officer's certificates and appropriate resolutions, opinions of counsel and such other information and documents as Lessor may reasonably request, and (b) to execute and timely deliver to Lessor such documents that Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. It is also agreed that Lessor or Lessor's agent may file as a financing statement, any lease document (or copy thereof, where permitted by law) or other financing statement that Lessor deems appropriate to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. Upon demand, Lessee will promptly reimburse Lessor for any filing or recordation fees or expenses (including legal fees and costs) incurred by Lessor in perfecting or protecting its interests in any Collateral. Lessee represents and warrants that Lessee's name as set

forth in the signature block below is Lessee's full and accurate legal name and that the information set forth on the first page hereof regarding its organization number, tax identification number and location is true and correct as of the date hereof. Lessee further agrees to provide Lessor advance written notice of any change in the foregoing.

28. TERM OF MASTER AGREEMENT; SURVIVAL. This Master Agreement shall commence and be effective upon the execution hereof by both parties and shall continue in effect until terminated by either party by 30 days' prior written notice to the other, provided that the effective date of the termination is after all obligations of Lessee arising hereunder and pursuant to any Schedule have been fully satisfied. Notwithstanding the foregoing, all representations, warranties and covenants made by Lessee hereunder shall survive the termination of this Master Agreement and shall remain in full force and effect. All of Lessor's rights, privileges and indemnities under this Master Agreement or any Lease, to the extent they are fairly attributable to events or conditions occurring or existing on or prior to the expiration or termination of such Lease, shall survive such expiration or termination and be enforceable by Lessor and Lessor's successors and assigns.

29. WAIVER OF JURY TRIAL. LESSEE AND LESSOR HEREBY EXPRESSLY WAIVE ANY RIGHT TO DEMAND A JURY TRIAL WITH RESPECT TO ANY ACTION OR PROCEEDING INSTITUTED BY LESSOR OR LESSEE IN CONNECTION WITH THIS MASTER AGREEMENT OR ANY FUNDAMENTAL AGREEMENT.

30. NOTICES. All notices, requests, demands, waivers and other communications required or permitted to be given under this Master Agreement or any other Fundamental Agreement shall be in writing and shall be deemed to have been received upon receipt if delivered personally or by a nationally recognized overnight courier service, or by confirmed facsimile transmission, or 3 days after deposit in the United States mail, certified, postage prepaid with return receipt requested, addressed as follows (or such other address or fax number as either party shall so notify the other):

If to Lessor:

Hewlett-Packard Financial Services Company
200 Connell Drive, Suite 5000
Berkeley Heights, NJ 07922
Attn: Director of Operations North America
Fax: (908) 898-4882

If to Lessee:

Attn: _____
("Authorized Lessee Representative")
Fax: _____

31. MISCELLANEOUS

(a) Governing Law. THIS MASTER AGREEMENT AND EACH LEASE SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF EQUIPMENT LOCATION.

(b) Credit Review. Lessee consents to a reasonable credit review by Lessor for each Lease.

(c) Captions and References. The captions contained in this Master Agreement and any Schedule are for convenience only and shall not affect the interpretation of this Master Agreement or any Lease. All references in this Master Agreement to Sections and Exhibits refer to Sections hereof and Exhibits hereto unless otherwise indicated.

(d) Entire Agreement; Amendments. This Master Agreement and all other Fundamental Agreements executed by both Lessor and Lessee supersede all prior agreements relating thereto, whether written or oral, and may not be amended or modified except in a writing signed by the parties hereto.

(e) No Waiver. Any failure of Lessor to require strict performance by Lessee, or any written waiver by Lessor of any provision hereof, shall not constitute consent or waiver of any other breach of the same or any other provision hereof.

(f) Lessor Affiliates. Lessee understands and agrees that Hewlett-Packard Financial Services Company or any affiliate or subsidiary thereof may, as lessor, execute Schedules under this Master Agreement, in which event the terms and conditions of the applicable Schedule and this Master Agreement as it relates to the lessor under such Schedule shall be binding upon and shall inure to the benefit of such entity executing such Schedule as lessor, as well as any successors or assigns of such entity. Lessee agrees that Lessor may disclose any information provided by Lessee to Lessor or created by Lessor in the course of administering the Material Agreements to any parent or affiliate of Lessor.

(g) Invalidity. If any provision of this Master Agreement or any Schedule shall be prohibited by or invalid under law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Master Agreement or such Schedule.

(h) Counterparts. This Master Agreement may be executed in counterparts, which collectively shall constitute one document.

(i) Lessor Reliance. Lessor may act in reliance upon any instruction, instrument or signature reasonably believed by Lessor in good faith to be genuine. Lessor may assume that any employee of Lessee who executes any document or gives any written notice, request or instruction has the authority to do so.

32. DEFINITIONS. All capitalized terms used in this Master Agreement have the meanings set forth below or in the Sections of this Master Agreement referred to below:

"Acceptance Certificate" means an Acceptance Certificate in substantially the form of Exhibit B, executed by Lessee and delivered to Lessor in accordance with Section 3.

"Acceptance Date" means, as to any Lease, the date Lessee shall have accepted the Equipment subject to such Lease in accordance with Section 3.

"Assignee" means any assignee of all or any portion of Lessor's interest in this Master Agreement, any Schedule or any Equipment, whether such assignee received the assignment of such interest from Lessor or a previous assignee of such interest.

"Authorized Lessee Representative" has the meaning specified in Section 30.

"Casualty Loss" means, with respect to any Equipment, the condemnation, taking, loss, destruction, theft or damage beyond repair of such Equipment.

“Casualty Value” means, as to any Equipment, an amount determined as of the date of the Casualty Loss or Lessee Default in question (“Calculation Date”) pursuant to a “Table of Casualty Values” attached to the applicable Schedule or, if no “Table of Casualty Values” is attached to the applicable Schedule, an amount equal to the sum of (a) the present value (as of the Calculation Date and discounted at the Discount Rate compounded monthly) of all Rent payments payable after the Calculation Date through the scheduled date of expiration of the Then Applicable Term, plus (b) an amount determined by multiplying the applicable casualty percentage specified below by the Total Cost of such Equipment. The “Discount Rate” shall mean a rate equal to the 2 year inter-bank swap rate quoted by Bloomberg L.P. (or, where not available, such other 2 year inter-bank swap rate quoted by a commercially available publication reasonably designated by us) at the Acceptance Date of the applicable Lease. The applicable casualty percentage will be 50% for Equipment having an Initial Term of less than 24 months; 40% for Equipment having an Initial Term of 24 months or greater, but less than 36 months; 30% for Equipment having an Initial Term of 36 months or greater, but less than 48 months; and 25% for Equipment having an Initial Term of 48 months or greater.

“Claims” means all claims, actions, suits, proceedings, costs, expenses (including, without limitation, court costs, witness fees and attorneys’ fees), damages, obligations, judgments, orders, penalties, fines, injuries, liabilities and losses, including, without limitation, actions based on Lessor’s strict liability in tort.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” has the meaning specified in Section 13.

“Concluding Payments” means the list of concluding payments on the attachment to the applicable Schedule.

“Daily Rent” means, as to any Lease, an amount equal to the per diem Rent payable under the applicable Schedule (calculated on the basis of a 360 day year and 30 day months).

“Equipment” has the meaning specified in Section 1.

“Equipment Location” means, as to any Equipment, the address at which such Equipment is located from time to time, as originally specified in the applicable Schedule and as subsequently specified in a notice delivered to Lessor pursuant to Section 12, if applicable.

“Fair Market Value” means the total price that would be paid for any specified Equipment in an arm’s length transaction between an informed and willing buyer (other than a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell. Such total price shall not be reduced by the costs of removing such Equipment from its current location or moving it to a new location.

“Final Invoice Amount” has the meaning set forth in Section 2(c).

“First Payment Date” means, as to any Lease, the date the first Rent payment with respect to such Lease is due, as determined pursuant to the terms of the applicable Schedule.

“Fiscal Period” shall mean the fiscal year of Lessee, as it may be more particularly described in a Schedule.

“Fundamental Agreements” means, collectively, this Master Agreement, each Schedule and Acceptance Certificate as part of the Participating Addendum Number _____ to Contract for the NASPO ValuePoint Master Agreement Number 140596 with Lessee as the Participating Entity and all other related instruments and documents.

“Hardware” means items of tangible equipment and other property.

“Lease” has the meaning specified in Section 2(a).

“Lessee” has the meaning specified in the preamble hereof.

“Lessee Default” has the meaning specified in Section 22.

“Lessor” has the meaning specified in the preamble hereof.

“License Agreement” means any license agreement or other document granting the purchaser the right to use Software or any technical information, confidential business information or other documentation relating to Hardware or Software, as amended, modified or supplemented by any other agreement between the licensor and Lessor.

“Master Agreement” has the meaning specified in the preamble hereof.

“Material Agreements” means, collectively, all Fundamental Agreements, all other material agreements by and between Lessor and Lessee, and any application for credit, financial statement, or financial data required to be provided by Lessee in connection with any Lease.

“Non-Appropriation” has the meaning specified in Section 7.

“Optional Additions” has the meaning specified in Section 11.

“Purchase Documents” means, as to any Equipment, any purchase order, contract, bill of sale, License Agreement, invoice and/or other documents that Lessee has, at any time, approved, agreed to be bound by or entered into with any Supplier of such Equipment relating to the purchase, ownership, use or warranty of such Equipment.

“Rent” has the meaning specified in Section 4.

“Schedule” means, unless the context shall otherwise require a Schedule executed by Lessor and Lessee pursuant to Section 2(a).

“Seller” means, as to any Equipment, the seller of such Equipment as specified in the applicable Schedule.

“Software” means copies of computer software programs owned or licensed by Lessor, and any disks, CDs, or other media on which such programs are stored or written.

“State” means any of the states of the United States, its territories and possessions.

“Stipulated Loss Value” means, as to any Equipment, an amount equal to the sum of (a) all Rent (including the Daily Rent from the Rent payment date immediately preceding the date of the Casualty Loss or Lessee Default to the date of the Casualty Loss or Lessee Default) and other amounts due and owing with respect to such Equipment as of the date of payment of such amount, plus (b) the Casualty Value of such Equipment.

“Substitute Equipment” means, as to any item of Hardware or Software subject to a Lease, a substantially equivalent or better item of Hardware or Software having equal or greater capabilities and equal or greater Fair Market Value manufactured or licensed by the same manufacturer or licensor as such item of Hardware or Software subject to a Lease. The determination of whether any item of Equipment is substantially equivalent or better than an item of Equipment subject to a Lease shall be based on all relevant facts and circumstances.

“Supplier” means as to any Equipment, the Seller and the manufacturer or licensor of such Equipment collectively, or where the context requires, any of them.

“System Software” means an item of Software that is pre-loaded on an item of Hardware purchased by Lessor for lease hereunder for which the relevant Purchase Documents specify no purchase price separate from the aggregate purchase price specified for such items of Hardware and Software.

“Taxes” means all license and registration fees and all taxes (local, state and federal), fees, levies, imposts, duties, assessments, charges and withholding of any nature whatsoever, however designated (including, without limitation, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) other than taxes measured by Lessor’s income.

“Term” means the term thereof as specified in the related Schedule.

“Total Cost” means as to any Lease, the total acquisition cost to Lessor of the Equipment subject to such Lease as set forth in the applicable Purchase Documents, including related delivery, installation, taxes and other charges which Lessor has agreed to pay and treat as a portion of such acquisition cost, if any.

“UCC” means the Uniform Commercial Code as enacted and in effect in any applicable jurisdiction.

“Unit of Equipment” means, as to the Equipment leased pursuant to any Schedule (a) each individual item Equipment leased pursuant to such Schedule, and (b) all Equipment taken as a whole leased pursuant to such Schedule.

IN WITNESS WHEREOF, LESSEE AND LESSOR HAVE EXECUTED THIS MASTER AGREEMENT ON THE DATES SPECIFIED BELOW.

LESSEE:

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

By: _____

Name and Title

Name and Title

Date

Date

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

Master Agreement Number _____
 Schedule Number _____

COUNTERPART NO. _____ OF _____. TO THE EXTENT THAT THIS SCHEDULE CONSTITUTES CHATTEL PAPER (AS DEFINED ON THE UCC), NO SECURITY INTEREST IN THIS SCHEDULE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

**STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT
 SCHEDULE**

Hewlett-Packard Financial Services Company¹ ("Lessor") and _____, an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Lease Purchase Agreement identified by the Master Agreement Number specified above (the "Master Agreement"). This Schedule (which shall be identified by the Schedule Number specified above) and the Master Agreement together comprise a separate Lease between the parties. The terms and conditions of the Master Agreement are hereby incorporated by reference into this Schedule. All capitalized terms used in this Schedule without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE.

A. Description of Items of Leased Equipment **Total Cost**
\$

B. Term: _____ Months.

2. RENT. See Attachment A. **ANNUAL RATE OF INTEREST** _____

3. LATEST COMMENCEMENT DATE: _____. Lessor's obligation to purchase and lease the Equipment is subject to the Acceptance Date being on or before the Latest Commencement Date.

4. EQUIPMENT LOCATION: _____

5. SELLER: _____

6. APPROPRIATIONS: Monies for all Rent and other payments due under the Lease for the Fiscal Period ending _____ are available from Lessee's appropriated funds for such Fiscal Period and that appropriations and/or other funds have been encumbered or designated for the payment of all Rent and other payments that shall become due under the Lease in such Fiscal Period.

7. NON-ASSIGNABILITY BY LESSOR: Notwithstanding any other terms or conditions set forth in the Master Agreement to the contrary, Lessor hereby agrees that it shall not and will not sell, discount, factor, hypothecate or otherwise dispose of its interest in the Equipment or this Schedule or any Lease, except to a Lessor Affiliate in connection with a merger, reorganization, sale of assets or substantial portfolio sale.

8. ADDITIONAL PROVISIONS:

9. FISCAL PERIOD: _____

LESSOR AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR THE EQUIPMENT DESCRIBED IN SECTION 1.A ABOVE. SUCH LEASE WILL BE GOVERNED BY THE MASTER AGREEMENT AND THIS SCHEDULE, INCLUDING THE IMPORTANT ADDITIONAL TERMS AND CONDITIONS SET FORTH ABOVE. LESSEE HEREBY REPRESENTS AND WARRANTS THAT ON AND AS OF THE DATE HEREOF EACH OF THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE IN THE MASTER AGREEMENT ARE TRUE, CORRECT AND COMPLETE.

LESSEE:

LESSOR:

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

By: _____

Name and Title

Date

By: _____

Name and Title

Date

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

Master Agreement Number _____
Schedule Number _____

ATTACHMENT A

TO

SCHEDULE TO STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT

The first payment of Rent will be due [__ days after][on] the Acceptance Date and all payments will be due [monthly][quarterly][semi-annually][annually] thereafter.

Rent Payment No.	Rent	Interest	Principal	Principal Balance	Prepayment Premium	Concluding Payments <input type="checkbox"/>
1						
2						
3						
4						
Totals						

Please note that the Prepayment Premium is 2 % of the Principal Balance, only payable in the case of early repayment of the lease.

Lessee Please Initial and date: _____



Exhibit B to Master Agreement

Master Agreement Number _____
Schedule Number _____

**STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT
ACCEPTANCE CERTIFICATE**

Hewlett-Packard Financial Services Company¹ ("Lessor") and «Name_of_Lessee», an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Lease Purchase Agreement (the "Master Agreement") and Schedule under such Master Agreement (the "Schedule") identified by the Master Agreement Number and Schedule Number, respectively, specified above. The Master Agreement and Schedule together comprise a separate Lease that is being accepted and commenced pursuant to this Acceptance Certificate. All capitalized terms used in this Acceptance Certificate without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE ACCEPTANCE. Lessee hereby acknowledges that the Equipment described in Section 1 of the Schedule, or if different, the Equipment described in the attached invoice or other attachment hereto, has been delivered to the Equipment Location specified below, inspected by Lessee and found to be in good operating order and condition, and has been unconditionally and irrevocably accepted by Lessee under the Lease evidenced by the Master Agreement and the Schedule as of the Acceptance Date set forth below. Lessee authorizes Lessor to reduce the Rent payments on the Schedule to reflect the Final Invoice Amount set forth on the attached invoice(s) if such amount is lower than the Total Cost on the Schedule.

2. LESSEE ACKNOWLEDGEMENTS. Lessee hereby agrees to faithfully perform all of its obligations under the Master Agreement and the Schedule and reaffirms, as of the date hereof, its representations and warranties as set forth in the Master Agreement. Lessee hereby acknowledges its agreement to pay Lessor Rent payments, as set forth in the Schedule, plus any applicable taxes, together with all other costs, expenses and charges whatsoever which Lessee is required to pay pursuant to the Master Agreement and the Schedule, in each instance at the times, in the manner and under the terms and conditions set forth in the Master Agreement and the Schedule, respectively.

3. EQUIPMENT LOCATION. The Equipment has been installed and is located at the following Equipment Location:

4. REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants that on and as of the date hereof each of the representations and warranties made by Lessee in the Master Agreement are true, correct and complete.

By: _____

Name and Title

Acceptance Date: _____

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.
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ATTACHMENT B, HP MASTER FMV LEASE AGREEMENT

Master Agreement Number _____

Lessee's Organization Number _____

Lessee's Tax Identification Number _____

Lessee's UCC Section 9-307 Location _____

STATE AND LOCAL GOVERNMENT MASTER FAIR MARKET VALUE (FMV) LEASE AGREEMENT

This State and Local Government Master FMV Lease Agreement (together with Exhibits A and B attached hereto and hereby made a part hereof, (this "Master Agreement"), dated as of _____, is entered into by and between Hewlett-Packard Financial Services Company¹, a Delaware corporation ("Lessor"), and _____, an agency, department or political subdivision of the State of _____ ("Lessee"). Capitalized terms used in this Master Agreement without definition have the meanings ascribed to them in Section 30.

1. PURPOSE OF MASTER AGREEMENT. The purpose of this Master Agreement is to set forth the general terms and conditions upon which Lessor shall lease to Lessee, and Lessee shall lease from Lessor, items of Hardware, Software or both (such Hardware and Software being collectively referred to as "Equipment").

2. COMMENCEMENT PROCEDURES. Subject to the other terms and conditions contained in this Master Agreement and the applicable Schedule, Lessee shall enter into individual Leases (hereinafter defined) with Lessor as follows:

(a) Execution of Schedule. Lessor and Lessee mutually agree to enter into a Lease by executing a Schedule in the form of Exhibit A with such changes as Lessor and Lessee shall have agreed to as conclusively evidenced by their execution thereof. Each such Schedule shall specifically identify (by serial number or other identifying characteristics) the items of Equipment to be leased under such Schedule (other than items of System Software, which shall be deemed to be items of Software leased under the Schedule pursuant to which the related items of Hardware are leased). Each Schedule, when executed by both Lessee and Lessor, together with this Master Agreement, shall constitute a separate and distinct lease ("Lease"), enforceable according to its terms.

(b) Acceptance; Initial Term of Leases. Lessee shall accept the Equipment subject to a Lease in accordance with Section 3. The Initial Term of each Lease shall begin on the Acceptance Date of the Equipment subject to such Lease and shall continue for the period described in the applicable Schedule unless a Non-appropriation shall have occurred.

(c) Adjustments to Schedule. Lessee acknowledges that the Total Cost of Equipment and the related Rent payments set forth in any Schedule may be estimates, and if the final invoice from the Seller attached to the related Acceptance Certificate(s) specifies a Total Cost that is less than the estimated Total Cost set forth in the Schedule, Lessee hereby authorizes Lessor to reduce the applicable Total Cost and Rent payment on the Schedule by up to ten percent (10%) to reflect such final invoice amount (the "Final Invoice Amount"). All references in this Master Agreement and any Schedule to Total Cost and Rent shall mean the amounts thereof specified in the applicable Schedule, as adjusted pursuant to this paragraph.

(d) Payment by Lessor. Within 30 days after Lessee's delivery to Lessor of a properly completed and executed Acceptance Certificate and all other documentation necessary to establish Lessee's acceptance of such Equipment under the related Lease and Lessor's acceptance of such Acceptance Certificate, Lessor shall pay the Contractor for the Equipment. Lessor shall not accept the Acceptance Certificate until it has received from Lessee (1) evidence of insurance with respect to the Equipment in compliance with Section 13 hereof, (2) an opinion of Lessee's counsel, if required by Lessor, in form and substance reasonably satisfactory to Lessor and (3) any other documents or items reasonably required by Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to pay to the Contractor for the Equipment if a Lessee Default has occurred or an event has occurred and is continuing that with the passage of time or provision of notice would constitute a Lessee Default.

3. ACCEPTANCE OF EQUIPMENT.

(a) Inspection of Equipment. Lessee agrees to inspect all Equipment as soon as reasonably practicable after the delivery thereof to Lessee.

(b) Acceptance Certificate. Upon the satisfactory inspection of the Equipment by Lessee, or if acceptance requirements for such Equipment are specified in the applicable Purchase Documents, as soon as such requirements are met, Lessee shall unconditionally and irrevocably accept the Equipment by executing and delivering to Lessor a properly completed Acceptance Certificate in substantially the form of Exhibit B.

4. LESSEE'S END-OF-LEASE-TERM OPTIONS. Lessee shall have the following options in respect of each Lease at the end of each of the Initial Term, any Renewal Term and any optional extension of the Initial Term or any Renewal Term:

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

a. Purchase Option. As an accommodation to Lessee, Lessor agrees to provide Lessee with notice ninety (90) days prior to the expiration of the Initial Term that an End-of-Term Notice from Lessee is due; provided, however, that Lessor's failure to provide Lessee with said notice shall not be deemed to have relieved Lessee of any of Lessee's obligations or liabilities under this Schedule or the Master Agreement. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 30 days prior to the expiration of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term, to purchase any or all Units of Equipment then subject to such Lease (other than items of Software that may not be sold by Lessor under the terms of any applicable License Agreement) for an amount equal to the Fair Market Value of such Units of Equipment as of the end of the Then Applicable Term, provided no Lessee Default shall have occurred and be continuing. In the event of such an election, Lessee shall pay such amount to Lessor, in immediately available funds, on or before the last day of the Then Applicable Term. If Lessee shall have so elected to purchase any of the Units of Equipment, shall have so paid the applicable purchase price and shall have fulfilled the terms and conditions of this Master Agreement, then on the last day of the Then Applicable Term (1) the Lease with respect to such Units of Equipment shall terminate and, except as provided in Section 26, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to such Units of Equipment, and (2) Lessor shall transfer all of its interest in such Units of Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event Lessor and Lessee are unable to agree on the Fair Market Value of any Units of Equipment, Lessor shall, at Lessee's expense, select an independent appraiser to conclusively determine such amount.

b. Renewal Option. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 30 days prior to the expiration of the Initial Term, any Renewal Term, or any optional extension of the Initial Term or any Renewal Term, to renew the Lease with respect to any or all Units of Equipment then subject to such Lease (other than items of Software that may not be re-released by Lessor under the terms of any applicable License Agreement). In the event of such an election, Lessee shall enter into a mutually agreeable renewal agreement with Lessor ("Renewal Agreement") on or before the last day of the Then Applicable Term confirming the Units of Equipment as to which the Lease is to be renewed, the period for which the Lease is to be renewed (the "Renewal Term"), at the same amount of Rent as the Initial Term.

c. Return. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 30 days prior to the expiration of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term, to return any or all of the Units of Equipment then subject to such Lease in accordance with Section 10 of this Master Agreement.

IF LESSEE SHALL HAVE DELIVERED TO LESSOR AN END-OF-TERM NOTICE BY THE DATE SET FORTH HEREIN WITH RESPECT TO A LEASE, BUT SHALL HAVE SUBSEQUENTLY FAILED TO COMPLY WITH ITS OBLIGATIONS ARISING FROM ITS ELECTIONS SPECIFIED THEREIN (E.G., LESSEE SHALL HAVE FAILED, ON OR BEFORE THE LAST DAY OF THE THEN APPLICABLE TERM (1) TO PAY LESSOR THE PURCHASE PRICE FOR EQUIPMENT TO BE PURCHASED IN ACCORDANCE WITH SECTION 4(A) ABOVE, (2) TO EXECUTE A RENEWAL AGREEMENT WITH RESPECT TO EQUIPMENT AS TO WHICH THE LEASE IS TO BE RENEWED IN ACCORDANCE WITH SECTION 4(B) ABOVE, OR (3) TO RETURN TO LESSOR EQUIPMENT TO BE RETURNED IN ACCORDANCE WITH SECTION 4(C) ABOVE), THEN LESSEE SHALL CONTINUE TO PAY TO LESSOR RENT IN AN AMOUNT EQUAL TO THE MONTHLY RENT PAYMENT IN EFFECT DURING THE INITIAL TERM (OR THE APPROPRIATE PRO RATA PORTION OF THE RENT PAYMENT THEN IN EFFECT IN THE CASE OF RENT PAYABLE OTHER THAN ON A MONTHLY BASIS), ON A MONTH TO MONTH BASIS WITHOUT ANY ADDITIONAL NOTICE OR DOCUMENTATION UNTIL THE MUTUALLY AGREED UPON RETURN DATE OF THE EQUIPMENT. ALL OTHER PROVISIONS OF THIS MASTER AGREEMENT AND THE APPLICABLE SCHEDULE SHALL CONTINUE TO APPLY. NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SECTION 4 TO THE CONTRARY, IF ANY LESSEE DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING AT ANY TIME DURING THE LAST 90 DAYS OF THE THEN APPLICABLE TERM OF ANY LEASE, LESSOR MAY CANCEL ANY RENEWAL TERM OR OPTIONAL EXTENSION OF THE THEN APPLICABLE TERM IMMEDIATELY UPON WRITTEN NOTICE TO LESSEE.

5. RENT; LATE CHARGES. As lease payments ("Rent") for the Equipment under any Lease, Lessee agrees to pay the amounts specified in the applicable Schedule on the due dates specified in the applicable Schedule. Lessee agrees to pay Lessor interest on any Rent payment or other amount due hereunder that is not paid within 15 days of its due date, at the rate of 1% per month (or such lesser rate as is the maximum rate allowable under applicable law). Lessee will make provision for such payments in budgets submitted to its governing body for the purpose of obtaining funding for the payments.

6. LEASES NON-CANCELABLE; NET LEASES; WAIVER OF DEFENSES TO PAYMENT. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT EACH LEASE HEREUNDER SHALL BE NON-CANCELABLE (EXCEPT AS SET FORTH IN SECTION 7 HEREOF), AND THAT EACH LEASE HEREUNDER IS A NET LEASE (SO THAT AMONG OTHER THINGS LESSEE SHALL PAY IN ADDITION TO THE RENT, TAXES, INSURANCE AND MAINTENANCE CHARGES RELATED TO THE EQUIPMENT). LESSEE AGREES THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE. LESSEE HEREBY WAIVES ANY RECOUPMENT, CROSS-CLAIM, COUNTERCLAIM OR ANY OTHER DEFENSE AT LAW OR IN EQUITY TO ANY RENT OR OTHER AMOUNT DUE WITH RESPECT TO ANY LEASE, WHETHER ANY SUCH DEFENSE ARISES OUT OF THIS MASTER AGREEMENT, ANY SCHEDULE, ANY CLAIM BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNEES OR SUPPLIER OR OTHERWISE. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE OR INTEGRATE AS REPRESENTED OR WARRANTED BY SUPPLIER OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, LESSEE WILL MAKE ANY CLAIM ON ACCOUNT OF THOSE ISSUES SOLELY AGAINST SUPPLIER AND WILL NEVERTHELESS PAY ALL SUMS DUE WITH RESPECT TO EACH LEASE.

7. NONAPPROPRIATION. Notwithstanding anything contained in this Master Agreement to the contrary, in the event that sufficient funds are not appropriated and budgeted by Lessee's governing body or are not otherwise available from other legally available sources in any fiscal period for the payment of Rent and other amounts due under any Lease, the Lease shall terminate on the last day of the fiscal period for which appropriations were received or other amounts are available to pay amounts due under the Lease without penalty

or expense to Lessee of any kind whatsoever, except as to the portions of Rent payments or other amounts herein agreed upon for which funds shall have been appropriated or are otherwise available. Lessee will immediately notify the Lessor or its assignee of such occurrence. In the event of such termination, Lessee shall immediately cease all use of the Equipment, and shall immediately de-install, disassemble, pack, crate, and return the Equipment subject to such Lease to Lessor (all in accordance with Section 10 of this Master Agreement). Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by this Lease, shall be free and clear of any liens (except Lessor's lien) and shall comply with all applicable laws and regulations. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor or evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. At Lessor's request, Lessee shall promptly provide supplemental documentation as to such Non-Appropriation satisfactory to Lessor. Lessee's exercise of its rights pursuant to this Section 7 shall not affect the survival of any indemnity and other provisions (other than the obligation to lease the Equipment and pay amounts due under the Lease) which survive the termination of the Lease.

8. ASSIGNMENT OF PURCHASE DOCUMENTS. Lessee assigns to Lessor all of Lessee's right, title and interest in and to (a) the Equipment described in each Schedule, and (b) the Purchase Documents relating to such Equipment. Such assignment of the Purchase Documents is an assignment of rights only; nothing in this Master Agreement shall be deemed to have relieved Lessee of any obligation or liability under any of the Purchase Documents, except that, as between Lessee and Lessor, Lessor shall pay the Contractor for the Equipment in accordance with Section 2(d) hereof. Lessee represents and warrants that it has reviewed and approved the Purchase Documents. In addition, if Lessor shall so request, Lessee shall deliver to Lessor a document acceptable to Lessor whereby Seller acknowledges and provides any required consent to such assignment. For the avoidance of doubt, Lessee covenants and agrees that it shall at all times during the Total Term of each Lease comply in all respects with the terms of any License Agreement relating to any Equipment leased thereunder. **IT IS ALSO SPECIFICALLY UNDERSTOOD AND AGREED THAT NEITHER SUPPLIER NOR ANY SALESPERSON OF SUPPLIER IS AN AGENT OF LESSOR, NOR ARE THEY AUTHORIZED TO WAIVE OR ALTER ANY TERMS OF THIS MASTER AGREEMENT OR ANY SCHEDULE.**

9. ASSIGNMENT OF SUPPLIER WARRANTIES. To the extent permitted, Lessor hereby assigns to Lessee, for the Total Term of any Lease, all Equipment warranties provided by any Supplier in the applicable Purchase Documents. Lessee shall have the right to take any action it deems appropriate to enforce such warranties. In the event Lessee is precluded from enforcing any such warranty in its name, Lessor shall, upon Lessee's request, take reasonable steps to enforce such warranty. In such circumstances, Lessee shall, promptly upon demand, reimburse Lessor for all expenses incurred by Lessor in enforcing the Supplier warranty. Any recovery resulting from any such enforcement efforts shall be divided among Lessor and Lessee as their interests may appear.

10. EQUIPMENT RETURN REQUIREMENTS. At any time Lessee is required to return Equipment to Lessor under the terms of this Master Agreement or any Schedule, Lessee shall cause the Contractor to de-install and make the Equipment available for pick-up pursuant to the terms and conditions stated in the applicable Schedule. In the case of any item of Software or License Agreement subject to a Schedule, at the time of the occurrence of a Non-Appropriation or a Lessee Default, Lessee shall also be automatically deemed to have reassigned any License Agreement, and all Software.

11. EQUIPMENT USE, MAINTENANCE, AND ADDITIONS. Lessee is solely responsible for the selection, and operation of the Equipment and all costs related thereto. Lessee shall at all times operate and maintain the Equipment in good working order, repair, condition and appearance, and in accordance with the manufacturer's specifications and recommendations. On reasonable prior notice to Lessee, Lessor and Lessor's agents shall have the right, during Lessee's normal business hours and subject to Lessee's reasonable, standard security procedures, to enter the premises where the Equipment is located for the purpose of inspecting the Equipment and observing its use. If Lessor shall have provided to Lessee any tags or identifying labels, Lessor shall affix and maintain in a prominent position on each item of Equipment such tags or labels to indicate Lessor's ownership of the Equipment. Except in the case of Software, Lessee shall, at its expense, enter into and maintain and enforce at all times during the Total Term of each Lease a maintenance agreement to service and maintain the related Equipment, upon terms, and with a provider reasonably acceptable to Lessor. Lessee shall make no alterations or additions to the Equipment, except those that (a) will not void any warranty made by the Supplier of the Equipment, result in the creation of any security interest, lien or encumbrance on the Equipment or impair the value or use of the Equipment either at the time made or at the end of the Term of the applicable Lease, and are readily removable without damage to the Equipment ("Optional Additions"), or (b) are required by any applicable law, regulation or order. All additions to the Equipment or repairs made to the Equipment, except Optional Additions, become a part of the Equipment and Lessor's property at the time made; Optional Additions which have not been removed in the event of the return of the Equipment shall become Lessor's property upon such return.

12. EQUIPMENT OWNERSHIP; LIENS; LOCATION. As between Lessor and Lessee, Lessor is the sole owner of the Equipment and has sole title thereto, Lessee shall not make any representation to any third party inconsistent with Lessor's sole ownership of the Equipment. Lessee covenants with respect to each Lease that: (i) it will not pledge or encumber the Equipment or Lessor's interest in the Equipment in any manner whatsoever nor create or permit to exist any levy, lien or encumbrance thereof or thereon except those created by or through Lessor; (ii) the Equipment shall remain personal property whether or not affixed to realty and shall not become a fixture or be made to become a part of any real property on which it is placed without Lessor's prior written consent; and (iii) Lessee shall maintain the Equipment so that it does not become essential to and may be removed from any building in which it is placed without any damage to the building or the Equipment. Lessee may permit use of the Equipment by its affiliates or independent contractors at the Equipment Location provided it does not relinquish possession and control of the Equipment. Provided Lessee remains in possession and control of the Equipment, Lessee may relocate any Equipment from the Equipment Location specified in the applicable Schedule to another of its locations within the State of the Equipment Location upon prior written notice to Lessor specifying the new Equipment

Location or to another of its locations within the United States after receiving the written consent of Lessor to such relocation. Lessee shall not locate or relocate any Equipment such that any third party comes into possession or control thereof without Lessor's prior written consent; provided, however, that Lessor shall not unreasonably withhold its consent to the location or relocation of Equipment to a third party co-location or hosting facility if such third party shall have executed and delivered to Lessor a waiver agreement in form and substance acceptable to Lessor pursuant to which, among other things, such third party shall have waived any rights to the Equipment and agreed to surrender the Equipment to Lessor in the event of a Lessee Default under this Master Agreement. Notwithstanding the foregoing, Lessor agrees that equipment usable outside of a fixed office environment, may be relocated on a non-permanent basis from the Equipment Location originally specified in the applicable Schedule without Equipment; (ii) the primary employee remains in possession and control of the Equipment, and (iii) the primary employee's principal office is the Equipment Location.

13. RISK OF LOSS AND INSURANCE. Lessee assumes any and all risk of loss or damage to the Equipment from the time such Equipment is in Lessee's possession until such Equipment is returned to and is received by Lessor in accordance with the terms and conditions of this Master Agreement. Lessee agrees to keep the Equipment insured at Lessee's expense against all risks of loss from any cause whatsoever, including without limitation, loss by fire (including extended coverage), theft and damage. Lessee agrees that such insurance shall name Lessor as a loss payee and cover not less than the replacement value of the Equipment. Lessee also agrees that it shall carry commercial general liability insurance in an amount not less than \$2,000,000 total liability per occurrence and cause Lessor and its affiliates and its and their successors and assigns, to be named additional insureds under such insurance. Each policy shall provide that the insurance cannot be canceled without at least 30 days' prior written notice to Lessor, and no policy shall contain a deductible in excess of \$25,000. Upon Lessor's prior written consent, in lieu of maintaining insurance obtained by third party insurance carriers, Lessee may self-insure against such risks, provided that Lessor's interests are protected to the same extent as if the insurance had been obtained by third party insurance carriers and provided further that such self-insurance program is consistent with prudent business practices with respect with such insurance risk. Lessee shall provide to Lessor (a) on or prior to the Acceptance Date for each Lease, and from time to time thereafter, certificates of insurance evidencing such insurance coverage throughout the Total Term of each Lease, and (b) upon Lessor's request, copies of the insurance policies. If Lessee fails to provide Lessor with such evidence, then Lessor will have the right, but not the obligation, to purchase such insurance protecting Lessor at Lessee's expense. Lessee's expense shall include the full premium paid for such insurance and any customary charges, costs or fees of Lessor. Lessee agrees to pay such amounts in substantially equal installments allocated to each Rent payment (plus interest on such amounts at the rate of 1-1/2% per month or such lesser rate as is the maximum rate allowable under applicable law).

14. CASUALTY LOSS. Lessee shall notify Lessor of any Casualty Loss or repairable damage to any Equipment as soon as reasonably practicable after the date of any such occurrence but in no event later than 30 days after such occurrence. In the event any Casualty Loss shall occur, on the next Rent payment date Lessee shall (a) at Lessee's option provided no Lessee Default has occurred nor an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing or (b) at Lessor's option if a Lessee Default has occurred or an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing (1) subject to Section 7 hereof, pay Lessor the Stipulated Loss Value of the Equipment suffering the Casualty Loss, or (2) substitute and replace each item of Equipment suffering the Casualty Loss with an item of Substitute Equipment. If Lessee shall pay the Stipulated Loss Value of the Equipment suffering a Casualty Loss, upon Lessor's receipt in full of such payment the applicable Lease shall terminate as it relates to such Equipment and, except as provided in Section 26, Lessee shall be relieved of all obligations under the applicable Lease as it relates to such Equipment. If Lessee shall replace Equipment suffering a Casualty Loss with items of Substitute Equipment (i) the applicable Lease shall continue in full force and effect without any abatement of Rent with such Substitute Equipment thereafter being deemed to be Equipment leased thereunder, and (ii) Lessee shall deliver to Lessor a bill of sale or other documentation, in either case in form and substance satisfactory to Lessor, in which Lessee shall represent and warrant that it has transferred to Lessor good and marketable title to all Substitute Equipment, free and clear of all liens, encumbrances and claims of others. Upon Lessor's receipt of such payment of Stipulated Loss Value in full, or such bill of sale or other documentation, as the case may be, Lessor shall transfer to Lessee all of Lessor's interest in the Equipment suffering the Casualty Loss "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event of any repairable damage to any Equipment, the Lease shall continue with respect to such Equipment without any abatement of Rent and Lessee shall, at its expense, from insurance proceeds or other funds legally available, promptly cause such Equipment to be repaired to the condition it is required to be maintained pursuant to Section 11.

15. TAXES. Lessor shall report and pay all Taxes now or hereafter imposed or assessed by any governmental body, agency or taxing authority upon the purchase, ownership, delivery, installation, leasing, rental, use or sale of the Equipment, the Rent or other charges payable hereunder, or otherwise upon or in connection with any Lease, whether assessed on Lessor or Lessee, other than any such Taxes required by law to be reported and paid by Lessee. Lessee shall promptly reimburse Lessor for all such Taxes paid by Lessor, together with any penalties or interest in connection therewith attributable to Lessee's acts or failure to act, excluding (a) Taxes on or measured by the overall gross or net income or items of tax preference of Lessor, (b) as to any Lease the related Equipment, Taxes attributable to the period after the return of such Equipment to Lessor, and (c) Taxes imposed as a result of a sale or other transfer by Lessor of any portions of its interest in any Lease or in any Equipment except for a sale or other transfer to Lessee or a sale or other transfer occurring after and during the continuance of any Lessee Default.

16. GENERAL LIABILITY. As between Lessor and Lessee, to the extent permitted by law, Lessee shall bear sole liability for any and all Claims arising directly or indirectly out of or in connection with any matter involving this Master Agreement, the Equipment or any Lease, including but not limited to the selection, manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, maintenance, use (including any patent, trademark or copyright infringement), condition, return or operation of any Equipment or the enforcement of Lessor's rights under any Lease. Notwithstanding the foregoing, Lessee shall have no liability for any Claim arising solely as a result of Lessor's gross negligence or willful misconduct.

17. COVENANT OF QUIET ENJOYMENT. So long as no Lessee Default exists, and no event shall have occurred and be continuing which, with the giving of notice or the passage of time or both, would constitute a Lessee Default, neither Lessor nor any party acting or claiming through Lessor, by assignment or otherwise, will disturb Lessee's quiet enjoyment of the Equipment during the Total Term of the related Lease.

18. DISCLAIMERS AND LESSEE WAIVERS. LESSEE LEASES THE EQUIPMENT FROM LESSOR "AS IS, WHERE IS". IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT (A) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 17, LESSOR MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY, OPERATION, OR CONDITION OF ANY EQUIPMENT (OR ANY PART THEREOF), THE MERCHANTABILITY OR FITNESS OF EQUIPMENT FOR A PARTICULAR PURPOSE, OR ISSUES REGARDING PATENT INFRINGEMENT, TITLE AND THE LIKE; (B) LESSOR SHALL NOT BE DEEMED TO HAVE MADE, BE BOUND BY OR LIABLE FOR, ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER OF ANY EQUIPMENT (EVEN IF LESSOR IS AFFILIATED WITH SUCH SUPPLIER); (C) LESSOR SHALL NOT BE LIABLE FOR ANY FAILURE OF ANY EQUIPMENT OR ANY DELAY IN THE DELIVERY OR INSTALLATION THEREOF; (D) LESSEE HAS SELECTED ALL EQUIPMENT WITHOUT LESSOR'S ASSISTANCE; AND (E) LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT. IT IS FURTHER AGREED THAT LESSOR SHALL HAVE NO LIABILITY TO LESSEE, LESSEE'S CUSTOMERS, OR ANY THIRD PARTIES FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS MASTER AGREEMENT OR ANY SCHEDULE OR CONCERNING ANY EQUIPMENT, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT LIABILITY OR LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT NOTHING IN THIS MASTER AGREEMENT SHALL DEPRIVE LESSEE OF ANY RIGHTS IT MAY HAVE AGAINST ANY PERSON OTHER THAN LESSOR. LESSOR AND LESSEE AGREE THAT THE LEASES SHALL BE GOVERNED BY THE EXPRESS PROVISIONS OF THIS MASTER AGREEMENT AND THE OTHER FUNDAMENTAL AGREEMENTS AND NOT BY THE CONFLICTING PROVISIONS OF ANY OTHERWISE APPLICABLE LAW. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC (INCLUDING, BUT NOT LIMITED TO, LESSEE'S RIGHTS, CLAIMS AND DEFENSES UNDER UCC SECTIONS 2A-303 AND 2A-508 THROUGH 2A-522) AND THOSE RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE, IN EITHER CASE THAT ARE INCONSISTENT WITH OR THAT WOULD LIMIT OR MODIFY LESSOR'S RIGHTS SET FORTH IN THIS MASTER AGREEMENT.

19. LESSEE WARRANTIES. Lessee represents, warrants and covenants to Lessor with respect to each Lease that: (a) Lessee is an agency or department of, or a political subdivision of the state in which it is located; (b) Lessee has the power and authority to enter into each of the Fundamental Agreements; (c) all Fundamental Agreements are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their terms and do not violate or create a default under any instrument or agreement binding on Lessee; (d) there are no pending or threatened actions or proceedings before any court or administrative agency that could reasonably be expected to have a material adverse effect on Lessee or any Fundamental Agreement, unless such actions have been disclosed to Lessor and consented to in writing by Lessor; (e) Lessee shall comply in all material respects with all laws and regulations the violation of which could have a material adverse effect upon the Equipment or Lessee's performance of its obligations under any Fundamental Agreement; (f) each Fundamental Agreement shall be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws, and shall raise no presumption of fraud; (g) all financial statements, certificates or summaries relating to Lessee's financial condition, fiscal budget or the assessment and collection of taxes and other related information furnished by Lessee shall be prepared in accordance with generally accepted accounting principles in the United States in effect at that time and shall fairly present Lessee's financial position as of the dates given on such statements; (h) since the date of the most recent annual financial statement, there has been no material adverse change in the financial condition of, or the level of assessment or collection of taxes by, the Lessee; (i) the Equipment, subject to the Lease, is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority and will be used during the Term of the Lease only by Lessee and only to perform such function; (j) Lessee intends to use the Equipment for the entire Term of the Lease and all Equipment will be used for business purposes only and not for personal, family or household purposes; (k) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with the Lease and the acquisition of the Equipment; (l) there has been no material change in the budget for Lessee's current Fiscal Period since its adoption; (m) Lessee's obligations to pay Rent and any other amounts due under the Lease constitute a current expense and not a debt of Lessee under applicable state law; (n) no provision of the Lease constitutes a pledge of the tax or general revenues of Lessee; (o) Lessee does not export, re-export, or transfer any Equipment, Software, system software or source code or any direct product thereof to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States government and other applicable governments; (p) Lessee does not use any Equipment, Software or system software or technology, technical data, or technical assistance related thereto or the products thereof in the design, development, or production of nuclear, missile, chemical, or biological weapons or transfer the same to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States and other applicable governments; and (q) Lessee is not an entity designated by the United States government or any other applicable government with which transacting business without the prior consent of such government is prohibited.

20. DEFAULT. Any of the following shall constitute a default by Lessee (a "Lessee Default") under this Master Agreement and all Leases: (a) Lessee fails to pay any Rent payment or any other amount payable to Lessor under this Master Agreement or any Schedule within 45 days after its due date; or (b) Lessee defaults on or breaches any of the other terms and conditions of any Material Agreement, and fails to cure such breach within 45 days after written notice thereof from Lessor; or (c) any representation or warranty made by Lessee in any Material Agreement proves to be incorrect in any material respect when made or reaffirmed; or (d) any change occurs in relation to Lessee's financial condition that, in Lessor's opinion, would have a material adverse effect on Lessee's ability to perform its obligations

under this Master Agreement or under any Schedule; or (e) Lessee becomes insolvent or fails generally to pay its debts as they become due; or (f) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency or receivership law is filed by or against Lessee (and if such proceeding is involuntary, it is not dismissed within 60 days after the filing thereof) or Lessee takes any action to authorize any of the foregoing matters; or (g) any letter of credit or guaranty issued in support of a Lease is revoked, breached, canceled or terminated (unless consented to in advance by Lessor); or (h) any Equipment is levied against, seized or attached.

REMEDIES. If a Lessee Default occurs, Lessor may, in its sole discretion, exercise one or more of the following remedies: (a) declare all amounts due and to become due during Lessee's current fiscal year to be immediately due and payable; or (b) terminate this Master Agreement; or (c) take possession of, or render unusable, the Equipment without demand or notice and without any court order or other process of law in accordance with Lessee's reasonable security procedures, and no such action shall constitute a termination of any Lease; or (d) require Lessee to immediately pay to Lessor, as compensation for loss of Lessor's bargain and not as a penalty, a sum equal to: (1) All past due payments and all other amounts payable under the Lease, and (2) pay all unpaid payments for the remainder of the lease term, discounted at a rate equal to three percent (3%) per year to the date of default; and require Lessee to make the Equipment available to return as specified in Section 10 above or (e) exercise any other right or remedy available to Lessor at law or in equity. Also, Lessee shall pay Lessor (i) all costs and expenses that Lessor may incur to maintain, safeguard or preserve the Equipment, and other expenses incurred by Lessor in enforcing any of the terms, conditions or provisions of this Master Agreement (including reasonable legal fees and collection agency costs) and (ii) all costs incurred by Lessor in exercising any of its remedies hereunder (including reasonable legal fees). Upon repossession or surrender of any Equipment, Lessor will lease, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof to the amounts owed to Lessor under this Master Agreement; provided, however, that Lessee will remain liable to Lessor for any deficiency that remains after any sale or lease of such Equipment. Any proceeds of any sale or lease of such Equipment in excess of the amounts owed to Lessor under this Master Agreement will be retained by Lessor. Lessee agrees that with respect to any notice of a sale required by law to be given, 10 days' notice will constitute reasonable notice. With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or other Collateral securing Lessee's obligations under the applicable lease Schedule, Lessee acknowledges and agrees as follows: (i) Lessee shall cause Contractor to prepare the Equipment or any other Collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment or other Collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any such disposition, and (iii) Lessor may convey the Equipment and any other Collateral on an "AS IS, WHERE IS" basis, and without limiting the generality of the foregoing, may specifically exclude or disclaim any and all warranties, including any warranty of title or the like with respect to the disposition of the Equipment or other Collateral, and no such conveyance or such exclusion or such disclaimer of any warranty shall be deemed to have adversely affected the commercial reasonableness of any such disposition. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

21. PERFORMANCE OF LESSEE'S OBLIGATIONS. If Lessee fails to perform any of its obligations hereunder, Lessor may perform any act or make any payment that Lessor deems reasonably necessary for the maintenance and preservation of the Equipment and Lessor's interests therein; provided, however, that the performance of any act or payment by Lessor shall not be deemed a waiver of, or release Lessee from, the obligation at issue. All sums so paid by Lessor, together with expenses (including legal fees and costs) incurred by Lessor in connection therewith, and shall be paid to Lessor by Lessee immediately upon demand.

22. TRUE LEASE; SECURITY INTEREST; MAXIMUM RATE. Each Lease is intended to be a "Finance Lease" as defined in Article 2A of the UCC, and Lessee hereby authorizes Lessor to file a financing statement to give public notice of Lessor's ownership of the Equipment. The parties' intent that each Lease be a "Finance Lease" within the meaning of Article 2A and the UCC shall have no effect on the characterization of any Lease for accounting purposes, which characterization shall be made by each party independently on the basis of generally accepted accounting principles in the United States in effect at the time. Lessee, by its execution of each Schedule, acknowledges that Lessor has informed it that (a) the identity of Seller is set forth in the applicable Schedule, (b) Lessee is entitled under Article 2A of the UCC to the promises and warranties, including those of any third party, provided to Lessor in connection with, or as a part of, the applicable Purchase Documents, and (c) Lessee may communicate with Seller and receive an accurate and complete statement of the promises and warranties, including any disclaimers and limitations of them or of remedies. If (1) notwithstanding the express intention of Lessor and Lessee to enter into a true lease, any Lease is ever deemed by a court of competent jurisdiction to be a lease intended for security, or (2) Lessor and Lessee enter into a Lease with the intention that it be treated as a lease intended as security by so providing in the applicable Schedule, then to secure payment and performance of Lessee's obligations under this Master Agreement and all Leases, Lessee hereby grants Lessor a purchase money security interest in the related Equipment and in all attachments, accessories, additions, substitutions, products, replacements, rentals and proceeds (including, without limitation, insurance proceeds) thereto as well as a security interest in any other equipment financed pursuant to this Master Agreement or any other agreement between Lessor and Lessee (collectively, the "Collateral"). In any such event, notwithstanding any provisions contained in this Master Agreement or in any Schedule, neither Lessor nor any Assignee shall be entitled to receive, collect or apply as interest any amount in excess of the maximum rate or amount permitted by applicable law. In the event Lessor or any Assignee ever receives, collects or applies as interest any amount in excess of the maximum amount permitted by applicable law, such excess amount shall be applied to the unpaid principal balance and any remaining excess shall be refunded to Lessee. In determining whether the interest paid or payable under any specific contingency exceeds the maximum rate or amount permitted by applicable law, Lessor and Lessee shall, to the maximum extent permitted under applicable law, characterize any non-principal payment as an expense or fee rather than as interest, exclude voluntary prepayments and the effect thereof, and spread the total amount of interest over the entire term of this Master Agreement and all Leases.

24. ASSIGNMENT. Lessor shall have the unqualified right to sell, assign, grant a security interest in or otherwise convey any part of its interest in this Master Agreement, any Lease or any Equipment, in whole or in part, with prior notice to Lessee. If any Lease is sold,

assigned, or otherwise conveyed, Lessee agrees that Lessor's purchaser, assignee or transferee, as the case may be ("Assignee") shall (a) have the same rights, powers and privileges that Lessor has under the applicable Lease, (b) have the right to receive from Lessee all amounts due under the applicable Lease; and (c) not be required to perform any obligations of Lessor, other than those that are expressly assumed in writing by such Assignee. Lessee agrees to execute such acknowledgements to such assignment as may be reasonably requested by Lessor or the Assignee. Lessee further agrees that, in any action brought by such Assignee against Lessee to enforce Lessor's rights hereunder, Lessee will not assert against such Assignee any set-off, defense or counterclaim that Lessee may have against Lessor or any other person. Unless otherwise specified by Lessor and the Assignee, Lessee shall continue to pay all amounts due under the applicable Lease to Lessor; provided, however, that upon notification from Lessor and the Assignee, Lessee covenants to pay all amounts due under the applicable Lease to such Assignee when due and as directed in such notice. Lessee further agrees that any Assignee may further sell, assign, grant a security interest in or otherwise convey its rights and interests under the applicable Lease with the same force and effect as the assignment described herein. Lessee may not assign, transfer, sell, sublease, pledge or otherwise dispose of this Master Agreement, any Lease, any Equipment or any interest therein without the prior written consent of Lessor, which consent shall not be unreasonably withheld so long as any such proposed assignee is of equal or better creditworthiness than Lessee, and appropriate documentation has been signed and provided to Lessor, all as Lessor shall determine. Lessor shall remain liable for all of its obligations under this Master Agreement, or any Schedule not otherwise assigned to Assignee pursuant to this Section 24 unless Lessee otherwise agrees in writing.

25. FURTHER ASSURANCES. Lessee agrees to promptly execute and deliver to Lessor such further documents and take such further action as Lessor may require in order to more effectively carry out the intent and purpose of this Master Agreement and any Schedule. Without limiting the generality of the foregoing, Lessee agrees (a) to furnish to Lessor from time to time, its certified financial statements, officer's certificates and appropriate resolutions, opinions of counsel and such other information and documents as Lessor may reasonably request, and (b) to execute and timely deliver to Lessor such documents that Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. It is also agreed that Lessor or Lessor's agent may file as a financing statement, any lease document (or copy thereof, where permitted by law) or other financing statement that Lessor deems appropriate to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. Upon demand, Lessee will promptly reimburse Lessor for any filing or recordation fees or expenses (including legal fees and costs) incurred by Lessor in perfecting or protecting its interests in any Collateral. Lessee represents and warrants that Lessee's name as set forth in the signature block below is Lessee's full and accurate legal name and that the information set forth on the first page hereof regarding its organization number, tax identification number and location is true and correct as of the date hereof. Lessee further agrees to provide Lessor advance written notice of any change in the foregoing.

26. TERM OF MASTER AGREEMENT; SURVIVAL. This Master Agreement shall commence and be effective upon the execution hereof by both parties and shall continue in effect until terminated by either party by 30 days prior written notice to the other, provided that the effective date of the termination is after all obligations of Lessee arising hereunder and pursuant to any Schedule have been fully satisfied. Notwithstanding the foregoing, all representations, warranties and covenants made by Lessee hereunder shall survive the termination of this Master Agreement and shall remain in full force and effect. All of Lessor's rights, privileges and indemnities under this Master Agreement or any Lease, to the extent they are fairly attributable to events or conditions occurring or existing on or prior to the expiration or termination of such Lease, shall survive such expiration or termination and be enforceable by Lessor and Lessor's successors and assigns.

27. WAIVER OF JURY TRIAL. LESSEE AND LESSOR HEREBY EXPRESSLY WAIVE ANY RIGHT TO DEMAND A JURY TRIAL WITH RESPECT TO ANY ACTION OR PROCEEDING INSTITUTED BY LESSOR OR LESSEE IN CONNECTION WITH THIS MASTER AGREEMENT OR ANY FUNDAMENTAL AGREEMENT.

28. NOTICES. All notices, requests, demands, waivers and other communications required or permitted to be given under this Master Agreement or any other Fundamental Agreement shall be in writing and shall be deemed to have been received upon receipt if delivered personally or by a nationally recognized overnight courier service, or by confirmed facsimile transmission, or 3 days after deposit in the United States mail, certified, postage prepaid with return receipt requested, addressed as follows (or such other address or fax number as either party shall so notify the other):

If to Lessor:

Hewlett-Packard Financial Services Company
200 Connell Drive, Suite 5000
Berkeley Heights, NJ 07922
Attn: Director of Operations North America
Fax: (908) 898-4109

If to Lessee:

Attn: _____ ("Authorized Lessee Representative")
Fax: _____

29. MISCELLANEOUS

(a) Governing Law. THIS MASTER AGREEMENT AND EACH LEASE SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF EQUIPMENT LOCATION.

(b) Credit Review. Lessee consents to a reasonable credit review by Lessor for each Lease.

(c) Captions and References. The captions contained in this Master Agreement and any Schedule are for convenience only and shall not affect the interpretation of this Master Agreement or any Lease. All references in this Master Agreement to Sections and Exhibits refer to Sections hereof and Exhibits hereto unless otherwise indicated.

(d) Entire Agreement; Amendments. This Master Agreement and all other Fundamental Agreements executed by both Lessor and Lessee supersede all prior agreements relating thereto, whether written or oral, and may not be amended or modified except in a writing signed by the parties hereto.

(e) No Waiver. Any failure of Lessor to require strict performance by Lessee, or any written waiver by Lessor of any provision hereof, shall not constitute consent or waiver of any other breach of the same or any other provision hereof.

(f) Lessor Affiliates. Lessee understands and agrees that Hewlett-Packard Financial Services Company or any affiliate or subsidiary thereof may, as lessor, execute Schedules under this Master Agreement, in which event the terms and conditions of the applicable Schedule and this Master Agreement as it relates to the lessor under such Schedule shall be binding upon and shall inure to the benefit of such entity executing such Schedule as lessor, as well as any successors or assigns of such entity. Lessee agrees that Lessor may disclose any information provided by Lessee to Lessor or created by Lessor in the course of administering the Material Agreements to any parent or affiliate of Lessor.

(g) Invalidity. If any provision of this Master Agreement or any Schedule shall be prohibited by or invalid under law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Master Agreement or such Schedule.

(h) Counterparts. This Master Agreement may be executed in counterparts, which collectively shall constitute one document.

(i) Lessor Reliance. Lessor may act in reliance upon any instruction, instrument or signature reasonably believed by Lessor in good faith to be genuine. Lessor may assume that any employee of Lessee who executes any document or gives any written notice, request or instruction has the authority to do so.

30 DEFINITIONS. All capitalized terms used in this Master Agreement have the meanings set forth below or in the Sections of this Master Agreement referred to below:

"Acceptance Certificate" means an Acceptance Certificate in substantially the form of Exhibit B executed by Lessee and delivered to Lessor in accordance with Section 3.

"Acceptance Date" means, as to any Lease, the date Lessee shall have accepted the Equipment subject to such Lease in accordance with Section 3.

"Authorized Lessee Representative" has the meaning specified in Section 28.

"Assignee" means any assignee of all or any portion of Lessor's interest in this Master Agreement, any Schedule or any Equipment, whether such assignee received the assignment of such interest from Lessor or a previous assignee of such interest.

"Casualty Loss" means, with respect to any Equipment, the condemnation, taking, loss, destruction, theft or damage beyond repair of such Equipment.

"Casualty Value" means, as to any Equipment, an amount determined as of the date of the Casualty Loss or Lessee Default in question ("Calculation Date") pursuant to a "Table of Casualty Values" attached to the applicable Schedule or, if no "Table of Casualty Values" is attached to the applicable Schedule, an amount equal to the sum of (a) the present value (as of the Calculation Date and discounted at the Discount Rate compounded monthly) of all Rent payments payable after the Calculation Date through the scheduled date of expiration of the Then Applicable Term, plus (b) an amount determined by multiplying the applicable casualty percentage specified below by the Total Cost of such Equipment. The "Discount Rate" shall mean a rate equal to the 2 year inter-bank swap rate quoted by Bloomberg L.P. (or, where not available, such other 2 year inter-bank swap rate quoted by a commercially available publication reasonably designated by us) at the Acceptance Date of the applicable Lease. The applicable casualty percentage will be 50% for Equipment having an Initial Term of less than 24 months; 40% for Equipment having an Initial Term of 24 months or greater, but less than 36 months; 30% for Equipment having an Initial Term of 36 months or greater, but less than 48 months; and 25% for Equipment having an Initial Term of 48 months or greater.

"Claims" means all claims, actions, suits, proceedings, costs, expenses (including, without limitation, court costs, witness fees and attorneys' fees), damages, obligations, judgments, orders, penalties, fines, injuries, liabilities and losses, including, without limitation, actions based on Lessor's strict liability in tort.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning specified in Section 23.

"Daily Rent" means, as to any Lease, an amount equal to the per diem Rent payable under the applicable Schedule (calculated on the basis of a 360 day year and 30 day months).

"End-of-Term Notice" means, as to any Lease, a written notice delivered by Lessee to Lessor at least 30 days prior to the end of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term setting forth Lessee's elections pursuant to Section 4 with respect to the Equipment subject to such Lease. Each End-of-Term Notice shall specify on a line item basis and in the same format as the Equipment is described in the applicable Schedule (or if different, in the applicable Acceptance Certificate) the Units of Equipment to be purchased by Lessee (if any), as to which the Lease is to be renewed (if any) and that are to be returned to Lessor (if any).

"Equipment" has the meaning specified in Section 1.

"Equipment Location" means, as to any Equipment, the address at which such Equipment is located from time to time, as originally specified in the applicable Schedule and as subsequently specified in a notice delivered to Lessor pursuant to Section 12, if applicable.

"Fair Market Value" means the total price that would be paid for any specified Equipment in an arm's length transaction between an informed and willing buyer (other than a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell. Such total price shall not be reduced by the costs of removing such Equipment from its current location or moving it to a new location.

"Final Invoice Amount" has the meaning set forth in Section 2(c).

"First Payment Date" means, as to any Lease, the date the first Rent payment with respect to the Initial Term of such Lease is due, as determined pursuant to the terms of the applicable Schedule.

"Fiscal Period" shall mean the fiscal year of Lessee, as it may be more particularly described in a Schedule.

"Fundamental Agreements" means, collectively, this Master Agreement, each Schedule and Acceptance Certificate as part of the Participating Addendum Number _____ to Contract for the NASPO ValuePoint Master Agreement Number 140596 with Lessee as the Participating Entity and all other related instruments and documents.

"Hardware" means items of tangible equipment and other property.

"Initial Term" means, as to any Lease, the initial term thereof as specified in the related Schedule.

"Lease" has the meaning specified in Section 2(a).

"Lessee" has the meaning specified in the preamble hereof.

"Lessee Default" has the meaning specified in Section 20.

"Lessor" has the meaning specified in the preamble hereof.

"License Agreement" means any license agreement or other document granting the purchaser the right to use Software or any technical information, confidential business information or other documentation relating to Hardware or Software, as amended, modified or supplemented by any other agreement between the licensor and Lessor.

"Master Agreement" has the meaning specified in the preamble hereof.

"Material Agreements" means, collectively, all Fundamental Agreements, all other material agreements by and between Lessor and Lessee, and any application for credit, financial statement, or financial data required to be provided by Lessee in connection with any Lease.

"Non-Appropriation" has the meaning specified in Section 7.

"Optional Additions" has the meaning specified in Section 11.

"Purchase Documents" means, as to any Equipment, any purchase order, contract, bill of sale, License Agreement, invoice and/or other documents that Lessee has, at any time, approved, agreed to be bound by or entered into with any Supplier of such Equipment relating to the purchase, ownership, use or warranty of such Equipment.

"Renewal Agreement" has the meaning specified in Section 4.

"Renewal Term" has the meaning specified in Section 4.

"Rent" has the meaning specified in Section 5.

"Schedule" means, unless the context shall otherwise require a Schedule executed by Lessor and Lessee pursuant to Section 2(a).

"Seller" means, as to any Equipment, the seller of such Equipment as specified in the applicable Schedule.

"Software" means copies of computer software programs owned or licensed by Lessor, and any disks, CDs, or other media on which such programs are stored or written.

"State" means any of the states of the United States, its territories and possessions.

"Stipulated Loss Value" means, as to any Equipment, an amount equal to the sum of (a) all Rent and other amounts due and owing with respect to such Equipment as of the date of payment of such amount, plus (b) the Casualty Value of such Equipment.

"Substitute Equipment" means, as to any item of Hardware or Software subject to a Lease, a substantially equivalent or better item of Hardware or Software having equal or greater capabilities and equal or greater Fair Market Value manufactured or licensed by the same manufacturer or licensor as such item of Hardware or Software subject to a Lease. The determination of whether any item of Equipment is substantially equivalent or better than an item of Equipment subject to a Lease shall be based on all relevant facts and circumstances.

"Supplier" means as to any Equipment, the Seller and the manufacturer or licensor of such Equipment collectively, or where the context requires, any of them.

"System Software" means an item of Software that is pre-loaded on an item of Hardware purchased by Lessor for lease hereunder for which the relevant Purchase Documents specify no purchase price separate from the aggregate purchase price specified for such items of Hardware and Software.

"Taxes" means all license and registration fees and all taxes (local, state and federal), fees, levies, imposts, duties, assessments, charges and withholding of any nature whatsoever, however designated (including, without limitation, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) other than taxes measured by Lessor's income.

"Term" means the term thereof as specified in the related Schedule.

"Then Applicable Term" means, as to any Lease, the term of the Lease in effect at the time of determination, whether it be the Initial Term, any Renewal Term or any optional or other automatic extension of the Initial Term or any Renewal Term pursuant to Section 4.

"Total Cost" means as to any Lease, the total acquisition cost to Lessor of the Equipment subject to such Lease as set forth in the applicable Purchase Documents, including related delivery, installation, taxes and other charges which Lessor has agreed to pay and treat as a portion of such acquisition cost, if any.

"Total Term" means, as to any Lease, the aggregate term of such Lease, including the Initial Term, any Renewal Term and any optional extension of the Initial Term or any Renewal Term pursuant to Section 4.

"UCC" means the Uniform Commercial Code as enacted and in effect in any applicable jurisdiction.

"Unit of Equipment" means, as to the Equipment leased pursuant to any Schedule (a) each individual item Equipment leased pursuant to such Schedule, and (b) all Equipment taken as a whole leased pursuant to such Schedule.

IN WITNESS WHEREOF, LESSEE AND LESSOR HAVE EXECUTED THIS MASTER AGREEMENT ON THE DATES SPECIFIED BELOW.

LESSEE:

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

Name and Title

Date

By: _____

Name and Title

Date

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

Exhibit A to Master Agreement

Master Agreement Number _____

Schedule Number _____

COUNTERPART NO. _____ OF _____. TO THE EXTENT THAT THIS SCHEDULE CONSTITUTES CHATTEL PAPER (AS DEFINED ON THE UCC), NO SECURITY INTEREST IN THIS SCHEDULE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

**STATE AND LOCAL GOVERNMENT MASTER FMV LEASE AGREEMENT
SCHEDULE**

Hewlett-Packard Financial Services Company³ ("Lessor") and _____, an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Operating Lease Agreement identified by the Master Agreement Number specified above (the "Master Agreement"). This Schedule (which shall be identified by the Schedule Number specified above) and the Master Agreement together comprise a separate Lease between the parties. The terms and conditions of the Master Agreement are hereby incorporated by reference into this Schedule. All capitalized terms used in this Schedule without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE.

A.	<u>Description of Items of Leased Equipment</u>	<u>Total Cost</u>
		\$

B. Initial Term: _____ Months.

2. RENT: \$ _____

RENT is payable: «Frequency» in «Advance_or_Arrears»

If the Rent is due in advance, then the first Rent payment shall be due on the Acceptance Date. If the Rent is due in arrears, then the first Rent payment shall be due at the end of the first payment frequency period as selected above.

3. LATEST COMMENCEMENT DATE: _____. Lessor's obligation to purchase and lease the Equipment is subject to the Acceptance Date being on or before the Latest Commencement Date.

4. EQUIPMENT LOCATION: _____

5. SELLER: _____

6. APPROPRIATIONS: Monies for all Rent and other payments due under the Lease for the Fiscal Period ending _____ are available from Lessee's appropriated funds for such Fiscal Period and that appropriations and/or other funds have been encumbered or designated for the payment of all Rent and other payments that shall become due under the Lease in such Fiscal Period.

ADDITIONAL PROVISIONS: With respect to this Schedule only, Section 10 of the Master Agreement is hereby replaced in its entirety with the following:

"10. EQUIPMENT RETURN REQUIREMENTS. As soon as practical following the last day of the Total Term of any Schedule (and any other time Lessee is required to return Equipment to Lessor), but in no event later than thirty (30) days thereafter, Lessee shall cause the Contractor to (a) remove any Lessee labels, tags or other identifying marks and all hard drives or external drives

³ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

containing identifying data of Lessee on or attached to the Equipment (b) carefully de-install the Equipment in accordance with the manufacturer's specifications and guidelines, and (c) make all of the Equipment available for Lessor's pick-up at a loading dock at Lessee's facilities, which must be accessible to a full size tractor trailer (individually each a "Designated Pick-up Location" and collectively the "Designated Pick-up Locations"). In the case of any item of Software to be returned to Lessor, Lessee shall also deliver to Lessor the original certificate of authenticity issued by the licensor of such Software, if any, the end user license agreement, any CD-ROM, diskettes or other media relating to such Software and any other materials originally delivered to Lessee with such Software. Tender of Equipment for return to Lessor shall be made at a mutually agreeable time during normal business hours and Lessee shall provide Lessor with not less than five (5) business days advance notice for any requested pick up. Lessor shall cause its authorized carrier to pack the Equipment, pick up the Equipment at the applicable Designated Pick-up Location, and to ship the Equipment, insured, to Lessor's designated return facility. So long as the Designated Pick-up Location is within the State Lessee is located, and Lessee tenders Equipment under the Schedule for pick-up of Equipment at each Designated Pick-up Location ("Minimum Pickup"), all actual charges from the Designated Pick-up Locations to Lessor's return facility(ies) shall be borne by Lessor; provided, however, that, Lessee shall pay further return charges if any one or more of the foregoing assumptions in this sentence are not applicable as follows: a) in the event Lessee fails to tender the Minimum Pickup, Lessee shall pay a minimum charge of \$_____) which shall be payable by Lessee promptly upon Lessor's demand therefor after the return of the Equipment into Lessor's possession. All Equipment shall be returned to Lessor in the same condition and working order as when delivered to Lessee, reasonable wear and tear excepted.

7. **FISCAL PERIOD:** [Annual]

LESSOR AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR THE EQUIPMENT DESCRIBED IN SECTION 1.A ABOVE. SUCH LEASE WILL BE GOVERNED BY THE MASTER AGREEMENT AND THIS SCHEDULE, INCLUDING THE IMPORTANT ADDITIONAL TERMS AND CONDITIONS SET FORTH ABOVE. LESSEE HEREBY REPRESENTS AND WARRANTS THAT ON AND AS OF THE DATE HEREOF EACH OF THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE IN THE MASTER AGREEMENT ARE TRUE, CORRECT AND COMPLETE.

LESSEE:

By: _____

Name and Title

Date

LESSOR:

**HEWLETT-PACKARD FINANCIAL SERVICES
COMPANY⁴**

By: _____

Name and Title

Date

⁴ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

Exhibit B to Master Agreement

Master Agreement Number _____

Schedule Number _____

**STATE AND LOCAL GOVERNMENT MASTER FAIR MARKET VALUE (FMV) LEASE AGREEMENT
ACCEPTANCE CERTIFICATE**

Hewlett-Packard Financial Services Company⁵ ("Lessor") and _____, an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master FMV Lease Agreement (the "Master Agreement") and Schedule under such Master Agreement (the "Schedule") identified by the Master Agreement Number and Schedule Number, respectively, specified above. The Master Agreement and Schedule together comprise a separate Lease that is being accepted and commenced pursuant to this Acceptance Certificate. All capitalized terms used in this Acceptance Certificate without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE ACCEPTANCE. Lessee hereby acknowledges that the Equipment described in Section 1 of the Schedule, or if different, the Equipment described in the attached invoice or other attachment hereto, has been delivered to the Equipment Location specified below, inspected by Lessee and found to be in good operating order and condition, and has been unconditionally and irrevocably accepted by Lessee under the Lease evidenced by the Master Agreement and the Schedule as of the Acceptance Date set forth below. Lessee authorizes Lessor to adjust the Rent payments on the Schedule to reflect the Final Invoice Amount set forth on the attached invoice(s) if such amount is lower than the Total Cost on the Schedule.

2. LESSEE ACKNOWLEDGEMENTS. Lessee hereby agrees to faithfully perform all of its obligations under the Master Agreement and the Schedule and reaffirms, as of the date hereof, its representations and warranties as set forth in the Master Agreement. Lessee hereby acknowledges its agreement to pay Lessor Rent payments, as set forth in the Schedule, plus any applicable taxes, together with all other costs, expenses and charges whatsoever which Lessee is required to pay pursuant to the Master Agreement and the Schedule, in each instance at the times, in the manner and under the terms and conditions set forth in the Master Agreement and the Schedule, respectively.

3. EQUIPMENT LOCATION. The Equipment has been installed and is located at the following Equipment Location:

4. REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants that on and as of the date hereof each of the representations and warranties made by Lessee in the Master Agreement are true, correct and complete.

By: _____

Name and Title

Acceptance Date: _____

⁵ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.



ATTACHMENT C, HP SOFTWARE LICENSING AND MAINTENANCE AGREEMENT

HP INC. SOFTWARE LICENSING AND MAINTENANCE-SUPPORT AGREEMENT

1. **Parties.** These terms represent the agreement ("Software Licensing Agreement") that governs the purchase of software product licences, support, and related services from HP Inc. ("HP") by the Customer entity identified below ("Customer").
2. **Orders.** Orders, Statements of Work, and Supporting Material are defined in NASPO ValuePoint Master Agreement §2, and governed by §5, Administration of Orders. .
3. **Scope and Order Placement.** These terms may be used by Customer either for a single Order or as a framework for multiple Orders. The parties can confirm their agreement to these terms either by signature where indicated at the end or by referencing these terms on Orders.
4. **Prices and Taxes.** Prices are governed by NASPO ValuePoint Master Agreement §3.1, Price and Rate Guarantee Period and will be as quoted in writing by HP or, in the absence of a written quote, as set out on HP's website or customer-specific portal, based upon the NASPO ValuePoint Master Agreement price at the time an order is submitted to HP. If a withholding tax is required by law, please contact the HP order representative to discuss appropriate procedures.
5. **Invoices and Payment.** This paragraph is governed by NASPO ValuePoint Master Agreement §5, Administration of Orders.
6. **Software.**
 - (a) Delivery. HP will use all commercially reasonable efforts to deliver software products in a timely manner. HP may elect to deliver software and related software product/license information by electronic transmission or via download.
 - (b) Product Warranty Claims. NASPO ValuePoint Master Agreement §4.11, Warranty Requirements, will govern valid warranty claims for HP software products.
 - (c) License Grant. HP grants Customer a non-exclusive license to use the version or release of the HP-branded software listed in the Order. Permitted use is for internal purposes only (and not for further commercialization) and is subject to any specific software licensing information that is in the software product or its Supporting Material. For non-HP branded software, the third party's license terms will govern its use.
 - (d) Updates. NASPO ValuePoint Master Agreement §4.3.3, Device Standards, governs this section..
 - (e) License Restrictions. HP may monitor use/license restrictions remotely and, if HP makes a license management program available, Customer agrees to install and use it within a reasonable period of time. Customer may make a copy or adaptation of a licensed software product only for archival purposes or when it is an essential step in the authorized use of the software. Customer may use this archival copy without paying an additional license only when the primary system is inoperable. Customer may not copy licensed software onto or otherwise use or make it available on any public external distributed network. Licenses that allow use over Customer's intranet require restricted access by authorized users only. Customer will also not modify, reverse engineer, disassemble, decrypt, decompile or make derivative works of any software licensed to Customer under this Software Licensing Agreement unless permitted by statute, in which case Customer will provide HP with reasonably detailed information about those activities.
 - (f) License Term and Termination. Unless otherwise specified, any license granted is perpetual, provided however that if Customer fails to comply with the terms of this Software Licensing Agreement, HP may terminate the license upon written notice. Immediately upon termination, or in the case of a limited-term license, upon expiration, Customer will either destroy all copies of the software or return them to HP, except that Customer may retain one copy for archival purposes only.
 - (g) License Transfer. Customer may not sublicense, assign, transfer, rent or lease the software or software license except as permitted by HP. HP-branded software licenses are generally transferable subject to HP's prior written authorization and payment to HP of any applicable fees. Upon such transfer, Customer's rights shall terminate, and Customer shall transfer all copies of the software to



the transferee. Transferee must agree in writing to be bound by the applicable software license terms. Customer may transfer firmware only upon transfer of associated hardware.

- (h) **Software Performance.** HP warrants that its branded software products will conform materially to their specifications and be free of malware at the time of delivery. HP warranties for software products will begin on the date of delivery and unless otherwise specified in Supporting Material, will last for ninety (90) days. HP does not warrant that the operation of software products will be uninterrupted or error-free or that software products will operate in hardware and software combinations other than as authorized by HP in Supporting Material.
- (i) **US Federal Government Use.** If software is licensed to Customer for use in the performance of a US Government prime contract or subcontract, Customer agrees that consistent with FAR 12.211 and 12.212, commercial computer software, documentation and technical data for commercial items are licensed under HP's standard commercial license.

7. Services.

- (a) **Support Services.** HP's support services will be described in the applicable Statement(s) of Work or other agreements, which will cover the description of HP's offering, eligibility requirements, service limitations and Customer responsibilities, as well as the Customer systems supported.
- (b) **Professional Services.** HP will deliver any ordered IT consulting, training or other services as described in the NASPO ValuePoint Master Agreement, Participating Addenda, or Statement(s) of Work.
- (c) **Professional Services Acceptance.** The acceptance process (if any) will be described in the Statement of Work, will apply only to the deliverables specified, and shall not apply to other products or services to be provided by HP.
- (d) **Services Performance.** Services are performed using generally recognized commercial practices and standards. Customer agrees to provide prompt notice of any such service concerns and HP will re-perform any service that fails to meet this standard.
- (e) **Services with Deliverables.** If Statement(s) of Work for services defines specific deliverables, HP warrants those deliverables will conform materially to their written specifications for 30 days following delivery. If Customer notifies HP of such a non-conformity during the 30-day period, HP will promptly remedy the impacted deliverables or refund to Customer the fees paid for those deliverables and Customer will return those deliverables to HP.
- (f) **Dependencies.** HP's ability to deliver services will depend on Customer's reasonable and timely cooperation and the accuracy and completeness of any information from Customer needed to deliver the services.
- (g) **Change Orders.** Requests to change the scope of services or deliverables will require a change order signed by both parties.

8. Eligibility. NASPO ValuePoint Master Agreement §4.11.8, governs when claims for HP's Service, Maintenance and warranty obligations are excluded from coverage.

9. Remedies. The NASPO ValuePoint Master Agreement, Participating Addenda, and this Software Licensing Agreement states all remedies for warranty claims. To the extent permitted by law, HP disclaims all other warranties.

10. Intellectual Property Rights. No transfer of ownership of any intellectual property will occur under this Agreement. Customer grants HP a non-exclusive, worldwide, royalty-free right and license to any intellectual property that is necessary for HP and its designees to perform the ordered services. If deliverables are created by HP specifically for Customer and identified as such in Supporting Material, HP hereby grants Customer a worldwide, non-exclusive, fully paid, royalty-free license to reproduce and use copies of the deliverables internally. The License of Pre-Existing Intellectual Property is governed by NASPO ValuePoint Master Agreement §6.4.

11. Indemnification.

- (a) **Indemnification – Intellectual Property.** NASPO ValuePoint Master Agreement §6.13.2 shall govern Intellectual Property Indemnification.
- (b) **General.** NASPO ValuePoint Master Agreement §6.13.1 shall govern General Indemnification.
- (c) **Limitation of Liability.** NASPO ValuePoint Master Agreement §6.13 shall govern Limitation of Liability.



12. **Confidentiality.** NASPO ValuePoint Master Agreement §6.3, Confidentiality, Non-Disclosure, and Injunctive Relief, shall govern Purchasing Entity's or Purchasing Entity's clients' confidential information.

Information provided by HP to Purchasing Entity's or Purchasing Entity's clients under this Software Licensing Agreement will be treated as confidential if identified as such at disclosure or if the circumstances of disclosure would reasonably indicate such treatment. HP's confidential information may only be used for the purpose of fulfilling obligations or exercising rights under this Software Licensing Agreement, and shared with employees, agents or contractors of Purchasing Entity's or Purchasing Entity's clients with a need to know such information to support that purpose. HP's confidential information will be protected using a reasonable degree of care to prevent unauthorized use or disclosure for three (3) years from the date of receipt or (if longer) for such period as the information remains confidential. These obligations do not cover information that: (i) was known or becomes known to the receiving party without obligation of confidentiality; (ii) is independently developed by the receiving party; or (iii) where disclosure is required by law or a governmental agency.

13. **Personal Information.** Each party shall comply with their respective obligations under applicable data protection legislation. HP does not intend to have access to personally identifiable information ("PII") of Customer in providing services. To the extent HP has access to Customer PII stored on a system or device of Customer, such access will likely be incidental and Customer will remain the data controller of Customer PII at all times. HP will use any PII to which it has access strictly for purposes of delivering the services ordered.

14. **Termination.** NASPO ValuePoint Master Agreement §6.10, Defaults and Remedies, shall govern Purchasing Entity's or Purchasing Entity's termination rights and obligation.

HP may terminate this Software Licensing Agreement on written notice if Purchasing Entity or Purchasing Entity fails to meet any material obligation and fails to remedy the breach within a reasonable period after being notified in writing of the details. If Purchasing Entity or Purchasing Entity becomes insolvent, unable to pay debts when due, files for or is subject to bankruptcy or receivership or asset assignment, HP may terminate this Software Licensing Agreement and cancel any unfulfilled obligations.

15. **General.**

- (a) Entire Agreement. The NASPO ValuePoint Master Agreement, the Participating Addenda, and this Software Licensing Agreement represents the parties' entire understanding with respect to its subject matter and supersedes any previous communication or agreements that may exist.
- (b) Amendments. Modifications to the Software Licensing Agreement will be made only through a written amendment signed by both parties.
- (c) Governing Law. The construction and effect of this Software Licesing Agreement shall begoverned by the laws of the Participating State/Entity, excluding rules as to choice and conflict of law. Venue shall be determined in accordance with the Participating Addenda.
- (d) Disputes. HP's process for resolving disputed invoices, issuing refunds and/or credit, and addressing over-payments, as well as software product returns, is governed by NASPO ValuePoint Master Agreement §5.1.20. If Customer is dissatisfied with any services purchased under these terms and disagrees with HP's proposed resolution, we both agree to promptly escalate the issue to a Vice President (or equivalent executive) in each party's respective organizations for an amicable resolution without prejudice to the right to later seek a legal remedy.
- (e) Force Majeure. NASPO ValuePoint Master Agreement §6.9, Force Majeure, will govern this section.
- (f) Global Trade Compliance. Products and services provided under these terms are for Customer's internal use and not for further commercialization. If Customer exports, imports or otherwise transfers products and/or deliverables provided under these terms, Customer will be responsible for complying with applicable laws and regulations and for obtaining any required export or import authorizations. HP may suspend its performance under this Agreement to the extent required by laws applicable to either party.
- (g) Assignment. NASPO ValuePoint Master Agreement §6.6, Assignment/Subcontracts, will govern this section.
- (h) Survivability. Any terms in the Software Licensing Agreement which by their nature extend beyond termination or expiration of the Agreement will remain in effect until fulfilled and will apply to both parties' respective successors and permitted assigns.



The parties confirm their agreement to these terms either by referencing them in the relevant Order or by executing below, which is effective as of the last date signed below ("Effective Date").

HP INC.

CUSTOMER: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment F – Scope of Work Response

(Revised 10.30.2018)

RFP-NP-18-001

Copiers and Managed Print Services

Offeror Name: HP Inc.

PART I

Instructions: Offeror must indicate their understanding/compliance with the following Subsections of the RFP by selecting “Yes” from the drop-down menu. If a Subsection is not applicable to your Proposal, select “N/A” from the drop down menu. If you are not able to comply with a Subsection, select “No” from the drop-down menu. For all “N/A” and “No” responses, you must indicate the reason in the Comments column. In addition, if you select “Yes” and would like to expound on that response you may also do so in the Comments column. Subsections not contained in the table below do NOT alleviate Offeror from complying with the requirements of those Subsections.

Section	Subsection	Select the appropriate response from the drop-down menu	Comments
Solicitation Overview			
Contract Term	1.5.2	Yes	
Pricing	1.10.1	Yes	
	1.10.2	Yes	
	1.10.3	Yes	
	1.10.4	Yes	
	1.10.5	Yes	
	1.10.6	Yes	
	1.10.7	Yes	
	1.10.8	Yes	
	1.10.9	Yes	
	1.10.10	Yes	
	1.10.11	Yes	

	1.10.12	Yes	
	1.10.13	Yes	
	1.10.14	Yes	
	1.10.15	Yes	
RFP Requirements and Information			
Firm Offers	3.13	Yes	
News Releases	3.17	Yes	
Certification of Non-Debarment	3.19	Yes	
Scope of Work			
Overview			
	4.1.2	Yes	
	4.1.3	Yes	
	4.1.4	Yes	
	4.1.5	Yes	
	4.1.6	Yes	
MPS	4.1.7	Yes	
Survivability	4.1.8	Yes	
	4.1.9	Yes	
	4.1.10	Yes	
	4.1.11	Yes	
Dealers	4.3.4	Yes	
	4.3.5	Yes	HP's current dealer program allows product fulfilment under an awarded contract, as approved by the Lead State and Participating State. HP is developing additional industry-standard dealer service programs to offer on an awarded contract. Once the programs are developed and available for implementation, and after Lead State approval, HP will offer the approved program to Participating States.

	4.3.6	Yes	
Product Offerings			
Device Standards	4.4.3 (a)	Yes	
	4.4.3 (b)	Yes	
	4.4.3 (c)	Yes	
	4.4.3 (d)	Yes	
	4.4.3 (e)	Yes	
	4.4.3 (f)	Yes	
	4.4.3 (g)	Yes	
	4.4.3 (h)	Yes	
	4.4.3 (i)	Yes	
	4.4.3 (j)	Yes	
Device Exceptions	4.4.4 (a)	Yes	
	4.4.4 (b)	Yes	
	4.4.4 (c)	Yes	
	4.4.4 (d)	Yes	
	4.4.4 (e)	Yes	
	4.4.4 (f)	Yes	
	4.4.4 (g)	Yes	
Accessories	4.4.5	Yes	
Software	4.4.6	Yes	
Consumable Supplies	4.4.7 (a)	Yes	
	4.4.7 (b)	Yes	
	4.4.7 (c)	Yes	

	4.4.7 (d)	Yes	
Reman/Refurb Equipment	4.4.8	N/A	HP has not included remanufactured or refurbished equipment in our proposal.
Open Market Items	4.4.9 (a)	N/A	HP is not offering any open market items.
	4.4.9 (b)	N/A	HP is not offering any open market items.
	4.4.9 (c)	N/A	HP is not offering any open market items.
	4.4.9 (d)	N/A	HP is not offering any open market items.
	4.4.9 (e)	N/A	HP is not offering any open market items.
Emerging Technologies	4.4.10	Yes	
Service Offerings			
Maintenance Agreements			
Pricing	4.5.2 (a) (i)	Yes	
	4.5.2 (a) (ii)	Yes	
	4.5.2 (a) (iii)	Yes	
	4.5.2 (a) (iv)	Yes	
	4.5.2 (a) (v)	Yes	
	4.5.2 (a) (vi)	Yes	
	4.5.2 (a) (vii)	Yes	
	4.5.2 (a) (viii)	Yes	
	4.5.2 (a) (ix) <i>(11"x17" impressions)</i>	Yes	
	4.5.2 (a) (x)	N/A	HP is not bidding Group C.
	4.5.2 (a) (xi)	Yes	
	4.5.2 (a) (xii)	Yes	
	4.5.2 (a) (xiii) <i>(Initial Term)</i>	Yes	
	4.5.2 (a) (xiv) <i>(Renewal Term)</i>	Yes	

Blended Rates	4.5.2 (b)	Yes	
Manual Meter Reads	4.5.2 (c)	Yes	
Customer Owned Equipment	4.5.2 (d) (i)	Yes	
	4.5.2 (d) (ii)	Yes	
	4.5.2 (d) (iii)	Yes	
Lease or Rental Equipment	4.5.2 (e) (i)	Yes	
	4.5.2 (e) (ii)	Yes	
	4.5.2 (e) (iii)	Yes	
Legacy Equipment	4.5.2 (f) (i)	Yes	
	4.5.2 (f) (ii)	Yes	
	4.5.2 (f) (iii)	Yes	
	4.5.2 (f) (iv)	Yes	
Service Requirements			
Technicians	4.5.3 (a)	Yes	
Standard Service Levels	4.5.3 (b) (i) (1) <i>(End-User Training)</i>	Yes	
	4.5.3 (b) (i) (2) <i>(End-User Training)</i>	Yes	
	4.5.3 (b) (i) (3) <i>(End-User Training)</i>	Yes	
	4.5.3 (b) (i) (4) <i>(End-User Training)</i>	Yes	
	4.5.3 (b) (i) (5) <i>(End-User Training)</i>	Yes	
	4.5.3 (b) (i) (6) <i>(End-User Training)</i>	Yes	
	4.5.3 (b) (i) (7) <i>(End-User Training)</i>	Yes	
	4.5.3 (b) (ii) <i>(Preventative Maintenance)</i>	Yes	
	4.5.3 (b) (iii) (1) <i>(Equipment Performance)</i>	Yes	
	4.5.3 (b) (iii) (2)	Yes	

	<i>(Equipment Performance)</i>		
	4.5.3 (b) (iii) (3) <i>(Equipment Performance)</i>	Yes	
	4.5.3 (b) (iii) (4) <i>(Equipment Performance)</i>	Yes	
	4.5.3 (b) (iii) (5) <i>(Equipment Performance)</i>	Yes	
	4.5.3 (b) (iv) <i>(Loaner Equipment)</i>	No	For maintenance services, HP does not offer a loaner during product repair. In an MPS Fleet environment, since we maintain a 97% uptime rate, loaner equipment is not needed. We also have the capability to use Smart technology that provides advance notification of failure prior to the system needing repair.
	4.5.3 (b) (v) <i>(Repair Parts)</i>	Yes	
	4.5.3 (b) (vi) (1) <i>(Service Zones)</i>	Yes	
	4.5.3 (b) (vi) (2) <i>(Service Zones)</i>	Yes	
	4.5.3 (b) (vi) (3) <i>(Service Zones)</i>	Yes	
Service Logs	4.5.3 (b) (vii)	Yes	
Equipment Relocation	4.5.3 (b) (viii) (1)	Yes	
	4.5.3 (b) (viii) (2)	Yes	
	4.5.3 (b) (viii) (3)	Yes	
	4.5.3 (b) (viii) (4)	Yes	
Meter Read Invoicing	4.5.3 (c) (i)	Yes	
	4.5.3 (c) (ii)	Yes	
	4.5.3 (c) (iii)	Yes	
	4.5.3 (c) (iv)	Yes	
Service Level Calculations	4.5.3 (d)	Yes	
Reporting	4.5.3 (e)	Yes	
Software Subscriptions	4.5.4 (a)	Yes	

	4.5.4 (b)	Yes	
	4.5.4 (c)	Yes	
	4.5.4 (d)	Yes	
	4.5.4 (e)	Yes	
	4.5.4 (f)	Yes	
	4.5.4 (g)	Yes	
Purchase, Lease, and Rental Programs			
	4.6.1	Yes	
	4.6.2	Yes	
	4.6.3	Yes	
Equipment Trade-In	4.6.4	Yes	
Lease and Rental Rates	4.6.5 (a)	Yes	
	4.6.5 (b)	Yes	
	4.6.5 (c)	Yes	
	4.6.5 (d)	Yes	
	4.6.5 (e)	Yes	
	4.6.5 (f)	Yes	
	4.6.5 (h)	Yes	
	4.6.5 (i)	Yes	
Leasing and Rental Overview	4.6.6 (a)	Yes	
	4.6.6 (b)	Yes	
	4.6.6 (c)	Yes	
	4.6.6 (d)	Yes	
	4.6.6 (e)	Yes	

	4.6.6 (f)	Yes	
	4.6.6 (g)	Yes	
	4.6.6 (h)	Yes	
	4.6.6 (i)	Yes	
	4.6.6 (j)	Yes	
	4.6.6 (k)	Yes	
	4.6.6 (l)	Yes	
	4.6.6 (m)	Yes	
Leasing and Rental Options			
FMV Lease	4.6.7 (a) (i)	Yes	
	4.6.7 (a) (ii)	Yes	
Capital Lease	4.6.7 (b) (i)	Yes	
	4.6.7 (b) (ii)	Yes	
Straight Lease	4.6.7 (c) (i)	Yes	
	4.6.7 (c) (ii)	Yes	
Cancellable Rental	4.6.7 (d) (i)	N/A	HP does not have a rental program.
	4.6.7 (d) (ii)	N/A	HP does not have a rental program.
	4.6.7 (d) (iii)	N/A	HP does not have a rental program.
Short-Term Rental	4.6.7 (e) (i)	N/A	HP does not have a rental program.
	4.6.7 (e) (ii)	N/A	HP does not have a rental program.
Leasing and Rental Terms and Conditions			
Possession and Return of Lease or Rental Equipment	4.6.8 (a) (i)	Yes	
	4.6.8 (a) (ii)	Yes	
	4.6.8 (a) (ii) (1)	Yes	
	4.6.8 (a) (ii) (2)	Yes	

	4.6.8 (a) (ii) (3)	Yes	
	4.6.8 (a) (iii)	Yes	
	4.6.8 (a) (iv)	Yes	
Payment	4.6.8 (b)	Yes	
Buyout to Keep Option	4.6.8 (c)	Yes	
Buyout to Return Option	4.6.8 (d)	Yes	
Equipment Upgrade or Downgrade	4.6.8 (e)	Yes	
Non-appropriation of Funds	4.6.8 (f)	Yes	
Assignment	4.6.8 (g) (i)	Yes	
	4.6.8 (g) (ii)	Yes	
	4.6.8 (g) (iii)	Yes	
Early Termination Charges	4.6.8 (h) (i)	Yes	
	4.6.8 (h) (ii)	Yes	
Default	4.6.8 (i) (i)	Yes	
	4.6.8 (i) (ii)	Yes	
	4.6.8 (i) (iii)	Yes	
	4.6.8 (i) (iv)	Yes	
	4.6.8 (i) (v)	Yes	
Remedies	4.6.8 (j) (i)	Yes	
	4.6.8 (j) (ii) (1)	Yes	
	4.6.8 (j) (ii) (2)	Yes	
	4.6.8 (j) (ii) (3)	Yes	
Customer Service	4.7.2	Yes	

	4.7.3	Yes	
	4.7.4	Yes	
	4.7.5	Yes	
	4.7.6	Yes	
Equipment Demonstration Requirements	4.8.1	Yes	HP will provide trial or demonstration equipment upon request.
	4.8.2	Yes	
	4.8.3 (a)	N/A	HP does not offer showroom equipment for sale.
	4.8.3 (b)	N/A	HP does not offer showroom equipment for sale.
	4.8.3 (c)	N/A	HP does not offer showroom equipment for sale.
	4.8.3 (d)	N/A	HP does not offer showroom equipment for sale.
	4.8.4	Yes	
Ordering and Invoicing Specifications	4.9.1	Yes	
	4.9.2	Yes	HP accepts credit card payments for product purchases at the time of purchase only, and after completion of services, though we do not offer credit card payment for leasing at this time.
	4.9.3	Yes	For leasing and Managed Print Services, HP can provide centralized billing options as requested by the Participating State or Entity. However, centralized billing options for product only purchases (excluding product services) can be provided as mutually agreed by HP and the Participating State or Entity. HP will advise the Participating States accordingly that will utilize the resultant contract for that method of purchase.
	4.9.4	Yes	
	4.9.5	Yes	
	4.9.6	Yes	
	4.9.7	Yes	Currently, HP authorized dealers only provide product fulfillment, though HP is developing dealer programs to offer these services. Once those programs are developed and available for implementation, and after Lead

			State approval, HP will offer the approved program to Participating States.
	4.9.8	Yes	
	4.9.9	Yes	
	4.9.10	Yes	
	4.9.11	Yes	
	4.9.12	Yes	
Delivery Requirements	4.10.1	Yes	Standard freight is pre-paid by HP.
	4.10.2	No	For purchased hardware products, Purchasing Entity shall make every effort to notify Awarded Vendor within five (5) business days following delivery, of its non-acceptance of a product. In the event Awarded Vendor has not been notified within five (5) business days from the hardware product delivery date, the product will be deemed accepted on the sixth (6th) business day after hardware product delivery. Regarding material defects discovered after acceptance, the impacted hardware product will be subject to remedy in accordance with the applicable warranty purchased for that product. For leased products, customers will sign an acceptance document.
	4.10.3	Yes	
	4.10.4	Yes	
	4.10.5	Yes	
	4.10.6	Yes	
	4.10.7	Yes	
	4.10.8	Yes	
	4.10.9	Yes	
	4.10.10	Yes	
	4.10.11	Yes	

Equipment Installation Requirements	4.11.1	Yes	
	4.11.2	Yes	
	4.11.3	Yes	
	4.11.4	Yes	
	4.11.5	Yes	
	4.11.6	Yes	
	4.11.7	Yes	
Inspection and Acceptance	4.12.1	Yes	
	4.12.2	Yes	
	4.12.3	Yes	
	4.12.4	Yes	
Security Requirements			
Network and Data Security	4.13.1 (a)	Yes	
	4.13.1 (b)	Yes	
	4.13.1 (c)	Yes	
Sensitive Information	4.13.2	Yes	
Data Breach	4.13.3	Yes	<p>HP follows a developed Cyber Incident Management (“CIM”) Process that is modeled after the NIST Computer Security Incident Handling protocols. The Process addresses purpose, scope, roles, responsibilities, management commitment, organizational coordination, implementation procedures, and compliance checking. HP reviews and updates the CIM Process annually.</p> <p>A Cyber Incident Response Team (“CIM Team”), which includes HP Cybersecurity personnel trained in incident response and crisis management, is regularly assembled for table-top reviews of process and any incident or event. The CIM Team includes the following specific roles: Event Identifier, CIM Manager, Technical CIM Lead, Technical CIM Team, Crisis Management Lead, Event</p>

			<p>Manager, and, as needed, subject matter experts, business unit representatives, members of legal, or system/database/network administrators. The CIM Team will maintain CIM logs as detailed in the CIM Process, as well as any other documentation related to an information security incident. Incident information is labelled 'Confidential' and stored appropriately, with summaries of ongoing investigations and remediation activities. The CIM Manager will lead the after-action reporting, which documents the incident.</p> <p>All HP workers, contingent workers, and business partners are required to report all security events that are in violation of HP policies, standards, business practices, or relevant regulatory requirements and laws. Security events, including instances of data breach, are reported to the Security Operations Center ("SOC") through a 24 x 7 online process. Please contact: SOC@hp.com.</p>
Authentication and Access	4.13.4 (a)	Yes	
	4.13.4 (b)	Yes	
	4.13.4 (c)	Yes	
	4.13.4 (d)	Yes	
Hard Drive Removal	4.13.5 (a)	Yes	
	4.13.5 (b)	Yes	
	4.13.5 (c)	Yes	
	4.13.5 (d)	Yes	
	4.13.5 (e)	Yes	
	4.13.5 (f)	Yes	
Warranty Requirements			
	4.14.1	Yes	
	4.14.2	Yes	
	4.14.3	Yes	HP agrees that hardware products will conform to HP specifications only.

	4.14.4	Yes	
	4.14.5	Yes	
	4.14.6	Yes	
	4.14.7	Yes	
	4.14.8	No	<p>HP proposes the following modifications to address issues that are beyond HP's control.</p> <p>Awarded Vendor(s) warranty, <u>service, and maintenance</u> obligations shall not apply if:</p> <ul style="list-style-type: none"> a) Product is installed, wired, modified, altered, or serviced by anyone other than Contractor and/or their Authorized Dealer; b) If a defective or non-Contractor authorized Accessory, Supply, software, or part is attached to, or used in the Device; and c) The Device is relocated to any place where Contractor Services are not available; d) <u>Improper use, site preparation, or site or environmental conditions or other non-compliance with applicable Supporting Material;</u> e) <u>Improper system maintenance or calibration not performed by Contractor and/or their Authorized Dealer;</u> f) <u>failure or functional limitations of any non-Contractor software or Product impacting systems receiving Contractor support or service;</u> g) <u>Malware (e.g. virus, worm, etc.) not introduced by Contractor and/or their Authorized Dealer;</u> h) <u>Abuse, negligence, accident, fire or water damage, electrical disturbances, transportation by Participating Entity, or other causes beyond Contractor's control.</u>
	4.14.9	Yes	
	4.14.10	Yes	

Lemon Clause	4.14.11 (a)	Yes	
	4.14.11 (b)	Yes	
	4.14.11 (c)	No	To clarify, HP's policy covers the same repetitive issues that occur within the first 12 months. c) The application period is twelve (12) thirty-six (36) months from the date of Acceptance.
	4.14.11 (d)	Yes	
	4.14.11 (e)	Yes	
	4.14.11 (f)	No	HP requests the following modifications to clarify that HP's policy is based on the failure of a functional device that is not impacted by environmental impacts, such as electrical or other potential impacts. Also, to clarify that our policy covers the same repetitive issues that occur within the first 12 months. f) Any functional Device that fails (except due to operator error) to function in accordance with the Manufacturer's published performance specifications, repetitively four (4) times in any four (4) week period and/or is subject to the same recurring related problems within the first twelve (12) months , shall be replaced with a new Device that meets or exceeds the requirements of the original Device, at no cost to the Purchasing Entity.

Attachment F – Scope of Work Response

RFP-NP-18-001

Copiers and Managed Print Services

Offeror Name: HP Inc.

PART II

Instructions: Offeror must provide a detailed response to each of the questions (and their sub-questions) listed below. Responses will not be limited to a certain number of pages. Samples of reports or other documents requested need to be included in Section 7 of your hardcopy Proposal packet, and in Folder 7 of your electronic submission, and must be cross-referenced so that the response and the corresponding document can be easily located in your hardcopy Proposal packet.

1) Per Subsection 4.3 of the RFP:

- a) Describe your process for selecting Dealers to provide Products and Services under a resulting Master Agreement.

Initially, the HP sales teams nominate Dealers for a specific State to be considered to represent HP in support of an awarded contract. Throughout the contract term HP authorized Dealers may request to be added in support of a specific Participating State awarded contract.

Dealers are selected based on several factors:

- Participating State's specific requirements
- Specific line of business model
- Industry and Government expertise
- Established relationships with HP and a customer base
- Detailed business plans
- Ability to identify customers' needs and provide the best solutions with the best value for investment
- Best value-added sales and services organization to support State and Local Government and Education Purchasing Entities if selected to support an awarded contract for that State(s)

HP authorized Dealers that are selected to participate in a rigorous nomination, application, and certification process. Only Public Sector Dealers that also meet the specific requirements of a particular Participating State are nominated to apply for program acceptance. Nominated Dealers apply for program participation do so via an extensive application and business plan process based on the criteria above. These applications and business plans are reviewed to select only those partners who are most qualified to support the Participating State, based on the number of Dealers the State allows.

Before being submitted to the Lead State and Participating State for approval, all selected Dealers are vetted to ensure that they meet all Participating State requirements, including, though not limited to, the following:

- Registration with Secretary of State and other required State registrations (if applicable),
- Confirmation the Dealer is legally established to do business,
- No history of convictions or suspensions, or any complaints on file with the State,
- Listed in good standing with the State or entity,
- E-verify registered,
- No outstanding taxes owed to the Participating State,
- Agreement to adhere to the terms and State, local and applicable laws when doing business in support of the Contract, and
- Meets HP standard business requirements.

b) Describe how your organization will on-board your Dealers and handle issues of poor performance.

On-boarding

Upon final approval by the Participating State and Lead State, Dealers (Partners) are required to complete Program agreements and participate in training specific to the requirements of the Master Agreement and Participating State agreement. After all required Dealer employees have successfully completed the HP-required training and accepted the terms of the Program agreement, HP issues a letter of authorization that officially approves Dealers to accept Purchase Orders for eligible Entities in the specific Participating State or Entity. At that time, the Dealers are provided access to Master Agreement approved pricing, with details on how to obtain competitive volume pricing during the contract term. An overview of the process is noted below.

On-boarding Process After Approval

1. Dealer Program Agreements
 - a. HP contractually binds Dealer through addenda to the Dealers' HP US Partner Agreement (Authorization).
 - b. HP Dealers are expected to abide by HP's "Partner Code of Conduct," which includes a Standard Business Code of Conduct relative to the State laws and statutes governed in HP Compliance training.
2. Conduct Training
 - a. NASPO ValuePoint Webinar Training
 - b. HP NASPO ValuePoint Regional On-site Training
 - c. HP Channel Partner (Dealer) Managers
 - d. HP Webinar Training

Training is complete once all identified members of Dealer organization have successfully completed mandatory training.
3. HP Dealer Letter of Authorization by State: Only after the required contractual documents are received, and all necessary Dealer sales and support team members have completed the training, Dealers receive an HP Letter of Authorization. After final authorization of all approved Dealers, HP updates the Lead State approved HP NASPO ValuePoint Copier-Print and MPS e-commerce site with the Dealer information.

4. Distribution is advised of approved Dealers, which also triggers Additional Dealer training by the distributors.
5. Then Dealers may commence selling in the State(s) where authorized.

Performance

All commercially reasonable efforts are made to educate, inform, train, and communicate all Master Agreement and Participating State contract terms and condition and compliance requirements to the authorized Dealers.

Dealers' performance is tracked by a Program team by regularly monitoring sales performance and compliance to contract terms and conditions.

Once HP is aware of an identified issue with a Dealer, HP takes steps to address the corrective action necessary to avoid reoccurring issues. HP will also mitigate the risk of recurrence through additional training including bulletin notifications to other Dealers. If an issue arises and a Dealer does not correct or resolve the issue, the Dealer is removed as an authorized Dealer from supporting that State's Participating Addendum.

A brief overview of HP's performance process for any compliance issues is outlined below:

1. Review compliance issue and actions with the state-designated Procurement Official.
2. Take appropriate action to correct compliance issue, which may include additional program training for the partner.
3. HP Management involvement and review with Dealer management.
4. HP compliance notification to Dealer.
5. Dealer removal from the program.

HP agrees to finalize a course of action that meets the Lead State and Participating State's satisfaction based on any specific situation that occurs during the contract term.

- c) How will you ensure that your Authorized Dealers will offer the correct contract pricing to Purchasing Entities, and that the contract is being utilized correctly?

At this time, HP's Dealer program provides product fulfillment only. HP is in the development stages of a Dealer provided service program that would provide Dealers the ability to sell their services and HP services within the guidelines of the contract and pricing, once approved by the Lead State. Once the new programs are available, HP will submit details to the Lead State for review and approval.

Dealers that are fulfilling product are provided with in-depth contract training, which includes Purchase Order validation. As part of the Purchase Order validation training, Dealers are informed of the importance of the Purchasing Entity's Purchase Order. Dealers are required to review the contract product selection listed on the Purchase Order. If a contract number is not listed, Dealers are required to confirm the Purchasing Entity's contract selection. Furthermore, we ensure Dealers understand the selection is not for a Dealer or for HP to determine; it is solely the Purchasing Entity's decision. In HP's quarterly and annual audits, HP performs random audits that include verification of the contract selection on Purchase Orders received by the Dealers.

Dealers have multiple resources to ensure they are offering the Purchasing Entity the correct contract pricing as outlined below.

Indirect Pricing (Big Deal) – HP generates what we call an “indirect Big Deal” that provides Dealers with ability to sell at or below the Contract net price based on the discount/price offering of the contract for each Segment of each Group at the Channel contract sites. The HP US Commercial List price is published publicly and also available to Dealers at <http://h18000.www1.hp.com/showroom/ipl.html>.

Contract Price Files – HP will be publishing the contract price file/list on the awarded contract e-commerce site along with HP’s US Commercial List price available publicly at <http://h18000.www1.hp.com/showroom/ipl.html>. Dealers are also provided with the contract price files/list at the training sessions. HP List price and contract price files are also maintained at the HP Dealer site, providing another avenue for Dealer access to contract pricing for eligible contract products.

HP proposes a guaranteed discount off HP’s US Commercial list price as the baseline pricing structure for products purchased or leased under this contract. HP agrees to post a link to the price list at an e-commerce site for the Master Agreement, and subsequent Participating States and Purchasing Entities, as approved by the Lead State, so that it is made available to Dealers and Purchasing Entities for auditing purposes.

Quarterly and annually, the Program Office for Dealers performs a random audit as an additional layer of verification to ensure the correct price is being offered.

Training – All Dealers are required to attend mandatory Master Agreement and program training that educates Dealers on all facets of the Master Agreement, including how the contract work, eligible customers and products, pricing, where and how to calculate or locate the correct contract pricing and how to execute on the Contract correctly to ensure that Purchasing Entities receive the correct price. The training is facilitated several ways: webinar; in person; recorded and available for future access by people joining the organization later.

Sales Support – HP has a team of State and Local Government and Education Territory Managers specifically assigned to support State and Local Government and Education Dealers and the NASPO ValuePoint Master Agreement. Additionally, Partner Business Managers are assigned at the local level to manage the HP relationship with the Dealers. These teams manage the business relationship with each Dealer and conduct regular business reviews that include, without limitation, reviewing new program requirements and guidelines, new products, end of life products, road maps on future technology, and any other Dealer program, HP Inc., or product updates. By directly supporting the Dealers with these teams, the partners have immediate access to the same product and program training as HP employees, which enables them to fully represent HP in all aspects of the business. All Dealers have access to multiple sales people who help and support them with opportunities, questions and issues covering the overall contract and applicable pricing.

Program Team Support – All Dealers are supported by the HP Channel Contract Program team, who assists with all contract and pricing questions. They are available via phone and email with a maximum 24-hour response time, typically 4-hour response time or less.

- d) In the event a Dealer becomes non-compliant with the contract and refuses to provide Products or Services to a customer, describe how your organization will handle this issue and the measures that will be put in place to ensure it does not happen again.

Contract compliance is a key component to our Dealer Program. The HP Channel Contract Program team regularly tracks and measures Dealers’ performance and compliance to the

contract. This includes factors such as accurate pricing, timely and accurate reporting and fulfilling products or services, etc.

Should a Dealer be found to be non-compliant to the Contract for any reason, the issue will be identified to the Dealer and they will be required to correct the issue immediately. HP will ensure that the issue is resolved and not repeated. HP will do whatever is necessary to support the Dealer to be successful in their engagement in support of the Purchasing Entity by providing additional training, follow up, etc. HP will have a get-well plan for all possible issues.

If after taking the necessary steps, the Dealer issue is not resolved the Dealer will immediately be removed as an authorized Dealer in support of the Master Agreement and will not be allowed to participate in the Program in the future.

- e) What type of training do you provide to your Dealers, and how will you ensure that new staff is properly trained in the nuances of each Participating Addendum? Provide a sample training plan or information sheet that you will give to your Dealers.

HP provides Contract and Program training to all Dealers. This training, for which attendance is tracked, is mandatory for all Dealers. The training is executed most often via webinar and is also facilitated in person both regional and locally. The training will be recorded and will be available for replay. This is particularly helpful for Dealer employees to be able to access the training content on demand as needed.

HP also creates program guides for the Master Agreement and as required by a Participating State's Participating Addendum. Please see **Technical Response Exhibit 2 – NASPO ValuePoint PC Partner Training** in Section 7/Folder 7 for a sample training plan covering the HP/State of California NASPO ValuePoint PC contract.

- f) How does your organization plan to provide continuing education for your Dealers to ensure that they are kept up-to date on Master Agreement and Participating Addenda modifications and/or amendments?

The HP Dealer Contract Program team provides communications to all approved Dealers through a bulletin notification of any updates, modifications, or amendments. HP also issued updated Contract Program guidelines and requires that each Dealer staff, including newly hired support team, to attend mandated training to maintain their authorization status.

HP's Dealer Contract Program team believes it is always better to over communicate to ensure messages are received, so in addition to email communications to all approved Dealers the team also posts important and relevant content on a secure HP Dealer Portal only available to authorized Dealers.

- g) Describe your process for updating your Dealer channel whenever your Price Lists are updated and approved by the Lead State.

As part of the HP Contract Dealer Program, HP will update our Dealers and Distributors whenever our Price list is updated and approved by the Lead State. A bulletin notification will be sent to authorized Dealers with the approved price list update notifying that the updated and approved price file will also be available on the Master Agreement e-commerce site that is publicly available.

2) Per **Subsection 4.5.2(f)** of the RFP:

- a) Describe your process for determining Useful Life on a Device, with the understanding that it is not always based on passage of time alone.

HP provides several matrices to determine the “useful life of a device” (or End of Service Life (“EOL”)) decision for a model, in addition to the period from model launch to the end of sales and services.

- **Number of service calls.** If a printer continues to have issues after parts have been replaced, HP will determine if anything else can be done to resolve the issue and if that doesn’t fix the issue, HP may End the Service Life of the printer.
- **Print volume.** HP printers are made to print based on the printer’s technical specification; if the printer prints above the recommended volume and the printer starts to fail and parts are no longer resolving the issue, HP may EOL the printer.

HP will provide Support Services and Consumables until the date that HP ceases to provide Support Services for a specific EOL Product model. After a Product’s End of Service Life, HP may discontinue Support Services for such Products and will adjust the Fees accordingly via a Change Order, or HP will provide an offer to replace the End of Service Life Product. Notwithstanding, after a Product’s End of Service Life, HP will provide Consumables for Products as long as the Consumables are commercially available, and the HP Products do not require Support Services. If Consumables are no longer commercially available or the HP Products require Support Services, HP will work with Customer to replace the End of Service Life Products with new HP Products via a Change Order or amendment.

- Do you factor in down-time, parts replacement, and number of Service Calls etc.?

Another factor to determine end of support, which is approximately 5 years following the date the product is no longer offered for sale, is when spare parts are no longer available.

HP Products under a Managed Print Services Statement of Work (“MPS SOW”) may be deemed to be at the end of useful life before the end of service life when the number of pages printed exceeds the life expectancy of the printer engine.

b) Describe your ability to perform maintenance on Legacy Equipment.

- Are you able to provide service on customer owned Equipment that was acquired from another Manufacturer? If so, how?
 - Are your Technicians cross-trained in multiple Manufacturer Devices?

Yes, HP Certified Technicians can service multi-vendor Devices. HP provides multiple manufacturers’ devices and trains our technicians to support a variety of difference manufacturers printers. During the onboarding stage, HP will determine which can be supported, label each printer, and support them the same as an HP-branded printer. If a repair is needed, the HP technician will be dispatched the same way we would for HP-branded printers.

HP MPS multivendor hardware and fleet management support services are designed for the increasingly important role of printers and next-generation Multi-Function Printers so prolific in today’s business environment, as well as the increasing complexity of this hardware.

HP MPS Multivendor Support Features

- Diagnosis
- Parts dispatch
- Engineer allocation
- Event management

- Remote troubleshooting with HP Priority Phone Support
- Professional onsite response and repair, using HP-authorized customer engineers
- Service event reporting and review, to verify that HP is meeting or exceeding the agreed-upon service levels and customer expectations
- Standard response service levels
- Automated supplies management, wherever possible
- Fleet/device management
- Install, move, add, change and disposal services

HP MPS Multivendor Support Benefits

- Reduced costs
- Avoidance of unexpected and unbudgeted repairs
- Reduced burden of administrative overhead
- Increased productivity
- Significantly reduced printer-related helpdesk calls with professional hardware maintenance from HP
- Maximize availability of Purchasing Entity's fleet; fast response and service experts restore Purchasing Entity's hardware when a problem occurs
- Controlled and customized support experience, as HP MPS Multivendor Support offers flexible methods to initiate service requests
- Access to reports with hardware fleet service level information and service history

- c) How will you ensure that your Dealers are adhering to the time-frame and pricing requirements as outlined in 4.5.2(f) (iii) and (iv)?

Since HP authorized Dealers offer warranty break-fix services, any pricing requirements under these sections will have supplies and service pricing by HP only, and may only be delivered by Dealers.

3) Per Subsection 4.5.3 of the RFP:

- a) Describe the methodology used to develop your organizations performance standards and the processes and tools used to monitor and measure performance against those standards.

HP's methodology focuses our standards on a "first visit fix" matrix. HP's above-industry performance standards, which average an 89% first visit fix rate, assure customers that HP works to provide resolution when we dispatch a technician. When a service request is placed, HP's dispatch team will help diagnose the problem, identify a van with the correct parts, and then dispatch a technician to resolve the issue. HP dispatch may also request parts sent overnight to our customers so when the technician arrives the issue can be fixed allowing HP to maintain our above-industry standard for resolving and fixing the printer on the first visit.

Purchasing Entities benefit from providing the means for continuous improvement and optimization of the printing and imaging environment operations. With the remote monitoring for fleet usage data collection, Purchasing Entities can obtain a concise overview on the fleet, usage trend and SLA performance, thus enabling contractual governance.

As part of a periodic remote operational review with the customer, the dedicated HP Client Manager will share a concise overview of Purchasing Entities' fleet and usage behavior and HP's SLA achievement. This opportunity to discuss fleet utilization, usage trends, review service incident analysis and service level performance allows Purchasing Entities and HP to achieve optimization resulting from the data analysis to jointly drive continuous improvements on Purchasing Entities' imaging and printing environments.

- b) Provide a sample report which contains the following data: Uptime percentage (%) per fleet of Devices, number of Service Calls placed, Response Time per Device, dates that Preventative Maintenance was performed, hours of end-user training performed, and estimated end of Useful Life per Device based on current usage.

The HP Client Manager has regularly scheduled meetings with Purchasing Entities to present a Strategic Business Review. This Strategic Business Review is a collaboration with the customer to identify opportunities for greater efficiency and performance excellence. As part of the review process, HP performs peer benchmarking and cost/benefit analysis, as well as utilizes the information the other tools have provided to create "what if" scenarios that can help Purchasing Entities make better strategic decisions and move their print environments to a higher performance level.

The HP Client Manager will provide custom reporting included in the Statement of Work, such as preventative maintenance from the previous month and end user training from the previous month detailing training topics and the training location, and training hours if required by Purchasing Entity. If a Purchasing Entity requires data such as estimated end of life (EOL) dates by device, the Client Manager can add the estimated EOL date, per device, to the Device Control Center that Purchasing Entity can access to obtain device level reports.

Please see **Technical Response Exhibit 3 - HP MPS Sample Strategic Review Reporting** included in Section 7/Folder 7 for a sample report.

- Can customers obtain this reporting information online? If so, how do they access it? Is a log-in required?
 - Can the information be exported?
 - Can customers obtain their own Ad-hoc reports?

Yes, Customers can obtain a portion of this reporting information online through HP Device Control Center ("DCC"), a web-based interface included in the MPS offering. DCC is a secured website accessible by customer with a login and password provided by HP.

Features include:

- 24/7 access with log-in to view various reports
- Reports are available to download
- Information may be exported
- Customers may obtain their own Ad-hoc reports

What additional tools or features does your reporting system offer?

In addition to online reporting, Device Control Center includes features to: (i) view account information, including a listing of devices, device location addresses, and consumables information; (ii) view page count tracking and utilization information provided Data Collection Agent is installed; (iii) order replacement consumables and view shipping status of such orders;

(iv) request technical support service for applicable technical support service levels; and (v) export contract information, Device data, or usage data.

- c) Provide a copy of your organization's standard SLA. This SLA must, at a minimum, adhere to the requirements outlined in Subsection 4.5.3(b).

Please see **Technical Response Exhibit 4 - HP Standard SLAs** in Section 7/Folder 7. HP's SLA offerings meet the standard SLA requirement in accordance with Subsection 4.5.3 (b).

- d) Describe your organization's ability to meet or exceed the Service Response Times as outlined in Subsection 4.5.3(b)(vi).

The use of HP tools such as Device Control Center with proactive service notifications helps HP meet or exceed Service Response Times. Remote problem diagnosis takes place whenever the customer places a service request. Prior to providing onsite assistance, HP initiates and performs remote diagnosis using electronic remote support tools, where available, to access covered products. HP may use other available means to facilitate remote problem resolution as well. Sixty-Five percent (65%) of services calls can be resolved by remote problem diagnosis without a technician going onsite. Service event reporting and review verifies that HP is meeting or exceeding agreed upon service levels and customer expectations.

Onsite Service Level Options

Standard response time options for eligible products are specified below.

Service Level	Coverage Window	Service Description
Next-day Onsite Response, Standard Business Hours (9x5)	8:00 a.m.–5:00 p.m. customer local time, business days, Monday through Friday, excluding local public holidays	An HP-authorized representative arrives onsite during the coverage window to provide Hardware Support services. Service is provided the next business day after the service request was logged. Calls placed after 4:00 p.m. local time will be logged on the next business day. This is base-level onsite service.
4-Hour Onsite Response, Standard Business Hours (9x5)	8:00 a.m.–5:00 p.m. customer local time business days, Monday through Friday, excluding local public holidays	An HP-authorized representative arrives onsite during the coverage window to begin hardware maintenance service within four business hours after the service request has been logged. For service requests received after 1:00 p.m. customer local time, response time may be carried over to next business day.
4-Hour Onsite Response, Extended Business Hours (13x5)	8:00 a.m.–5:00 p.m. customer local time business days, Monday through Friday, excluding local public holidays	An HP-authorized representative arrives onsite during the coverage window to begin hardware maintenance service within four hours after the service request has been logged. For service requests received after 5:00 p.m. customer local time, response time may be carried over to next coverage day.

Travel Distance and Onsite Response

All response times apply only to sites located within 100 miles/160 kilometers of a primary HP support-responsible office. Travel to sites located within 200 miles/320 kilometers of a primary HP support-responsible office is provided at no additional charge. If the site is located more than 200 miles/320 kilometers from the primary HP support-responsible office, there is an additional charge. Travel zones and charges may vary in some geographic locations. Response

times to sites located more than 100 miles/160 kilometers from a primary HP support-responsible office have the following modified response times for extended travel.

Distance from Primary HP support-responsible Office	"Next Day" On-site Response Time	4-Hour On-site Response Time
0–50 miles/0–80 km	Next coverage day	4 hours
50–100 miles/81–160 km	Next coverage day	4 hours
100–200 miles/161–320 km	1 additional coverage day	8 hours
200–300 miles/321–480 km	2 additional coverage days	Established at time of order, subject to resource availability
Beyond 300 miles or 480 km	Established at time of order, subject to resource availability	Established at time of order, subject to resource availability

e) How does your organization measure Technician performance?

- Are they evaluated based on the number of Service Calls completed, or the amount of time at a Service Call?

Service support is measured from the time the service ticket is logged until the ticket is closed out by the service technician. The technician's performance is based on the number of service calls completed within the applicable service level. SLAs and MPS performance goals/objectives are measured against Strategic Business Reviews with your HP Client Manager as defined in the MPS agreement and Statement of Work.

f) Describe your end-user training process for Equipment. How do you allocate resources to conduct the training?

- How long are your training sessions?

End-user Training Process

HP recognizes that each user may benefit from a different learning approach; therefore, HP can structure training to be delivered through a variety of methods including:

- Self-paced Training: Job aids and videos
- Web-Based Training: Basic Webinar and Enhanced Webcast
- Onsite training: Basic Device Familiarization and Enhanced User Training

Self-paced Training

Self-paced training includes job aids and videos hosted on a website.

The job aids, are focused on a specific task and typically delivered as .pdf documents. Most job aids are 1-2 pages each. Job aids can be printed, shared, emailed for unlimited use by the Customer.

Videos utilize a series of video or animation tutorials utilizing text, static graphics, to convey knowledge about specific tasks.

HP may provide content about specific tasks, features and functions of HP hardware, software and solutions in the form of job aids and/or videos. Examples of job aids and videos can be found at <http://www.hpusertraining.com/hp/Portal>.

Participating Entities will receive access to job aids and videos as appropriate to demonstrate the following:

- Control Panel Familiarization
- Copy Features
- Scan to Email, Scan to Fax, Scan to Folder, Scan to Device Memory
- Creating and retrieving Stored Jobs
- Replacing Media and Consumables: Paper, Toner, Print Drums, Ink and Staples
- Authentication at the device (if applicable)
- HP Access Control Secure Printing (if applicable)

HP can also create a customized user training portal that will only show devices and solutions specific to the Customer's fleet design. The portal will also feature the Customer logo and have a custom URL (i.e., <http://www.hpusertraining.com/CustomerNameHere/portal>).

Web-based Training

Using virtual training environments such as Skype for Business, WebEx, Citrix GoToMeeting, or Citrix GoToTraining, HP can provide interactive and engaging training to geographically dispersed audiences.

Basic Webinar Training

This delivery method includes live slides, screen sharing, audio conferencing via phone or Voice over IP ("VOIP"), chat-based Q&A and direct interaction with a live instructor.

Enhanced Webcast Training

This delivery method includes all Basic Webinar delivery and adds live streaming video, to show all aspects of the hardware including consumable replacement, paper path, and input/output accessories.

Both Basic Webinars and Enhanced Webcasts are customized to the Customer's needs.

Virtual training can be customized to fit Participating Entities' unique needs and configurations. HP can record a virtual training session, which can be made available to Participating Entities for unlimited, on-demand playback. A sample can be found at <http://vimeo.com/intraconna/review/98474438/24d8489142>.

Resource Allocation

HP allocates training resources depending on the level of training required. Participating Entities' end users will receive device training as new devices are installed and configured. HP installation technicians provide brief, informal device orientation for end users and key device contacts covering key device features including basic copy and scan, as applicable. This is a high-level overview designed to provide a basic understanding of how devices operate. Basic functions, such as loading consumables, clearing paper jams, replenishing toner cartridges, and basic front-panel usage are included.

HP offers onsite training resources who utilize a combination of face-to-face, instructor-led presentations and demonstrations, and hands-on practice. Onsite training can be delivered at a user's desk, at the device, in a conference room, or training facility as provided by the customer. All onsite training sessions can be customized to meet Participating Entities' specific business needs, configurations, and scheduling requirements.

Onsite Training is an extension of the device familiarization, providing in depth demonstration of device and software settings related to copy, scan to fax, scan to email, and document

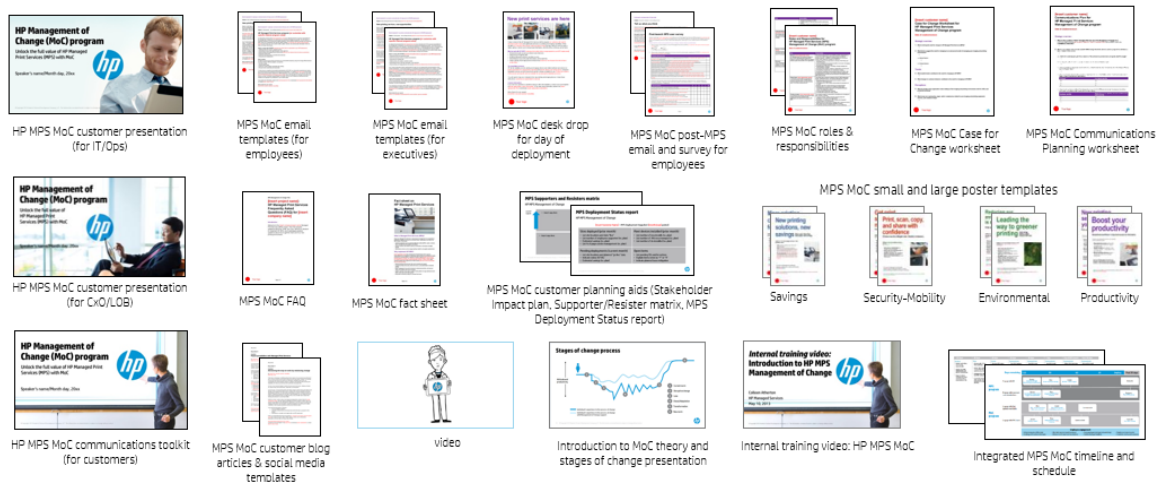
output and finishing. The dedicated onsite instructor integrates explanations and hands-on practice with the customized workflow solutions HP has implemented including secure access, capture and route, mobile printing and job accounting.

Length of Training

Device familiarizing training during hardware installation lasts approximately one (1) hour. The duration for onsite training sessions are customized to fit the training required.

HP considers Management of Change to be a significant and integral component when deploying an MPS engagement.

Figure 1. HP MPS Implementation Communication Kit



HP MPS Transition Planning Kit

To ensure MPS transition goes as smoothly as possible, HP will provide purchasing entities an HP MPS Transition Planning kit. It contains tools to help create plans, timetables, resource assignments, and an overall strategy for the successful completion of the deployment.

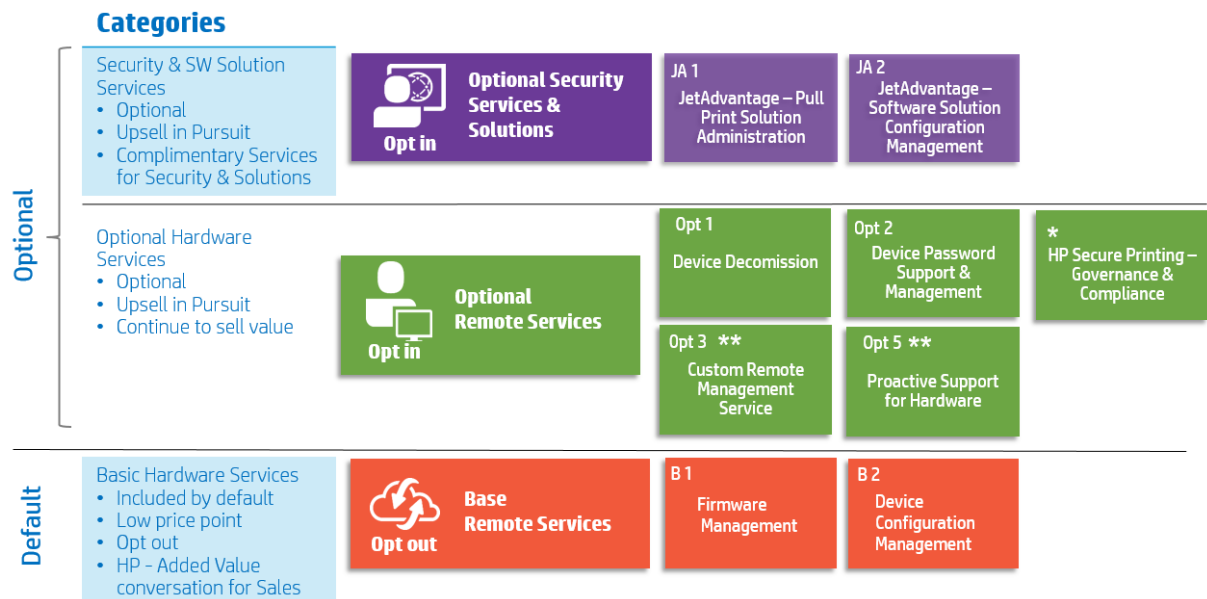
Specific resources included HP MPS Implementation Transition kit materials include:

- **HP experience and expertise:** An in-depth description of the experience and expertise you can count on from HP. Participating Entities will learn about our deployment methodology, our support services, and the HP experts you will be partnered with, our change management best practices and how they'll make your life easier.
- **Key success criteria:** To help guide Participating Entities through the process of putting the necessary policies, support, and strategies in place, we include a checklist of factors that must be considered when implementing a MPS project.
- **Roles and responsibilities:** In an MPS project of this scope, knowing the duties, goals and reporting relationships of each person and department can provide clarity, efficiency, and structure. We recommend these issues be addressed early in the process and provide the tools to organize personnel and their assignment.
- **Print policy example:** A guide to create intelligent, enforceable policies required for a smooth transition to the newly optimized environment.

- g) Describe how your organization provides proactive Preventative Maintenance to address technical issues before they become operational problems.

For proactive Preventative Maintenance, HP will leverage technologies such as Remote Management and Proactive Management tools that provides a combination of skilled personnel secure remote access for the customer's HP-managed fleet under a HP Managed Print Services contract. When maintenance or repair services are needed, a remotely located engineer can perform diagnostic services on a device and either repair it remotely, when feasible through configuration, reset, or upgrade options, or provide the most current diagnostic information to a repair technician, before dispatch, to enable successful service of the device on the first visit. Non-reporting devices can also be identified, and a resolution put in place promptly providing for accurate reporting and timely supplies delivery and reducing potential downtime.

Figure 2. Different types of Remote Management Services



Benefits of HP Remote Management Services

HP Remote Management Services will help the Purchasing Entity reduce support costs, improve productivity, and increase security.

Reduce Costs

- Lowers cost by consuming less of the Purchasing Entity's employees time to assist with fleet issues.
- Keep updated firmware versions reducing errors and fleet can print at an optimum level

Improve Productivity

- HP Experts manage the fleet remotely avoiding local self-educated the Purchasing Entity's employees to be distracted from their daily job.
- Improves uptime performance through quicker resolution, enabling more consistent and productive use of devices by the Purchasing Entity.
- Maintains consistent fleet profiles through remote fleet management.
- HP can identify and resolve device and fleet issues before they become the Purchasing Entity business problems

Increase Security

- No risk of the Purchasing Entity data leaving customer premises after device replacement

- Regular review of security policy compliance and remediation
- Protected devices not accessible for unauthorized personnel
- Use of highly secure remote management capabilities protects the Purchasing Entity's information and infrastructure

Remote Management Centers

HP utilizes Remote Management Centers ("RMC") to service each of our three services regions in the Americas, Europe/Middle-East/Asia, and Asia-Pacific.

Remote Management Technology

HP utilizes technological capabilities that have been consolidated onto what is referred to as the HP Device Connect ("HP DC") platform. This platform consolidates proven, secure software and tools that enable the HP remote Fleet Engineer to efficiently manage the Purchasing Entity's imaging and printing fleet.

Strict attention is paid to customer security through the use of:

- Server security features and operating system hardening
 - All system events are logged
 - Only relevant services are allowed to run
- McAfee® Integrity Control™ software to control execution of authorized applications only as well as modification of files
 - Keeps unwanted software out
 - Stops unauthorized applications from running
 - Denies unauthorized file changes
- Secure, encrypted, and authenticated HP Remote Device Access capabilities
 - Same proven technology that has been in use for years in delivery of remote support of HP customers' critical server and storage systems
 - Configurable to comply with the Purchasing Entity's security policies
 - Only authorized HP personnel allowed access
 - All connection attempts are logged

The HP DC platform can be implemented on a physical server (DL320) provided by HP, within a virtual environment hosted by the Purchasing Entity or in a software only bundle loaded onto a platform owned and maintained by the Purchasing Entity. Additional technical specifications and security documentation can be provided for a Purchasing Entity's IT personnel, if required.

Data Collection Policies

HP respects customer privacy and will only access the data required to support the Purchasing Entity's print environment. The data normally collected to enable remote management includes the following:

- Detailed page counters
- Consumables status and state
- Preventative maintenance information
- General device information (model, serial number, firmware revision, install date, etc.)
- Configuration page

- Status page
- Event logs (both error and warning)
- Security and workflow solution version

The following types of information are not collected:

- Personally Identifiable Information (“PII”)
- Fax or email related information
- Images of printed, copied or scanned pages
- Network and security information that is not related to device configuration

Remote Access Method

The method of Remote Access is flexible to meet the Purchasing Entity requirements. Options include:

- Preferred (recommended) method
 - Entitled Access (Preconfigured or Unattended)
 - Customer Access System (“CAS”) hosted on HP DC
 - Remote Access to HP DC through customer managed access point
 - Customer hosted VPN
 - CAS hosted on customer server
- Alternate Remote Access Option
 - Ad-Hoc (Attended), which requires active Purchasing Entity personnel involvement in every interaction
 - Meet in the Middle
 - Virtual Support Room

HP Device Connect Collection Agent

The HP DC collection agent provides an efficient, secure means for collecting and reporting usage data from the Purchasing Entity’s HP MPS printing and imaging fleet. With its automated data collection and convenient reporting features, the HP DC collection agent helps the Purchasing Entity track, conserve, and optimize printing resources. HP’s DC collection agent also improves the productivity of the Purchasing Entity’s staff by eliminating cost- and resource-intensive tasks such as supplies ordering and inventory management.

The HP DC collection agent is comprised of three (3) components:

- Data collector—Used to gather daily device-usage information
- HP data repository—Interfaces with the data collector and HP systems to provide data for billing and customer reporting
- HP MPS web portal—A secure website for the Purchasing Entity to view the devices on contract, usage data and supply levels, as well as, order supplies and service

HP DC Collection Agent Operation

HP’s DC collection agent resides on a Purchasing Entity’s network and initiates communication with the HP Data repository on a regular basis to check for work instructions. The HP repository then provides instructions to the data collector to pull usage information from each specified device in the Purchasing Entity’s environment. Usage data is only collected daily.

The data collector sends directed network packets to the specified devices, requesting the usage information, which is then passed from the devices back to the data collector and sent through the Purchasing Entity's firewall to the HP data repository. The usage information is updated once a day on the HP MPS web portal, a highly-secure website, where the Purchasing Entity can view reports describing device usage and trends. For selected MPS invoicing options, data is extracted from the HP data repository and used to create an invoice for the Purchasing Entity.

The Purchasing Entity may choose from a variety of usage reports including device utilization and trend analysis that only the HP DC collection agent enables. Device utilization reports on the HP MPS web portal allow HP and the Purchasing Entity to monitor fleet output and determine if devices are being over- or under-utilized. Trend analysis reports enable the Purchasing Entity to monitor fleet productivity from month to month, and quarter to quarter. These reports are updated daily. Reports are available for download in Excel format.

HP DC Collection Agent and Security

To maintain client security, only the HP data collector initiates communication with HP. HP never initiates communication with the HP data collector. Communication sessions are conducted over Secure Hypertext Transport Protocol ("HTTPS") port 443, the universal standard in secure transactions. At the end of a session, the data collector sends the collected data back to HP and breaks the connection. The HP data collector does not retain any data. While the data collector is stateless with regard to devices and collections, it does have customer PIN, hardware/virtual serial number, and log information that exists for a period of time before rolling off.

Purchasing Entity Responsibilities

The Purchasing Entity will assign a single point of contact to work with HP for all remote management activities. These activities include the following:

- The Purchasing Entity arranges for proper technical personnel to consult with HP personnel on security and technical aspects of the remote service to communicate customer-specific security policies, and to provide customer approval for implementation of the HP Device Connect platform. This includes completion of the MPS Data Collector Configuration form, and the establishment of all necessary network settings.
- The Purchasing Entity collaborates with HP to implement HP Device Connect in the Purchasing Entity environment, including remote access to all contracted fleet devices covered under a Statement of Work ("SOW").
- The Purchasing Entity determines and coordinates with HP the remote access method that will be enabled, including remote access to the HP Device Connect platform and all contracted fleet devices covered under a SOW. If entitled access is not selected, provides point of contact for timely enablement of each remote access session.
- The Purchasing Entity collaborates with HP to define and document what services remote fleet engineers are authorized to perform.
- The Purchasing Entity pro-actively notifies HP of any physical location changes or networking changes.
- The Purchasing Entity coordinates timely delivery to HP of monthly page counts for any devices under contract that are unable to auto-collect through the HP DC collection agent. This includes any third-party devices not currently utilizing Universal Device Agent ("UDA").

- The Purchasing Entity may need to provide configuration pages to resolve any non-reporting devices.
- What type of Preventative Maintenance is done at the time of a Service Call?

At the time of a service call, the HP-authorized technician performs several preventative maintenance activities.

- Install available engineering improvements and firmware updates to ensure proper operation of the device, maintain compatibility with the replacement parts or maintain supportability by HP
- Update device firmware to maintain operational performance of the device
- Provide support services not associated with a customer-initiated repair case in order to maintain device operability and functionality

Utilizing HP Tools, HP will provide ongoing remote monitoring, management, and ordering of Maintenance Kits. HP will dispatch an HP-authorized technician to install all applicable replacement Maintenance Kits. The service is completed when the HP authorized technician replaces the Maintenance Kit and successfully prints a test page. HP will install the replacement kit before the in-use kit is complexly expended.

- h)** Describe your process for communicating with customers regarding inoperable Equipment, including updates for resolution timeframe, and any parts, Accessories, or Devices that are on back-order.

The assigned HP Client Manager (“CM”) is the single point of contact who communicates with customers regarding inoperable equipment, including updates for resolution timeframe and any backordered parts, accessories, or devices. The CM oversees the day-to-day HP MPS relationship with NASPO ValuePoint. The Client Manager also has overall responsibility for escalations and working with NASPO ValuePoint to gain agreement on the definition, action and success criteria associated with any escalations that might arise during the HP MPS engagement.

To support the agreement, HP does the following:

- Establishes an account-management structure that provides Purchasing Entity with a single point of contact for ongoing deliverables and support.
- Proactively monitors devices and supplies, provides access to priority technical support, both onsite and/or remote, and provides options for supplies replenishment to help maximize device uptime and availability.
- Monitors the fleet and leverages online reporting to obtain valuable device usage information, enabling Purchasing Entity to assess, adjust, and optimized hardware usage as needed.

HP works closely with the Purchasing Entity to facilitate ongoing effective management of the imaging and printing environment, allowing Purchasing Entity to focus on core business issues.

- 4)** Per **Subsection 4.5.4** of the RFP, how do you ensure that software patches and updates are communicated to the customer?

HP ensures that software patches and updates for HP-branded Software are communicated through HP Support Alert emails sent to customers who have an HP SOW. As Software Products

are updated, registered customers receive email alerts with a link to the Software Updates and Licensing portal. E-mail alerts are sent from HP [alerts@alerts.hp.com].

The following software solutions are included in the MPS pricing:

- **HP Digital Sending Software (“DSS”)**

DSS is an off the shelf server-based software product that allows Customer to incorporate paper documents into electronic business processes. From compatible HP-branded digital sending devices, Customer can send certain digitized information to network folders, printers, and fax services.

- **HP Access Control (“HP AC”)**

HP AC is a suite of off the shelf software applications. HP AC is designed to operate with selected networked HP-branded devices and provides some level of functionality for selected Non-HP branded devices.

HP AC Enterprise: includes Secure Pull Print Enterprise, Authentication, Job Accounting (50 users per device license), Intelligent Print Management and Intelligent Rights Management. In addition, HP may provide additional HP AC Job Accounting licenses.

- **HP JetAdvantage Security Manager (“HP SM”)**

HP SM is an imaging and printing compliance solution that enables fleet wide security monitoring and management. SM automatically assesses, reports and remediates imaging and printing devices.

- **HP JetAdvantage Secure Print**

HP JetAdvantage Secure Print is a cloud-based Software Solution that enhances security and control of Customer’s networked IPE, including multi-vendor Devices, by releasing print jobs only to authorized users.

- **HP JetAdvantage Insights**

HP JetAdvantage Insights is a cloud-based printer management Software Solution that utilizes locally deployed software agents to provide visibility and analytical data regarding Customer’s IPE, on demand via the Internet from an HP cloud server. All data transmitted to HP’s cloud server is through secure and encrypted channels.

5) Per Subsection 4.7 of the RFP:

a) Describe how your organization responds to customer complaints. Identify your escalation process and the personnel that will handle these issues.

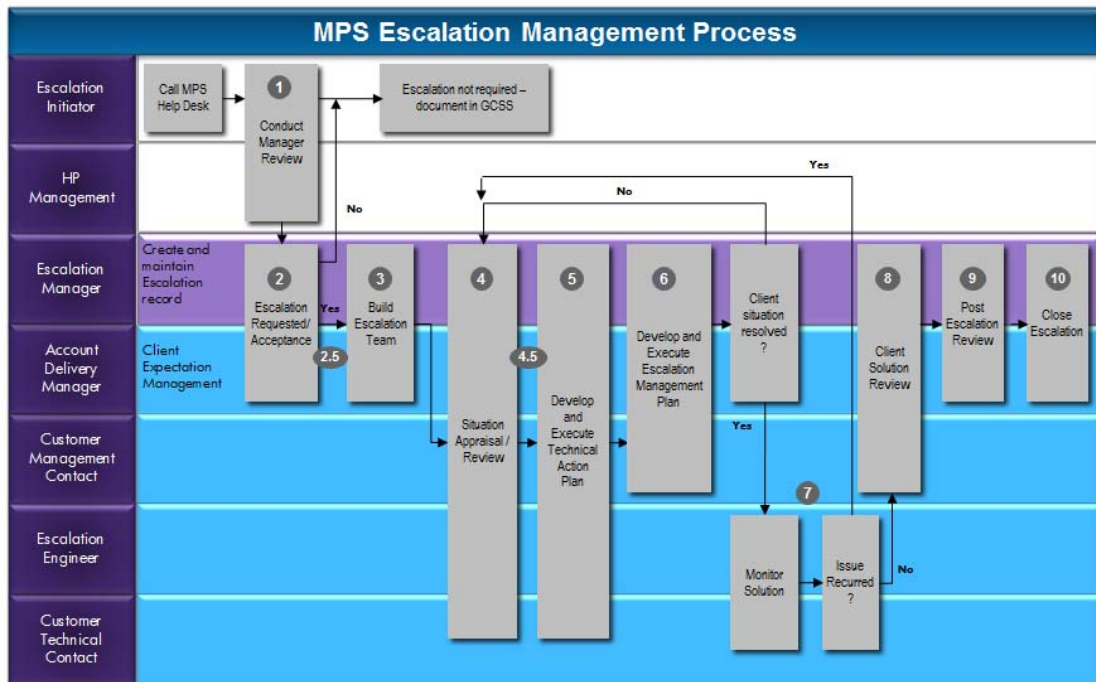
The HP Client Manager assigned to a Purchasing Entity’s SOW is the first point of contact regarding any complaints and has overall responsibility for escalations, working with the Purchasing Entity to gain agreement on the definition, action and success criteria associated with any escalations that might arise during the HP MPS engagement to ensure customer satisfaction.

HP’s escalation process and personnel are outlined below.

Following a documented and proven escalation process, the HP Client Manager will engage the necessary contacts, including HP’s Escalation Manager, and be the focal point for ongoing, regular communication with NASPO ValuePoint until issues are resolved in the most time-

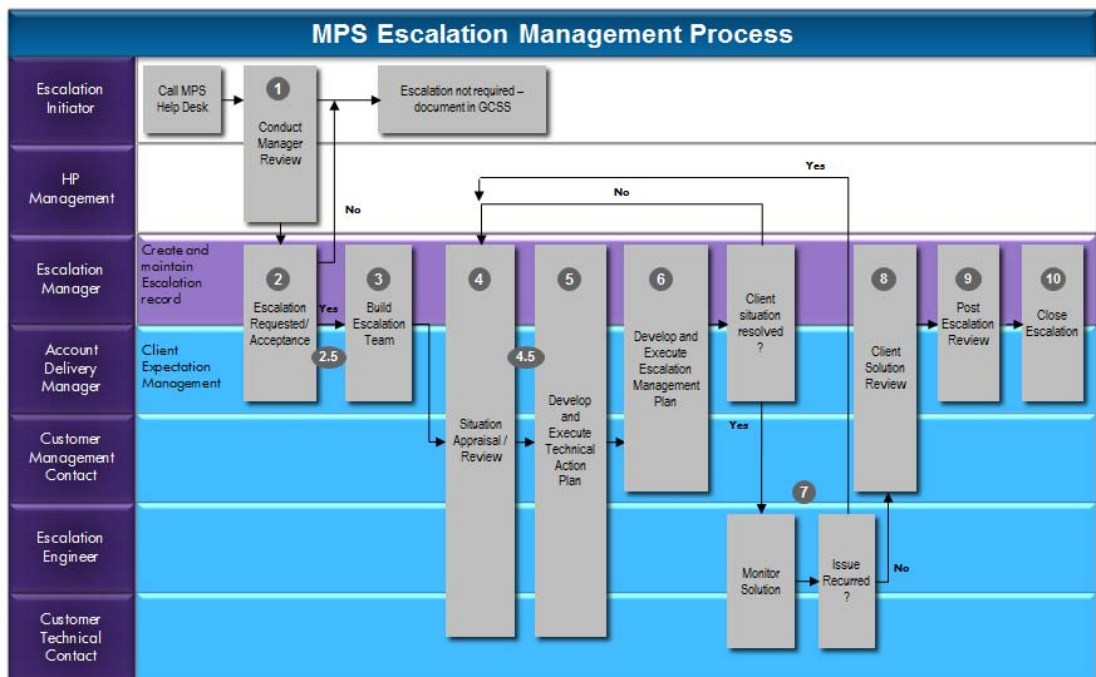
effective and efficient manner possible. This accountability ties directly to service level agreement (“SLA”) measurement, customer satisfaction, and product quality.

Figure 3. HP MPS Escalation Management process flow



The escalation management process ensures that there is the appropriate level of management focus and resources to resolve persistent, difficult, or high business-impact customer issues. It also serves to check that the communication level with Purchasing Entities is consistent with the severity of the issue. Complementing HP’s general standard process framework, escalation management provides the ground rules for meeting the demands of any exceptional situation.

Figure 4. HP MPS Escalation Management process flow



The escalation management process ensures that there is the appropriate level of management focus and resources to resolve persistent, difficult, or high business-impact customer issues. It also serves to check that the communication level with Purchasing Entities is consistent with the severity of the issue. Complementing HP's general standard process framework, escalation management provides the ground rules for meeting the demands of any exceptional situation.

HP Customer Engineers have many avenues of support beyond their own technical experience, product documentation, and product training. If it is determined that additional technical expertise is required, Customer Engineers will contact Tech Assist and leverage HP's defined internal "elevation process" for engaging peer and higher-level technical resources, Level 2 and then Level 3, if needed. Contact with these other, more experienced engineering resources is made via phone or e-mail and provides further troubleshooting analysis and alternatives for better diagnosis, part and product replacement recommendations, and full case documentation.

Problem resolution technical elevation process

In addition to the process described above, HP has a defined, worldwide "escalation process" that is initiated when it is determined that HP's standard service delivery processes have not delivered or will not deliver an acceptable solution in an agreed-upon time frame. The escalation process puts two specific HP roles in place for the duration of the escalation – an Escalation Manager and the Escalation Specialist. These two individuals work closely with the ADM, and through them Purchasing Entity's management and technical contacts, to develop a formal action plan and success criteria. The Escalation Manager may extend the escalation team to include HP management and other members of Purchasing Entity's account team (e.g. Support Delivery Manager, Account Manager, etc.) to ensure HP communicates with all the appropriate people within the organization.

Additional resources may also be involved including additional HP technical resources, HP senior management and executive contacts, third-party technical resources and/or HP delivery partners.

When a HP Customer Engineer calls for formal technical support, HP's support center logs the steps in the process with time stamps, parts used, and any other activity the Customer Engineer has performed on the product to resolve the issue. This support log is available to the Escalation Manager and Escalation Specialist if the need arises.

- b)** Describe how you assess customer satisfaction. Do you send out user surveys, call customers directly, or schedule routine on-site visits?

HP believes that customers define quality based on their expectations and how well those expectations are met through their total experience with the company. To do this, HP conducts customer surveys to determine how we are performing against service level metrics, to identify potential areas for improvement, and to assess overall customer satisfaction. By taking strategic action at the business, function, and regional levels, we continue to improve the customer experience.

The knowledge gained from these feedback mechanisms can contribute to significant improvements in product and service quality, as well as process performance. There are a variety of different feedback tools used. Primary Research is focused on gathering data to obtain an aggregate view of total customer experiences and address broad issues, process experiences, and business (product) experiences. Relationship Research is focused on gathering account-specific data to address account-specific customer experiences or issues.

c) What are your quality assurance measures and how are they handled in your organization?

An overview of HP quality assurance measures follows:

HP operates a Quality Management System that complies with the requirements of BS EN ISO 9001:2015.

The HP Quality Management System is a framework for process-based business management and is the company's registered and documented quality management system. It defines the key processes that create value for HP customers. The process architecture is designed to meet customer expectations and provide leadership and support. Key business processes are documented, with special emphasis placed on simplicity, clarity, and disclosure of mandatory information, such as links to other processes, responsibilities, and performance metrics. In line with the overall HP strategy, HP evaluates internal and external processes and uses these findings to drive continuous improvements in the system.

The HP management team empowers management representatives within each business function to lead the deployment of the quality strategy and to administer the Quality Management System to best meet HP customers' changing business needs.

6) Per **Subsection 4.9** of the RFP:

a) Describe the ordering process, including steps to expedite Orders.

HP's ordering process for hardware and maintenance services offers Purchasing Entities options after obtaining a quote.

1) Order online through the main portal for individual Purchasing Entities or through the Participating State e-commerce or punch out site or eMarket Center site

2) Fax or email a PDF file copy of the order directly to HP

Ordering instructions are highlighted on the HP NASPO ValuePoint Copier-Print & MPS Contract main portal e-commerce site for an awarded contract, the eMarket Center, and the Participating State e-commerce or punch out site.

If a Purchasing Entity places its order through the e-commerce, eMarket Center or Purchasing Entity punch out site, the Purchasing Entity automatically receives an order confirmation. If an order is placed via fax, as long as the Purchasing Entity has provided its email address, or via email the Purchasing Entity will receive an order and shipment confirmation. The order confirmation will confirm details of the order with an estimated time of shipment. After receipt of that confirmation, if the Purchasing Entity wants to expedite its order, it can reach out to the Customer Service Representative (CSR) either by email or the toll-free number. At any time, the Purchasing Entity can also escalate to the Contract Sales Management contact listed on the e-commerce site as an escalation point of contact assigned to support an awarded contract.

The designated contact reached would prioritize the order and work with the Purchasing Entity to meet its specific needs. If for some reason the Purchasing Entity needs the product sooner than the standard contract delivery turnaround time or what is available for the product to meet their specific timeline, HP has two (2) potential options based on Purchasing Entity preference and as allowed under the contract: 1) Provide product availability options that meet or exceed their current product specifications at the same or lower price based on their approval as allowed under the Participating State Agreement, or 2) review product availability in Distribution.

Shipment confirmations are generated once the product is scheduled with the transportation company. This notification informs the Purchasing Entity that the product is on its way to the designated ship to address on the Purchase Order, so they can prepare for receipt. Shipment confirmations include the same information as order confirmations with additional details such as serial numbers, carrier name and air bill number, and delivery timeframe.

Ordering Instructions

All Purchase Orders need to be made out to HP Inc. or HP with the ordering address referenced below. The Purchase Order should include the Contract Number (XXXX) in the body of the Purchase Order. Please also include a copy of the quote, email address, the ship to location or drop ship locations, delivery date requirements and any other special information, if applicable. Orders can either be Faxed to 800-825-2329, emailed to PSOrderProcessing@hp.com or placed via the State site reached by clicking on the map at (URL to be determined upon award)

Ordering Address

HP Inc.
Attn: Public Sector Sales
3800 Quick Hill Road, Building 2, Suite 100
Austin, TX 78728
Ordering email box: PSorderprocessing@hp.com

If faxing an order into HP, please be sure to add your email address onto the body of the Purchase Order or the cover page of the fax. This should provide you with an order confirmation within 48 hours of receipt of the fax. If you do not receive the order confirmation within 48 hours this may indicate that there is an issue with your Purchase Order (for example: fax was not received, PO is not readable, etc.). To ensure your order is processed, please send inquiries to PSorderprocessing@hp.com if your order confirmation has not been received.

For Inquiries on your Order such as Changes, Status, estimated delivery times or expedites, invoicing or billing questions: To reach HP Order Management Customer Service Representative (CSR), call one of the toll-free numbers below and following the prompts (Option 2, Option 2).

- 1.888.202.4682
- 1.800.888.3224
- 1.800.727.2472

For MPS, the HP Client Manager is the contact for services during the duration of the agreement and leads in executing the customer's ordering of MPS as detailed in the MPS contract or through an Amendment or Change Order. When the contract vehicle is signed by the customer and HP, the customer submits the Purchase Order to the HP Client Manager, who in turn tracks the order and communicates with the customer on the timeline for delivery until the order is delivered. The HP Client Manager will expedite orders, as needed, on behalf of the customer.

MPS invoicing will be either a Cost per Page (CPP), or Base + Clicking billing. The Base charges are invoiced monthly in advance and the Click charges monthly in arrears.

- b) Describe your organization's process for resolving disputed invoices, including escalation procedures.**

For hardware purchases, HP's standard process for resolving invoice disputes is to direct the issue to the CSR. The CSR will research details covering the dispute. Once details are confirmed, HP applies a credit against the open invoice. For invoices already paid, HP generates a credit

memo invoice for the customer to use towards other invoices. Credits on procurement cards are seen within 3-5 business days. For customers that prefer a check, HP sends a check release form for confirmation of their request.

Escalations of unresolved invoice dispute are sent to the assigned Contract Sales Manager, who ensures that unresolved disputes are handled to the Entity's satisfaction.

MPS disputed invoices are handled directly by the HP Client Manager assigned to NASPO ValuePoint, who oversees the day-to-day HP MPS relationship with NASPO ValuePoint. As the single point of contact, the Client Manager also has overall responsibility for escalations and working with NASPO ValuePoint to gain agreement on the definition, action and success criteria associated with any escalations that might arise during the HP MPS engagement.

HP will invoice either as a Cost per Page (CPP), or Base + Click billing. The Base + Click Base Charges monthly in advance and Click Charges monthly in arrears.

- c) Describe your organization's process for issuing refunds or credits to customers due to invoicing errors, over-payments and Product returns.

HP generates a credit memo for open invoices which confirms the credit was applied for any credits due to invoicing errors, overpayments and product returns. If the customer has already paid the invoice, HP generates a credit memo that that can be utilize against other invoices. If a credit was generated under a procurement card (credit card), the Purchasing Entity will receive that confirmation in a credit memo simply noting a credit was applied to a credit card transaction for the Purchasing Entity records. Credits on procurement cards are seen within 3-5 business days. For customers that prefer a check, HP sends a check release form for confirmation of their request. The check is generated and mailed to the designated contact and address. For product returns, credits are applied to the open invoice after receipt of the returned product. Escalations for any refunds, credits, invoicing errors, overpayments or product returns can be sent directly to the Contract Sales Manager assigned to manage the contract, who ensures unresolved issues are resolved to the Purchasing Entity's satisfaction.

For Services Agreement or MPS, the HP Client Manager is the single point of contact regarding invoicing. Credits or refunds due to the customer from invoicing errors or overpayments will appear on the invoice issued on the following month's regular billing cycle.

7) Per Subsection 4.13.3 of the RFP:

- a) Provide a copy of your organization's Data Breach plan.

Please see **Technical Response Exhibit 1 – Data Breach Plan** in Section 7/Folder 7.

- b) Describe, in detail, how it adheres to the NIST standards outlined in Exhibit E (NIST Computer Security Incident Handling Guide). Your response must include your policies regarding breach detection, notification, and response time.

As noted in HP's response to Section 4.13.3 in Part I of this Attachment F (How HP's Data Breach incident process meets NIST requirements), HP follows a developed Cyber Incident Management ("CIM") Process that is modeled after the NIST Computer Security Incident Handling protocols. The Process addresses purpose, scope, roles, responsibilities, management commitment, organizational coordination, implementation procedures, and compliance checking. HP reviews and updates the CIM Process annually.

A Cyber Incident Response Team ("CIM Team"), which includes HP Cybersecurity personnel trained in incident response and crisis management, is regularly assembled for table-top

reviews of process and any incident or event. The CIM Team includes the following specific roles: Event Identifier, CIM Manager, Technical CIM Lead, Technical CIM Team, Crisis Management Lead, Event Manager, and, as needed, subject matter experts, business unit representatives, members of legal, or system/database/ network administrators. The CIM Team will maintain CIM logs as detailed in the CIM Process, as well as any other documentation related to an information security incident. Incident information is labelled 'Confidential' and stored appropriately, with summaries of ongoing investigations and remediation activities. The CIM Manager will lead the after-action reporting, which documents the incident.

All HP workers, contingent workers, and business partners are required to report all security events that are in violation of HP policies, standards, business practices, or relevant regulatory requirements and laws. Security events, including instances of data breach, are reported to the Security Operations Center ("SOC") through a 24 x 7 online process. Please contact: SOC@hp.com.

Fleet Security

HP was the first company to have a NIST approved security checklist for print devices. Five years ago, HP took print fleet security to the next level by introducing HP Security Manager (HP SM). HP SM continually monitors all (250+) security settings on the entire HP fleet; if any settings are found out of compliance, they will be immediately remediated (set to conform with the policy). The base security policy included with HP SM is based on the HP NIST Security Checklist, but most clients modify the base policy to meet their specific security requirements.

HP SM includes a feature called Instant-On Security, where devices will be assessed and remediated automatically as soon as they are added to the network. This eliminates the lengthy security exposure between the time when a device is first added (or serviced) and when the security settings are applied.

HP SM also provides comprehensive compliance reporting, so Purchasing Entities can easily prove compliance of the entire HP fleet with the corporate printer security policy at any time.

HP SM provides unique features not available from any of our competitors and has received recognition from several industry groups, including the BLI award for Outstanding Achievement in Security Solutions.

8) Per Subsection 4.13.5 of the RFP:

a) Describe, in detail, the protocols that are followed for hard drive sanitation and removal.

The HP devices comply with current US Government requirements for Clear and Purge when clearing confidential data from a hard disk as specified in Updated DSS Clearing and Sanitization Matrix AS OF June 28, 2007 and NIST Special Publication 800-88, Guidelines for Media Sanitation (R1 December 2014). NIST SP-800-88 "Guidelines for Media Sanitization" (R1 December 2014) supersedes the US DOD 5220-2.M (1997 edition) specification.

- Overwrites and erases drives multiple times, permanently removing sensitive data
- Provides maximum data sanitation

HP Large-Format Media Recycling

HP offers recycling for certain commercial and industrial signage media, as well as HP graphics and technical media from banner and sign material to films and backlit materials. State-of-the-art processes ensure the plastics used in these printing materials are recycled in a way that

conserves resources. For program availability and to learn more, please see the HP website: www.hp.com/go/recyclingbanners.

HP Custom Hardware Recycling and On-Site Data Destruction

Responsibly recycling old and obsolete IT equipment is a concern for businesses of all sizes. Incorrect disposal of electronics may harm the environment, while improper handling methods could put private data and company reputation at risk.

HP provides a secure and responsible way for customers to retire their IT assets. Customers can work with HP to develop a solution that meets their security and sustainability needs—doing what is right when retiring assets has never been so easy. Services that HP provides include:

- Complete destruction and recycling at state-of-the-art recycling facilities
- Onsite data destruction (degaussing or shredding)
- Asset tracking, auditing, and certificates of destruction
- Complete transportation and logistics coordination

Reliable Security

NASPO ValuePoint can be confident that HP handles private information appropriately and securely, and that HP's recycling processes are environmentally responsible. All data left on storage devices is irrevocably destroyed during recycling. Plus, the recycling process itself complies with U.S. Environmental Protection Agency standards and all applicable environmental regulations.

HP offers a certificate of destruction on request signifying that we have properly destroyed the products and that the data cannot be accessed. HP also offers specialized reports that include additional details that may be needed, such as a list of serial numbers of the recycled items. HP can also provide documentation to show chain of custody of the equipment.

Customized and Compliant

HP works with NASPO ValuePoint and purchasing entities to create a customized solution that ensures hardware is destroyed and recycled in a way that meets even the most stringent requirements. HP's secure and certified data destruction complies with Department of Defense standard 5220.22-M, the Health Insurance Portability and Accountability Act ("HIPAA"), Gramm-Leach-Bliley, and other privacy protection laws. HP can destroy data on all types of media, including hard drives, servers, DVDs, CDs, floppy disks, magnetic tape, USB memory sticks, and Secure Digital cards.

- b)** How will your organization ensure that their Authorized Dealers conform to these requirements?

HP Authorized Dealers that only provide warranty break fix service are certified to meet the requirement per their agreements with HP. Therefore, if a Purchasing Entity adds Defective Media Retention to its product or MPS contract, the service will be delivered and scheduled at the time a device is removed from the customer site by HP.

Defective Media Retention ("DMR") - Customer will retain all defective hard disks or SSD/Flash drive components ("Disk"). All Disks on all Devices must participate in the defective media retention service. HP waives the right to take possession and title of a defective Disk covered by the defective media retention service in the event a replacement product is delivered by HP to Customer. Customer will retain all defective Disks supported by HP under this Agreement and

Customer remains fully responsible for the protection and privacy of the data residing on the defective Disk.

- c) What is your process for ensuring that other Manufacturers don't remove hard drives in your Equipment?

For HP MPS, only HP authorized service providers service the HP equipment. Accordingly, other Manufacturers will not have the authorization to remove the hard drives. Dealers who are HP authorized will have authorization and are tied to the requirements of their agreements with HP that include an obligation to strictly adhere to the HP DMR guidelines.

9) Per **Subsection 4.14** of the RFP:

- a) Describe any additional warranties you offer on your Products.

Group A, A3: Product warranty is tied to a maintenance or MPS services agreement. Most customers select agreements up to five years, but they can extend coverage depending on the customer maintenance or MPS agreement.

Group B, A4 and Group D, Single Function Printers: All are backed by our standard One-Year Limited Warranty with extended warranties available to cover products up to five years.

Group E, Large/Wide Format Printers: The most common warranty for an HP DesignJet printer is 1 year; additional coverage up to 3 years is available to purchase.

Group F, Scanners: Beyond the standard warranty, HP offers Care Packs (extended warranties) that are available to cover products for up to five years and can include product exchange or on-site service.

HP MPS support replaces the standard product warranty. Standard options for MPS are typically 36-, 48- and 60-month terms.

- b) Have you ever encountered a situation in which a customer exercised the Lemon Clause? If so, please describe the situation in detail, and include the type(s) of Devices this affected and your resolution in ensuring customer satisfaction.

From time to time, HP has had customers encounter this situation and, as a normal course of business due to our commitment to customer satisfaction, HP replaced the device with a new or re-certified as new device that met or exceeded the specifications. This has occurred so rarely that HP does not have a specific instance to document for the product Grouping.

HP MPS Provides Device Performance Assurance

HP-provided devices: Subject to SOW service limitations, if a HP branded, HP-provided Device is experiencing a failure rate of four (4) logged Technical Support tickets or more within forty (40) consecutive calendar days for the same defect, HP will replace such Device with a functionally comparable Device, at no additional charge to Customer and priced with the same Fees as the replaced Device. All replaced Device shall be returned to HP.

Customer-provided devices: If a Customer-provided Device is experiencing a failure rate equal to or greater than six (6) logged Technical Support tickets or more within sixty (60) consecutive calendar days for the same defect, Customer shall replace such Device within thirty (30) calendar days of notice from HP. If the Customer elects not to replace the Device, HP may elect one of the following options: (1) issue a remedial Change order to re-price the Device, or (2) declare the Device ineligible for MPS and terminate for convenience.

Attachment G – MPS Response

RFP-NP-18-001

Copiers and Managed Print Services

Offeror Name: HP Inc.

Instructions: Offeror must provide a detailed response to the REQUIRED questions listed below. Offerors are also encouraged (but not required) to provide detailed responses to the VALUE-ADDED questions listed below. Responses will not be limited to a certain number of pages.

REQUIRED RESPONSES:

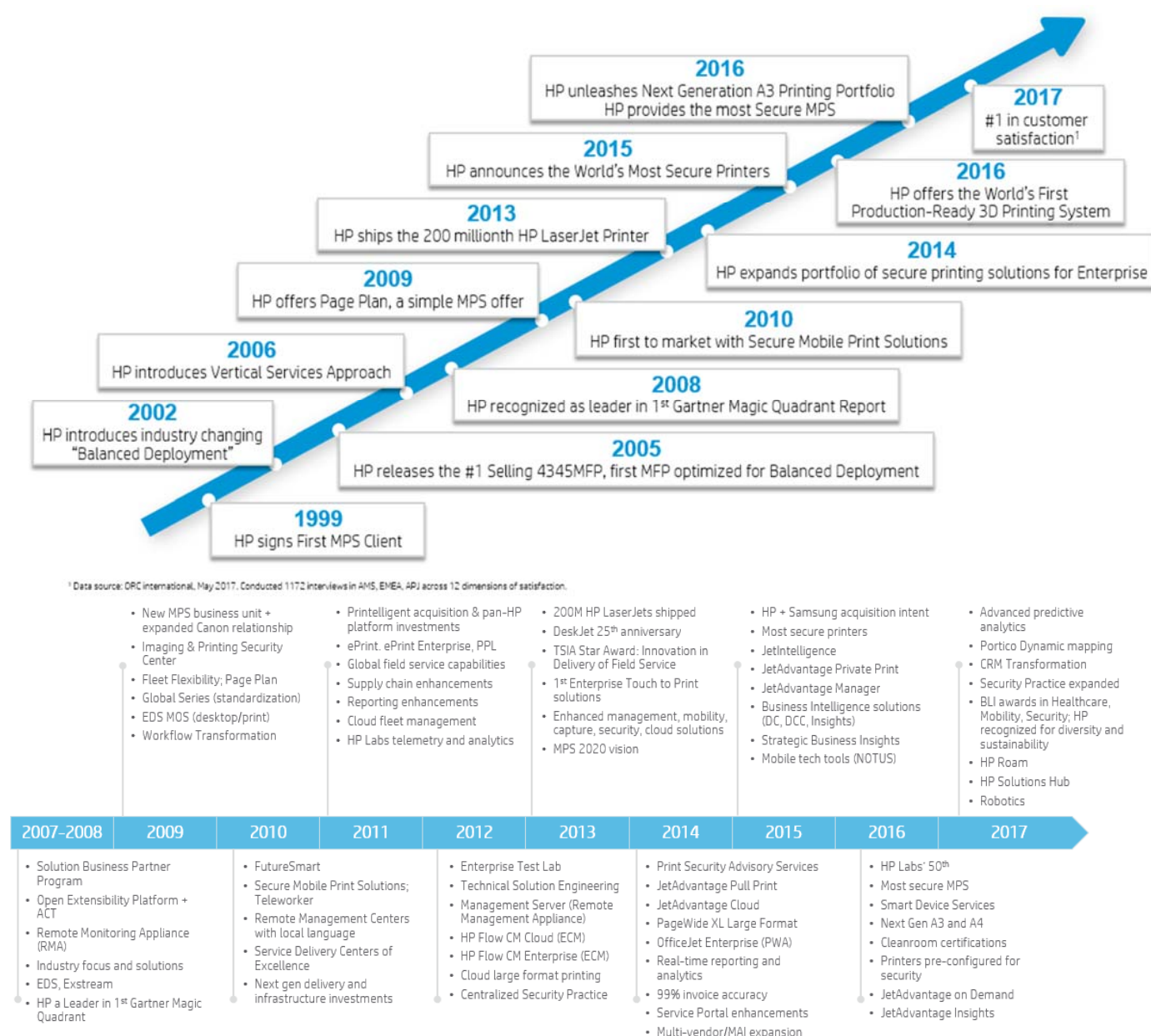
- 1) How long has your organization been providing Managed Print Service solutions? Include any specialized training or experience that your organization or Key Personnel within your organization possess in your response.

HP has been providing imaging and printing enterprise environments globally for 25 years, with more than 17 years delivering Managed Print Services. HP Inc. (“HP”) (previously known as Hewlett-Packard Company) was founded in 1939 by two engineers—Bill Hewlett and Dave Packard—who believed in the power of technology and the contribution it could make to our customers’ lives, communities and businesses. More than 79 years later, we are still a company that applies new thinking to improve the lives and businesses of our customers.

Today, HP is one of the largest technology companies in the world, with a global reach and an array of solutions that go well beyond the printers and PCs that we are famous for. At HP we are proud that our products touch so many lives, and we want you to know that this is just the beginning. We believe that technology is vital to helping us all succeed in this rapidly changing world. We believe that because we serve such a wide range of customers we have a unique perspective on their needs and an exceptional level of insight into how they may be solved. And we are committed to using our products, services, and ideas to unleash the exciting new possibilities just around the bend.

HP employs over 1,000 Managed Print Services (“MPS”) related service individuals targeted to support Managed Print Services. HP will meet and strive to exceed all committed Service Level Agreements (SLA) that are contracted through HP Managed Print Services. HP’s Net Promoter Scores are a leading indicator of our capability and leadership within Managed Print Services. HP will utilize proactive technologies for Purchasing Entities to ensure a more efficient and streamlined service model. HP will leverage technologies such as Remote Management and Proactive Management tools for a better overall experience with HP MPS. Please see **MPS Technical Response Attachment 1, HP Analyst Recognition and Industry Awards** for further details.

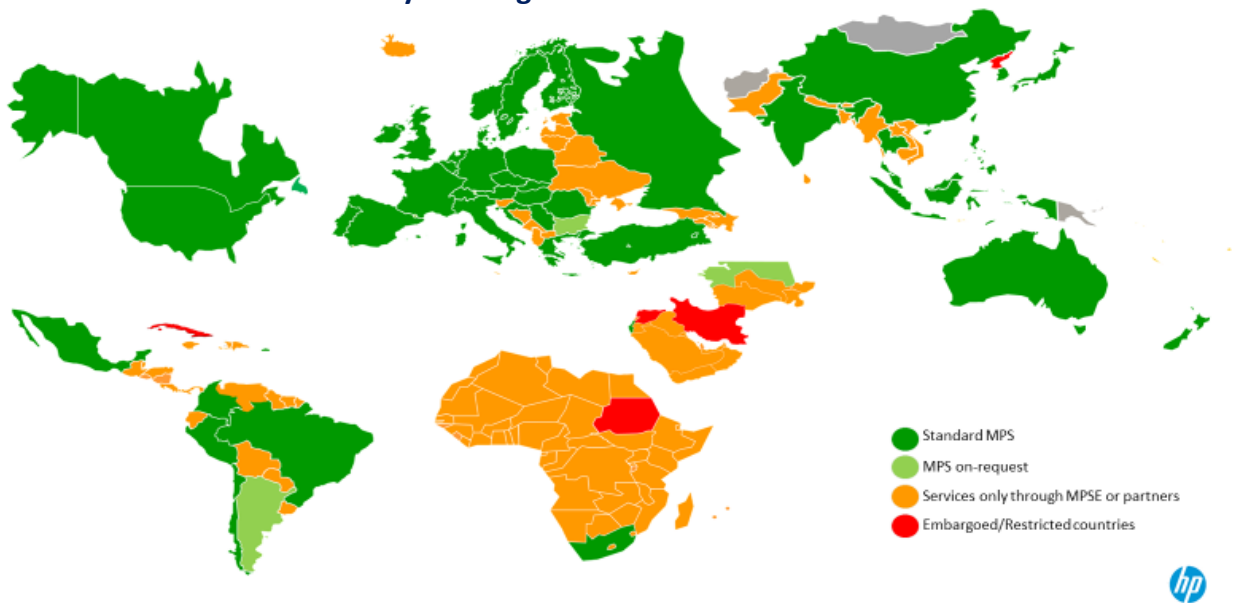
Figure 1. HP MPS Investments: A decade of advances delivers best-in-class client experiences.



HP has the experience and expertise required to assess, design, implement, and support MPS on a global scale. HP offers industry-leading managed print services and products in over 150 countries worldwide. HP can provide these services directly or through HP authorized reseller and service partners so Purchasing Entities have the services and support to meet their needs.

HP leverages its global manufacturing and assembly sites, distribution centers, and product-configuration centers to provide consistent and timely product delivery. HP employs the HP Services Global Method of Standardized Processes and Tools and has the experience, depth of knowledge, and developed best-practices, which means Purchasing Entities can depend on HP for consistent services.

Figure 2. HP MPS Global Country Coverage



- 2) Describe in detail, what your organizations free initial assessment consists of. How do you identify what the needs of the customer are so that you can provide a preliminary estimated cost savings and make recommendations on how to improve fleet efficiency?

HP's free initial assessment will include all requirements listed in the RFP. HP will provide the following:

- Creating the Purchasing Entity's account in our Data Collection Agent ("DCA") tool (will also be used for remote monitoring), which will be sent to the Entity by email.
- Upon receiving the email, the Purchasing Entity will install the DCA agent and enter their printer IP ranges to gather printer data that provides HP make and model, volumes and toner levels.
- HP will allow this agent to run for a minimum of two (2) weeks which will provide a representative sampling of current monthly volumes.
- HP will use industry data or customer provided toner cost to obtain estimated cost, estimates for hardware and service.
- The Purchasing Entity will complete an online survey by responding to 10-12 questions about their imaging and print environment.
- HP will create a proposal based on the unique inputs from the survey and research data showcasing the printer fleet, by device, comparing the current costs and potential cost savings that can be achieved by moving to a MPS program through right sizing and optimization of the fleet, as well as showing security, mobility and workflow solutions that can help boost productivity.
- The proposal includes an optimization plan for devices in the current fleet that are out of scope for inclusion in MPS due to aged devices at end of service life, devices that are too expensive to include in MPS, and devices to be removed to optimizing the fleet.
- HP approaches the optimization plan with the following in mind: retain, replace, remove or re-position the printer to allow for an overall Total Cost of Ownership ("TCO") savings and the desired employee to device ratio.
- Account Management is an important and included in both the initial and ongoing assessment of a purchasing entities MPS program which also includes end user support.

Along with the initial free assessment, HP's MPS proposal includes the following:

- Implementation services that ensure that the right equipment and software is installed, and set-up and end users know how to use the devices.
- Education and management of change is an important component.
- The use of HP's Data Collection Agent remotely monitors the fleet to collect meter reads, detects when a device is low on toner and automatically ships toner to the device's location.
- Purchasing Entity end users have access to HP's Help Desk by calling a local number and entering the Entity's unique PIN number.
- The call agent will take the call, create a case, troubleshoot the issue and work towards a resolution via the phone. If an onsite service call is required, the request will dispatch a technician to perform the repair.
- HP's Client Manager provides a single point of contact and accountability for invoicing and reporting as well as conducting customer business reviews, visibility into usage trends, capacity utilization and expenditures for ongoing planning and management.

HP's proposal includes an option for HP Discovery and Design Services conducted post-contract and managed by HP Delivery.

3) Describe how you calculate realistic cost savings for implementation of MPS.

HP calculates realistic cost savings by taking a representative sample of the Purchasing Entity's current actual cost to print (hardware, software, services, consumables, and any dedicated labor) as the baseline and compare it to the HP proposed solution pricing while holding page volume constant. HP then projects the savings across the enterprise by extrapolating the savings from the representative sample. Cost savings are derived from upgrading older technology and reducing the number devices in the current environment by deploying multifunction devices. Multifunction devices reduces operating costs by providing the same functionality of fax machines, copier and printers with fewer devices to operate.

Implementation of MPS is a comprehensive approach that show the true cost to print and the Total Cost of Ownership ("TCO"). Sustainable, long-term efficiency gains require imaging and printing to be approached as part of the organization's overall IT strategy.

A growing number of organizations are learning how to get the most from their imaging and printing investments. They are taking a more-strategic approach to acquiring, managing, securing, supporting, and disposing of the assets involved in printing, copying, scanning, and faxing. They have right-sized printer fleets, refreshed copiers with multifunction devices ("MFP"), educated end-users and embraced networking technologies. They have even started to automate document and information workflows.

In these new and improved environments, organizations often discover that it is not enough to pay attention to which technology, services, and solutions are deployed. They must also remain attentive to how they are managed over time. When improvement projects are deployed without policies or governance, the imaging and printing environment can quickly devolve back into a sub-optimal state.

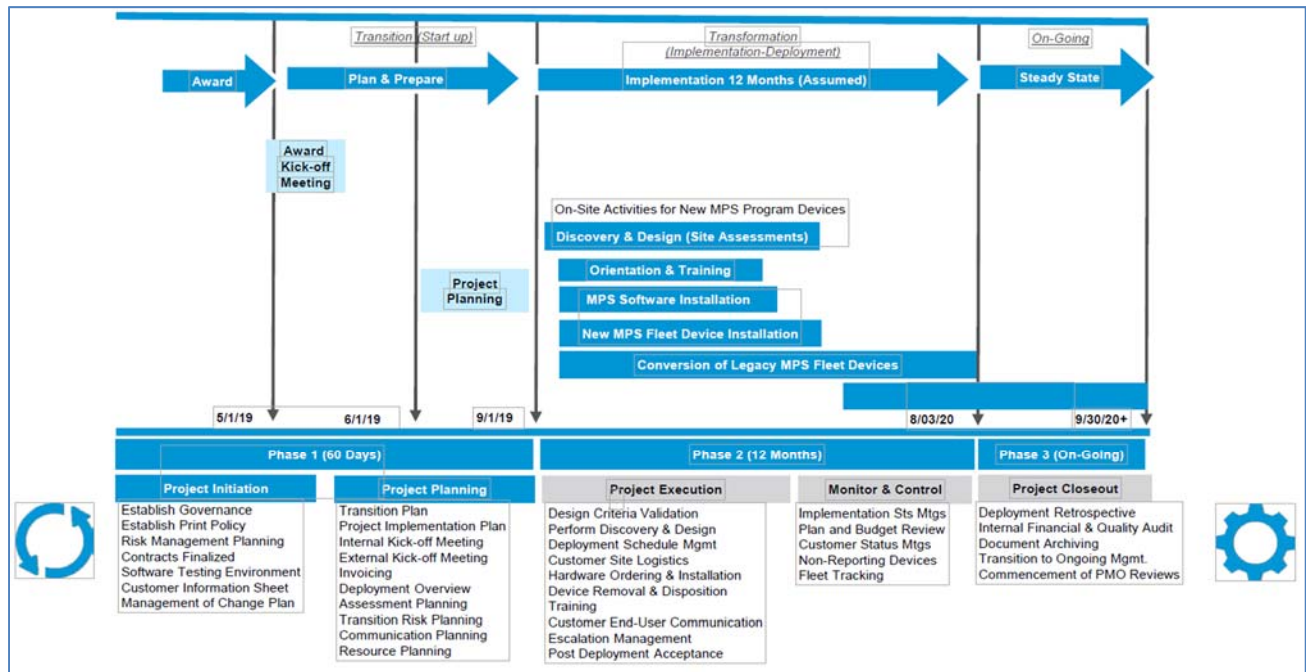
4) Describe your organization's implementation strategy. The strategy should contain your approach to training, communication plans, and how continuous improvement and program management are collaboratively addressed.

HP's implementation strategy considers each Purchasing Entity's requirements and priorities when implementing the new print environment. HP will assign an experienced project team for the deployment, which will be led by an HP project manager responsible for overseeing the entire MPS deployment. The project manager, along with the extended HP project team, will work with the Purchasing Entity project team to develop a detailed project plan that will be utilized to manage all aspects of the implementation. HP establishes a formal, cross-functional team to integrate and align communications and messaging to the Entity stakeholder groups.

An overview of the complete implementation process follows. Complexity, frequency, and/or number of implementation-deliverable activities may change to meet an Entity's specific requirements.

- Project Initiation
 - Project kickoff: transition project knowledge to the HP MPS delivery organization
 - Establish and assign core team resources
- Project Planning
 - HP and the Entity kickoff meetings are held to review deployment content
 - Develop a Master Schedule to serve as the comprehensive project plan
 - Develop a Management of Change communication campaign to help Entity's IT inform end users of the upcoming change and benefits for them and the organization
- Project Execution
 - Submit hardware, software, and accessories orders
 - Coordinate equipment logistics
 - Distribute communications packages
 - Install hardware (single- and multi-function printers, etc.) at the Entity sites
 - Manage process for any asset transfers
 - Install and setup device management (HP Remote Management) infrastructure
 - Deliver training (device orientation, instructional job aids, self-paced videos, virtual live webinars, on site) as appropriate
 - Remove existing/obsolete equipment and coordinate disposition, if applicable
 - Complete deployment-activity documentation
- Project Monitoring and Control
 - Conduct internal and external status meetings during implementation for continuous communication
 - Provide high-level program and deployment reviews with Purchasing Entity executives, as appropriate
 - Review and manage to project plan
- Project Closure
 - Solicit Entity's feedback regarding project performance
 - Schedule and facilitate reviews
 - Archive project documentation after deployment completion
 - Transition to an HP Client Manager dedicated to the Purchasing Entity during the MPS term

Figure 3. Sample Implementation Plan and Timeline



Training is a key component of the deployment process and, in HP's experience, key to a successful implementation. Change often requires the alignment of people, processes, and technology with the goals and objectives of the change effort. HP works closely with customers to help employees not only have the knowledge they need, but also the motivation to adopt the new technologies and processes.

To facilitate communication and positive employee involvement, HP provides a robust Management of Change ("MoC") methodology, tools and templates to help Purchasing Entity prepare to effectively lead its organization through the changes that come with transitioning to HP MPS. HP's MoC methodology includes five steps: Assess, Plan, Create, Communicate and Evaluate. Purchasing Entity can leverage this methodology to create a management of change program to:

- Foster appropriate sponsorship and stakeholder engagement with MoC to help successfully drive its MPS deployment.
- Communicate scope and significance of the changes related to MPS and drive organizational awareness and training to accelerate MPS adoption.
- Outline best-practice plans, policies, processes and controls for a successful MPS deployment.
- Planning and communications tools and templates that support each step in the MoC process.

HP's approach for the support phase of the deployment involves establishing an ongoing account-management structure for Purchasing Entity. An HP Client Manager oversees the day-to-day administration, management, and support of the entity's imaging and printing environment to maintain optimum levels of availability and performance. The relationship between the HP Client Manager and Purchasing Entity is fundamental to realizing maximum value from the MPS agreement.

To support the agreement, HP does the following:

- Establishes an account management structure with a single point of contact for ongoing deliverables and support.
- Proactively monitors devices and supplies, provides access to priority technical support (onsite and/or remote), and provides options for supplies replenishment to help maximize device uptime and availability.

- Leverages online reporting to obtain valuable device usage information, as well as visibility into print-related expenditures enabling the Entity to assess, adjust, and optimized hardware usage as needed on an ongoing basis.
- Facilitates continuous improvement and program management, a collaboration between the Purchasing Entity and HP through regularly scheduled strategic performance reviews.

Through the effective fleet optimization, ongoing cost savings, improved productivity, and maximized availability delivered by HP's solution, the Purchasing Entity can focus on its core business objectives.

- 5) Describe your training approach to ensure that customers are well versed in how to maximize your Managed Print Services approach. Offerors should include the types of training available (targeted, web-based, on-site, one-on-one etc.) in their response.

HP's proposal includes device familiarization training that is approximately one hour in duration. As new devices are installed and configured, HP installation technicians will provide device orientation for local Purchasing Entity users and key device contacts covering key device features including basic copy and scan, as applicable. This is a high-level overview designed to provide a basic understanding of how devices operate. Basic functions, such as loading consumables, clearing paper jams, replenishing toner cartridges, and basic front-panel usage are included.

Additional free and paid training options available to Purchasing Entities include:

- Web-based training
 - Basic webinar
 - Enhanced webcast
- Self-paced Training through job aids and videos hosted on a website
 - Job aids focus on a specific task and are typically delivered as .pdf documents. Most job aids are 1-2 pages each and can be printed, shared or emailed for unlimited use by the Purchasing Entity
 - Videos utilize a series of video or animation tutorials utilizing text and static graphics to convey knowledge about specific tasks

HP may provide content about specific tasks, features and functions of HP hardware, software and solutions in the form of job aids and/or videos. Examples of job aids and videos can be found at <http://www.hpusertraining.com/hp/Portal>.

Purchasing Entities will receive access to job aids and videos as appropriate to demonstrate:

- Control Panel Familiarization
- Copy Features
- Scan to Email, Scan to Fax, Scan to Folder, Scan to Device Memory
- Creating and retrieving Stored Jobs
- Replacing Media and Consumables: Paper, Toner, Print Drums, Ink and Staples
- Authentication at the device (if applicable)
- HP Access Control Secure Printing (if applicable)

As an optional service, HP can create a customized user training portal that will only show devices and solutions specific to the Customer's fleet design. The portal will also feature the Customer logo and be given a custom URL, such as <http://www.hpusertraining.com/CustomerNameHere/portal>.

HP offers customized, interactive and engaging one-on-one or group training environments such as Skype for Business, WebEx, Citrix GoToMeeting, or Citrix GoToTraining the Purchasing Entities can buy as detailed in **MPS Technical Response Attachment 2, Management of Change and Training**.

6) How does your organization remain competitive in the managed print industry to improve efficiencies? How do those efficiencies transfer to your customers?

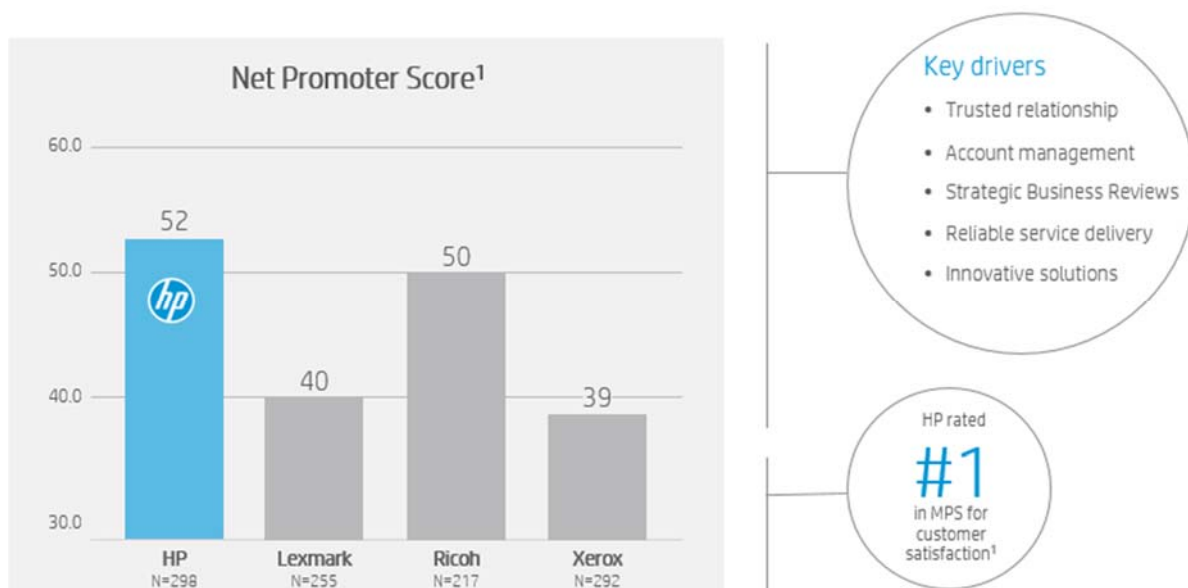
As a leading global MPS provider, HP encounters strong competition in our business activity. We compete on the basis of many factors, including:

- Technology
- Performance
- Price
- Quality
- Reliability
- Brand
- Reputation
- Distribution
- Range of print devices and services
- Ease of use of our print devices
- Account relationships
- Customer training
- Service and support
- Security
- Availability of application software and internet infrastructure offerings
- Sustainability performance – HP's PageWide array devices with advanced technology have no fusers and reduced number of parts that has less impact on the environment.

Most printing and imaging lifecycles are short; to remain competitive, we must develop new products and services and compete effectively on the factors listed above. Our successful management of these competitive relationships will be critical to our future success. Moreover, we anticipate that we will have to continue to adjust prices on many of our products and services to stay competitive.

Through strategic relationships and partnerships, HP delivers the best client MPS experience. The devices, solutions, scalability, and business intelligence capabilities we offer provide a focus on meeting Purchasing Entities' business outcomes.

Figure 4. HP is the most recommended MPS provider¹



¹ Data source: ORC international, May 2017. Conducted 1172 interviews in AMS, EMEA, APJ across 12 dimensions of satisfaction.

Solutions

HP has been investing and leading the way with our JetAdvantage (“JA”) solutions. The JA portfolio software and hardware capabilities cover Management, Security, Mobility and Workflow. Because of our legacy with IT departments, HP distinguishes itself in its network management and security capabilities, and we were the first to address the needs of the mobile workforce. Rigorous testing ensures that HP and HP Partner software are certified. An industry approach ensures we address digitization and workflow needs in a way that is most relevant.

Scale

HP MPS is flexible and scalable for Purchasing Entities’ needs. Our global reach/local relevance has been a differentiator for many years. Our hardware, software and services portfolio continues to expand to offer breakthrough performance and value.

HP Inc.'s global coverage enables the company to serve multinational and global organizations with consistency across geographies.

— IDC, “IDC MarketScape: Worldwide Security Solutions and Services Hardcopy 2017 Vendor Assessment,” Robert Palmer, Allison Correia, October 2017

With 50% of its direct MPS customer base being multinational or global, HP has developed a robust and mature global MPS platform and infrastructure to support and service global customers.

— Quocirca, “Managed Print Services Landscape, 2017,” Louella Fernandes, July 2017

Business Intelligence

Proactive and predictive analytics enables HP to deliver the greatest transparency, security and value to our clients over time. Our history of innovation will continue to deliver on future cloud-based service delivery models.

One of the best examples we’ve seen of customer outcome engineering with defined tools and programs to help customers understand their own needs and unique combinations of professional and managed services to get them there. However, what really set the HP, Inc. story apart was the sheer breadth and specificity of the customer outcome data they were able to produce, typically showing dramatic increases in customer compliance and security levels. Kudos HP!

— Technology Service Industry Association (TSIA)²

Value Proposition

HP’s value proposition is anchored in Fleet Predictability, Security and the Evolving Workplace.

Fleet Predictability

Transparency and control to optimize and make decisions based on data driven actionable insights

- Proactive and predictive oversight
- Timely visibility and access to fleet and usage data
- Business reviews with HP experts for continuous improvement
- Identify areas for cost savings and efficiency and analyze impact of proposed changes

² HP Internal, “HP wins TSIA 2017 STAR Awards Winners”, November 2017.

Security

Compliance and protection against increasing threats and risks

HP Secure MPS is a strong differentiator in the enterprise market. Delivered by credentialed print security advisors and trained print specialists, this service offers print security assessments, implementation and ongoing compliance and reporting.

— Quocirca, "Global Print 2025 Study," Louella Fernandes, March 2018

- Most comprehensive device, data and document security
- Experts to assess risks, build and maintain a print security policy, with industry expertise
- Visibility and reporting automation
- Customized recycling; secure, certified data destruction for government and industry compliance
- Onsite data destruction and off-site recycling
- Degaussing, bending, shredding

Evolving Workplace

Do more, differently, anywhere, anytime for the “uber-mobile” workforce

- Address evolving workstyles, especially for Millennials
- Enable evolving work spaces to be more productive
- Replace paper intensive workflows with digital alternatives
- Provide secure access to content and printers from any device, anywhere
- Address the unique needs of different industries as they experience digital transformation

HP's commitment to efficiencies provides our client base with the best of industry tools and processes. Each client will experience the best practices from our customer base as well of our quest of tools that allow HP to service each client's printer fleet. In addition, HP is committed to providing the best value, choice and flexibility for our clients. We have an innovative lineup of hardware, software and services that is recognized in the industry (and by analysts such as Gartner, Forrester, IDC, and Quocirca). HP innovation highlights include:

- The Printing and Content Lab of HP Labs delivers foundational, strategic core innovations in both document and content solutions, and commercial printing. HP research in content solutions automates the extraction and formatting of data to create personalized content experiences. HP is accelerating the transformation of commercial printing to flexible, customized and on-demand digital printing and delivering breakthrough innovations for the next generation of print engines and high-performance materials, and enabling data-driven, automated print production management and accurate automated color appearance.
- HP introduced a revolutionary technology engineered to resolve critical gaps in the combination of speed, quality and cost, and deliver on the potential of 3D printing. Leveraging HP's decades of leadership in the print market and advanced materials science, HP Multi Jet Fusion™ is designed to resolve fundamental limitations in today's 3D print systems while delivering higher productivity and quality at a lower cost. (HP Multi Jet Fusion™ technology leverages proprietary HP Thermal pigment-based Ink technology from our global we press technology, enabling lower cost systems that output similar quality to more expensive devices—such as selective laser sintering (SLS)—and speed.)
- Part of the HP MPS portfolio, HP MPS Smart Decision Suite 2.0 is a next-generation technology platform that integrates devices, solutions, and monitoring and management tools with an

enterprise-class services platform. Through a combination of people (Fleet Engineers at HP Remote Management Centers providing direct regional coverage, local language support, and collaboration with field delivery teams), process (globally consistent delivery and standard processes) and technology (HP Management Server platform and HP Fleet Manager – secure software and tools enabling management of an Entity’s fleet and always-on, real-time performance and usage information), HP enables IT managers to easily monitor and analyze device usage, centralizing printing device fleet management.

- The HP Officejet Enterprise X Series printers are innovative, PageWide Technology devices designed specifically for the enterprise and to provide customers access to a broader HP MPS portfolio. The HP Officejet Enterprise Color X555 Series printers deliver color prints at up to twice the speed of color lasers (for more information, see www.hp.com/go/printerspeeds) with the HP Officejet Color MFP X585 Series adding copy, scan, and fax capabilities. Designed with advanced security, full manageability, and advanced workflow, these devices are designed to last. This technology innovation helps provide greater access to color printing by keeping MPS print charges as low as possible with multiple color modes and accent color charged at monochrome rates.
- HP ePrint Enterprise is a server-based mobile printing solution that makes it easy for employees to print from smartphones, tablets, and Internet-connected laptops to any registered printer on your network, along with more than 30,000 HP ePrint Public Print Locations. The solution is easy-to-manage, scalable and secure, and gives IT complete visibility and control to set print policies, track usage, and safeguard data.
- The industry-leading HP Imaging and Printing Security Center (IPSC) provides a streamlined, policy-based approach to securing HP printing and imaging devices. IPSC offers a holistic approach to HP imaging and printing fleet security by applying a single security policy across the fleet and securing new devices as soon as they are added to the network. HP IPSC’s automated monitoring and risk-based reporting provides active verification of compliance with defined security policies while significantly reducing administrative overhead.
- HP JetAdvantage Pull Print (U.S. Only) is a cloud-based solution that increases security and control of a print environment by releasing documents only to authorized users. The solution also helps cut costs by reducing waste and increasing productivity—without the need for additional on-site servers, storage, and software. (For a list of supported devices, visit: www.hpjetadvantage.com.)
- HP’s no-cost, comprehensive fleet management tool, HP Web Jetadmin, enables customers to install, configure, troubleshoot, and manage all their networked imaging and printing devices. It provides individual device management, automated alerts for hardware and toner levels, as well as fleet-wide firmware upgrades for HP devices. And the HP Universal Print Driver makes printing simple and predictable for end-users and easier to support for customer IT support organizations.
- HP FutureSmart firmware is a unique and powerful operating system that enables HP LaserJet enterprise devices to be more useful and productive, today and into the future. Designed to be upgradable, HP FutureSmart firmware lets customers update HP printers, MFPs, and network scanners with the latest security enhancements and mobile device connectivity options as well as other productivity features. HP FutureSmart devices use the HP Open Extensibility Platform (OXP). OXP creates a unified environment that makes it easy for third-party software companies to design solutions that integrate seamlessly with enabled imaging and printing devices and keep a consistent experience across an HP fleet

High-Quality Service and Supplies

OEM Toner

HP only uses genuine HP OEM toner with HP devices in line with our commitment to high-quality service and supplies. As one of the most enduring brands in the IT world, HP is known for our high-quality products.

HP printers and print cartridges are designed as a single printing system and are precisely engineered for exceptional print quality, rock-solid reliability and fast, efficient operation. HP products need OEM toner to perform at maximum capability. HP's submitted pricing is based on exclusive OEM toner usage in HP devices.

Preventative Maintenance

All preventative maintenance costs are covered under the defined cost-per-page rates. Our techs perform preventative maintenance and cleanings at each visit. This enables devices to have fewer service calls and a longer useful life.

Real-time Dispatching System

Our proprietary dispatching system includes GPS tracking of our service vans. This system has been highly tailored to allow a dispatcher to see mapped locations for field technicians allowing piggy-backing of service calls for technicians already in the service area. Our dispatchers assign service calls with the understanding of individual client call deadlines and service delivery requirements.

Service Vans with Optimized Inventory

Each van is stocked with approximately with 200 inventory items including: toner, supplies and parts. Warehouse personnel and technicians learn to optimize the inventory in each van to meet the unique needs of territories assigned to technicians and the clients in each territory.

Coordinated Inventory System

Service vans are considered an extension of our warehouse. Inventoried items are shared across territories when needed. Dispatchers sometimes send technicians into the field to meet up with other technicians to fill short-term inventory needs, eliminating the need to return to the warehouse for supplies fulfillment.

Technician Tablets

Technicians have access to all internal systems and service resources. The technicians carry a fully-loaded HP Tablet with data input requirements for each activity. Break/fix resource information is available at their fingertips. Active communications between technicians and dispatchers provides fast and efficient communication.

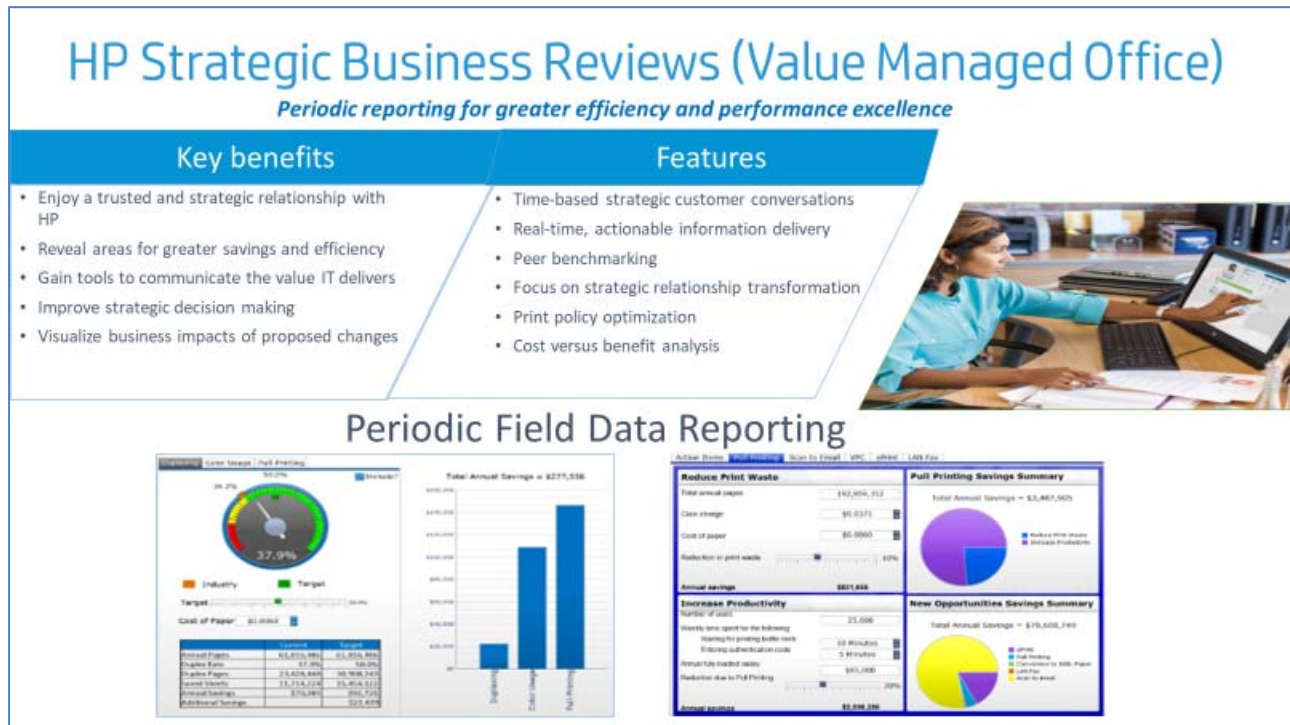
National Technical Support Group

HP field service technicians that provide onsite break-fix services and support are supported by even more experienced Tier II engineers that are assigned to the HP National Technical Support (NTS) group.

- 7) What type of reporting is available to customers? Are customers able to access these reports themselves?

HP reports are available to customers as listed below. Customers can access reports themselves via the Device Control Center.

Figure 5. HP Client Manager provides reports during Strategic Business Reviews.



In addition to the Strategic Business Review reports the HP Client Manager delivers, the Purchasing Entity has 24/7 access to real time reporting.

HP Fleet Manager

A web-based application, end users can request Fleet Manager access from the HP Client Manager.

Figure 6. HP Fleet Manager lets Purchasing Entity view fleet activity and Essential Fleet Reports

Essential Fleet Reports

- » Current Consumable Levels
- » Device Contacts
- » Device Utilisation
- » Device Utilisation Month to Date
- » Fleet Assets
- » Maintenance Kit Order History
- » Service Request History
- » Supply Order History

Edit Device Details

My Profile

- » View My Profile
- » Change User ID
- » Change Password

Customers, Devices and Solutions

- » View Customer
- » View Devices/Order Supplies
- » View Software Solutions
- » View Non-Reporting Devices

Service Requests & Supplies

- » View Maintenance Kit Order Activity
- » View Service Request Activity
- » View Supply Order Activity
- » View Upcoming Order Activity
- » View and Modify Custom Shipping Label
- » View and Update Thresholds

Change Requests

- » View Change Requests

Essential Fleet Reports

- » Current Consumable Levels
- » Device Contacts
- » Device Utilisation
- » Device Utilisation Month to Date
- » Fleet Assets
- » Maintenance Kit Order History
- » Service Request History
- » Supply Order History

User Account Management

- » Manage Users
- » Manage Contacts
- » Manage Addresses

Edit Device Details

Either HostName or IP Address is required for Auto Collect Devices

Serial Number

Customer Asset Number:

Hostname:

IP Address:

Port Number:

MAC Address:

Print Queue:

Cost Center:

Department ID:

Asset Notes:

Status:

Location

Site:

Building*:

Floor*:

Grid location:

Map Id:

Purchasing Entity can view Fleet Activity information for a select site or sites, a select device or devices (for example, by specific serial number), non-reporting devices or entire fleet. The various customized views and reports can be exported and saved in Excel file format. Filtering fleet information in this way allows Purchasing Entity to move from “information overload” to “information management.”

Types and images of sample report are provided below.

Figure 7. Current Consumable Levels Report

This report shows current consumable levels—cartridge, print head, imaging unit, kit, waste collector, etc. Purchasing Entity can filter to region, country, and site(s) level, and current consumable levels less than 20%, 40%, 60%, 80%, or 100%.

Contract Number	AMP-ID	Customer	Region	Country	Site	Building	Floor	Grid	Product Model Name	Product Model Number	Serial Number	Asset Number	Most Recent Collection	Black Toner/Ink Level	Cyan Toner/Ink Level	Magenta Toner/Ink Level	Yellow Toner/Ink Level	Black Drum Kit	Cyan Drum Kit	Magenta Drum Kit	Yellow Drum Kit	Black Print Head
213057318	87P80100	Touring Clu	EMEA	Switzerland	VERNIER	N/A	N/A		HP Color L	Q3939A	JPDTD200	87P80100	04/10/2014	13	13	26	50	47	50	52	52	

Figure 8. Device Contacts Report

This report shows device and contact information. Purchasing Entity can filter to region, country and site(s) level. This report can also be used with the ‘Contact Mass Upload’ feature to make bulk information updates instead of one by one.

Contract Number	AMP-ID	Customer	Site	Building	Address Line 1	Address Line 2	City	State	Postal Code	Country	Region	Product Model Name	Product Model Number	Serial Number	Customer Asset Number	Custom Shipping Label 1	Custom Shipping Label 2	Contact Type	First Name	Last Name	Email	Phone Number
213057318	87P80100	XYZ Compal	VERNIER	N/A	CHEMIN DE B		VERNIER, G.		1214	Switzerland	EMEA	HP Color LaserJet	Q3939A	JPDTD1Y1	87P80100	JP Allene		Consumat	Jean-Pierre	Allene	jean-pier	0041224172
213057318	87P80100	XYZ Compal	VERNIER	N/A	CHEMIN DE B		VERNIER, G.		1214	Switzerland	EMEA	HP Color LaserJet	Q3939A	JPDTD1Y1	87P80100	JP Allene		Service D	Jean-Pierre	Allene	jean-pier	0041224172
213057318	87P80100	XYZ Compal	VERNIER	N/A	CHEMIN DE B		VERNIER, G.		1214	Switzerland	EMEA	HP Color LaserJet	Q3939A	JPDTD200	87P80100	JP Allene		Service D	Jean-Pierre	Allene	jean-pier	0041224172
213057318	87P80100	XYZ Compal	VERNIER	N/A	CHEMIN DE B		VERNIER, G.		1214	Switzerland	EMEA	HP Color LaserJet	Q3939A	JPDTD200	87P80100	JP Allene		Consumat	Jean-Pierre	Allene	jean-pier	0041224172

Figure 9. Device Utilization Report

This report shows usage—clicks, pages, counts, etc. Purchasing Entity can filter to region, country, site(s), and start and end date.

Contract Number	AMP-ID	Customer	Address Line 1	Address Line 2	City	State	Postal Code	Site	Country	Region	Product Model Name	Product Model Number	Serial Number	Customer Asset Number	Device Asset Status	Previous Contract Number	Total Usage	Color Usage	Mono Usage	Canon Total Clicks	Canon Color Clicks	Canon Mono Clicks	Canon Con on #
213057318	87P80100	XYZ Compal	CHEMIN D		VERNIER, .		1214	VERNIER, .	Switzerland	EMEA	HP Color LaserJet	Q3939A	JPDTD1Y1	87P80100	3-Operation		9043	6528	2515				
213057318	87P80100	XYZ Compal	CHEMIN D		VERNIER, .		1214	VERNIER, .	Switzerland	EMEA	HP Color LaserJet	Q3939A	JPDTD200	87P80100	2-Operation		9565	6786	2779				

Figure 10. Device Utilization Report – Month to Date

This report shows usage—clicks, pages, counts, etc. for the current month to date. Purchasing Entity can filter to region, country, site(s), and start and end date.

Figure 14. Supply Order History Report

This report shows supply information—device information, order number, order date, quantity, order status, order method, supplier, delivery location shipment tracking number, carrier URL, POD date, requestor and contact information, etc. Purchasing Entity can select a date range (less than or equal to twelve months) and filter to region, country, and site(s) level.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	Title: Supply Order History Report																					
2	Customer: XYZ Company, Inc.																					
3	Report Date: 4/11/14 1:48:25 PM UTC																					
4	Start Date :1/10/14																					
5	End Date :4/10/14																					
6																						
7	Customer	Address Line	Address Line 2	City	State	Postal Code	Site	Country	Region	Contract Number	AMP ID	Supply Product Number	Supply Product Description	Manufacturer	Product Model Name	Product Model Number	Serial Number	Order Number	Order Date	Quantity Ordered	Quantity Shipped	Last Update
8	XYZ Company	CHEMIN D		VERNIER, .		1214	VERNIER, Switzerland	EMEA		2130573187P80100		CB390A	HP CM6040mfp Blac	Hewlett Packard	HP Color	Q3939A	JPD0200	62112950	04/08/2013	1	1	04/10/2013
9	XYZ Company	CHEMIN D		VERNIER, .		1214	VERNIER, Switzerland	EMEA		2130573187P80100		CB384A	HP CP6015/CM6040	Hewlett Packard	HP Color	Q3939A	JPD01Y1	62112225	03/29/2013	1	1	04/03/2013
10	XYZ Company	CHEMIN D		VERNIER, .		1214	VERNIER, Switzerland	EMEA		2130573187P80100		CB390A	HP CM6040mfp Blac	Hewlett Packard	HP Color	Q3939A	JPD01Y1	62112220	03/29/2013	1	1	04/03/2013
11																						
12																						
13																						

supplyorder_history139722410559

8) How frequently do you conduct customer business reviews and what do those reviews include?

HP's proposal includes Strategic Business Reviews ("SBR") conducted remotely annually, with an option for enhanced SBRs conducted quarterly or as determined and requested by the Purchasing Entity.

- Standard SBR's are part of the MPS contract. This service will help maintain cost and optimize the infrastructure reviewing day-to-day MPS performance and operational requirements. Purchasing Entity benefits from HP's standard Performance Dashboard report that will highlight usage trends to Purchasing Entity and advise on optimization opportunities.
- Enhanced SBR will establish a roadmap and key performance indicators that together Purchasing Entity and HP will follow and review on a regular basis to continuously improve the managed services. Enhanced SBR expands HP's Standard SBR capabilities by providing a consultancy (people) and a framework (online interactive platform) for strategic business discussions leading to print service improvement roadmap and projects.
- HP will initiate, prepare, plan, and drive the periodic (typically quarterly for the Enhanced SBR) Strategic Business Reviews together. The dedicated HP Client Manager aligns with the customer on timing and format of periodic strategic business reviews. Together, they establish a collaborative process to identify and accelerate optimization and deliver innovation.
- With a robust underlying interactive online platform to track and report on actual value realized and "what-if" scenarios, Purchasing Entity can view industry benchmarks, analytics, and aggregate insights.
- HP will capture actions and agreements, document the outcome and present Purchasing Entity with proposed action plans.

During SBRs, both parties collaborate to identify opportunities for greater efficiency and performance excellence. The trusted and strategic relationship is based on accountability, transparency, and results. As part of the review, HP performs peer benchmarking and cost/benefit analysis, and uses information from the other tools to create "what if" scenarios that can help make better strategic decisions and move the print environment to a higher performance level. SBRs allow Purchasing Entity to:

- Engage in time-based strategic customer conversations
- Get real-time, actionable information delivery
- Perform peer benchmarking and print policy optimization
- Focus on strategic relationship transformation
- Execute cost versus benefit analysis

9) What happens if a customer's cost savings are lower than your projected cost savings?

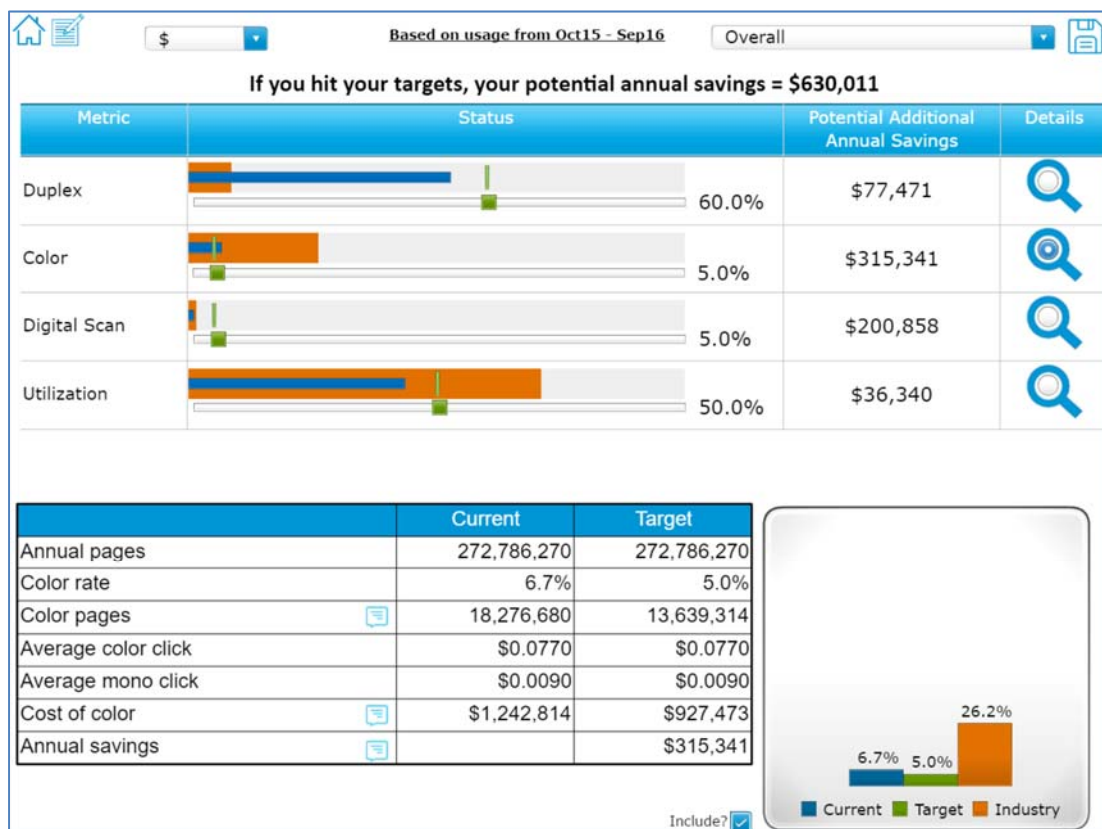
If the savings are higher or lower than the projection, the reason is usually easy to identify since the MPS pricing is fixed and does not change. It is usually because the estimated volume on the devices changed or the representative sample used to calculate the savings turned out not to be representative. In either case, the pricing remains fixed for the remainder of the term.

To help achieve cost savings and optimization during the MPS term, the HP Client Manager provides analysis for achieving the additional cost savings and optimization during the regularly scheduled Strategic Business Reviews with the Purchasing Entity.

HP's Value Management Office (VMO) is a dedicated program office that uses usage data to create reports detailing custom cost savings, device utilization and fleet performance reports. The anchor of the VMO is a collaborative software platform that enables the following:

- Monitor print behavior on user-defined dimensions to monitor device-level details
- Quantify potential and actual program impact across various value pillars, such as improved productivity, reduced costs, improved user experience, environmental sustainability, and security/risk mitigation.
- Drive out inefficiencies in the fleet through cascading views of utilization for entire business divisions down to individual devices
- Drive out inefficiencies in print behavior through automated detection of exceptions in color usage and duplexing, with clear auditing of the users/divisions involved
- Cost savings - Logically prioritize program direction based on quantified business impact and 'what-if' analysis (e.g. What is the impact of reducing personal devices versus improving awareness around color usage?)

Figure 15. Sample report



- 10)** Provide two (2) detailed examples of your organizations experience in implementing and managing MPS for government entities. Include information such as the size of the fleet, the type of services provided, and the outcome of the project relative to the customer's expectations.

California Department of Corrections and Rehabilitation

Industry: State Government
Objective: Reduce power usage by 20% to 30%; reduce costs
Approach: Engage HP MPS
Outcomes: Consolidation of hundreds of different models to 15 (reducing devices down by 73%) and eliminating toner and obsolete inventory; Printer costs fell 52% and paper costs dropped in half and power costs fell by 40%

See **MPS Technical Response Attachment 3, California Department of Corrections and Rehabilitation Case Study** for details.

Bellevue College

Industry: Higher Education
Objective: Centralize and simplify print management, improve reliability, and help reduce costs of print infrastructure to support employee productivity
Approach: Engage HP MPS in multi-phased approach to centralize and maintain more than 500 printers
Outcomes: HP earned a trusted relationship, discovery of printers, and continual recommendations and improvements for entire campus printer fleet

See **MPS Technical Response Attachment 4, Bellevue College Case Study** for details.

For additional case studies and testimonials, please feel free to read about the many ways in which HP has provided excellent service across a broad spectrum of industries:

Testimonial Videos: <http://www8.hp.com/us/en/business-services/clients.html>

Case Studies: <https://h71044.www7.hp.com/campaigns/2010/events/all-casestudies/index.php>

VALUE ADDED RESPONSES:

- 11)** What is your experience with driving and communicating Change Management?

HP has years of experience in communicating change management to the new MPS environment leveraging a robust set of tools that have evolved over the years to keep up with the changes in how organizations structure their print environment. HP considers Management of Change (MoC) to be a significant and integral component when deploying an MPS engagement. HP can assure Purchasing Entities of a well-documented deployment, that will be executed on by a skilled and experienced delivery team and who will produce positive results.

Change often requires the alignment of people, processes, and technology with the goals and objectives of the change effort. HP works closely with our clients to help its employees to not only have the knowledge they need, but also the motivation to adopt the new technologies and processes.

To help facilitate positive employee involvement, HP provides a methodology, tools, and templates to effectively lead the organization through the changes that come with transitioning to HP Managed Print Services. HP's Management of Change methodology includes the following five steps:

- Assess—Analyzing the current print environment
- Plan—Building a vision for MoC as key to MPS success
- Create—Developing MoC training/communications program
- Communicate—Rolling out the MoC program with MPS deployment
- Evaluate—Monitoring results and celebrating accomplishments

HP provides planning and communications tools and templates that support each step in the MoC process. Please see **MPS Technical Response Attachment 2, Management of Change and Training**.

12) Describe your ability to provide and support asset lifecycle management.

HP can provide and support asset lifecycle management with a combination of tools and experienced solution architects who design the future fleet with the right devices placed in the right locations that maximizes the total cost of ownership. Our team of experts designs and implements the new Managed Print fleet. The HP Client Manager provides active monitoring of the client's environment, a single point of contact and accountability as well as visibility into usage trends, capacity utilization, and expenditures for ongoing planning and management. They help to identify opportunities for continuous innovation and improvement using data, analytics and expertise and bring recommendations to your client's organization as part of the periodic business reviews.

As an Entity grows and changes, HP helps with asset lifecycle management in adapting its imaging and printing infrastructure to meet evolving needs.

Services include:

- Assessment Services—understand current usage, find hidden costs and develop a business case for change.
- Financial and Procurement Services—manage to the lowest total cost of ownership, from planning and acquiring technology to retiring and replacing it. Reduce and manage capital outlay, manage older equipment effectively and environmentally, and simplify hardware procurement (HP and multivendor).
- Transition and Implementation Services—ensure the right equipment is installed, and end users know how to use the devices. Education and management of change is an important component.
- Management and Support Services—enable ongoing return on investment ("ROI") through fleet uptime and optimization, award winning support, and supplies management. Account delivery management provides a single point of contact and accountability as well as visibility into usage trends, capacity utilization, and expenditures for ongoing planning and management.
- Security Solutions and Services—efficiently deploy and monitor devices by applying a single security policy across the fleet; while actively maintaining and verifying compliance using HP Security Manager's automated monitoring, remediation, and risk-based reporting. Utilize HP Security Services to prepare for an audit, periodically review your security plan, and provide governance and compliance service that provides trained experts to manage print device security settings and identify potential issues on an ongoing basis.
- Document and Workflow Services—automate paper-intensive workflows and continually improve and better manage the underlying infrastructure.

Figure 16. HP Delivers Services Across the Full Product Lifecycle

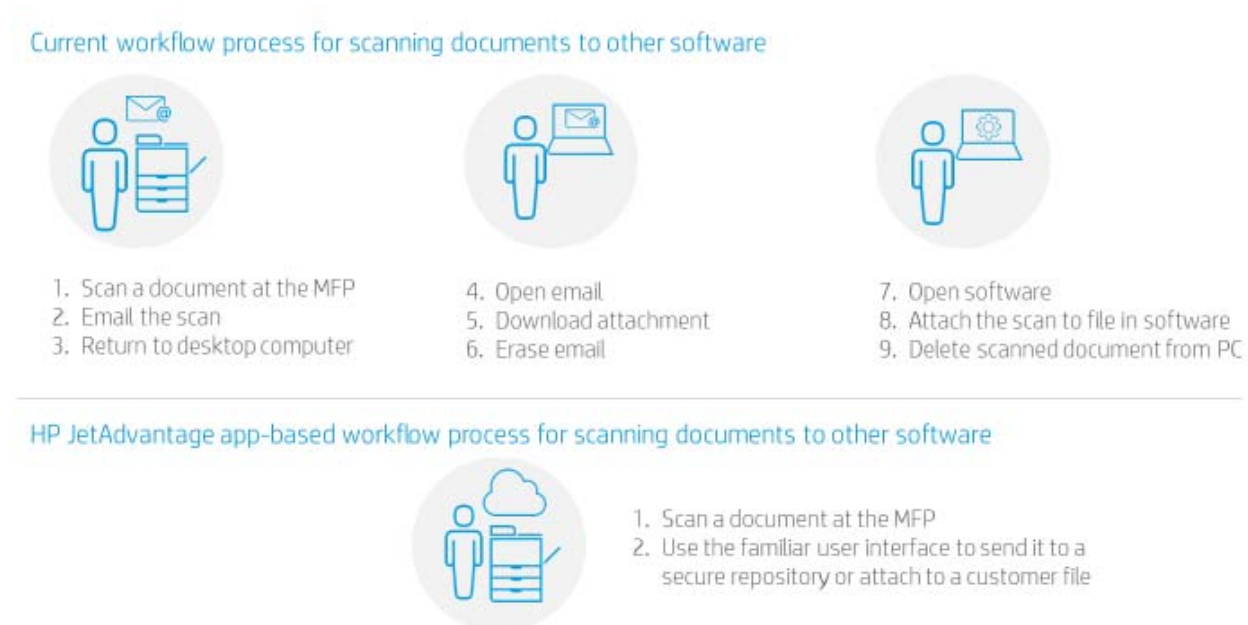


13) Describe your ability to support cloud technology for print job management.

HP JetAdvantage Apps support cloud technology for print job management with solutions that streamline workflow. HP JetAdvantage Apps make it easier and quicker to work at HP MFPs. HP works with developers of widely used software to create apps that run on the printer to integrate directly with the software. Independent developers are also developing innovative applications that create new functionalities and use cases for HP MFPs. As the app library grows, organizations may find exactly what they need in an existing app—or they can work with their print services provider to customize or create an app for their unique needs. HP offers a service for customizing existing apps or developing new ones.

Apps are integrated into the MFP touchscreen much like mobile device apps. Instead of relying on a computer to connect paper documentation with software, the MFP can now act as an efficient go-between and dramatically simplify workflow processes. Users can send scanned images to their chosen repository or print documents right from the MFP control panel. HP JetAdvantage Apps are designed to easily integrate with typical cloud repositories such as Box, Dropbox, or Microsoft® SharePoint®, as well as commonly used software applications like iManage, and Concur.

Figure 17. HP JetAdvantage can streamline workflows



14) Describe how your proposed technology will guarantee security solutions such as: intrusion detection, user authentication, protecting content integrity, and pull printing.

HP leads the way in printer services, software solutions and hardware security, leadership that continues to drive standards in the print industry. HP Secure MPS makes it easy for clients to be confident in their print environment, set up with the strongest protection available in the industry and maintained over time to address evolving threats and compliance requirements. HP is raising the bar to

address the security challenges businesses face by leveraging our security leadership and innovation through services, software and hardware.

- **Secure Devices**—HP has identified nine vulnerable printer areas: BIOS and Firmware, Management, Network, Hard Drive, Control Panel, Capture, Input tray, Output tray and Mobile printing.³
- **Security Solutions**—Contributing to HP’s overall strong scores are a robust solution portfolio, including HP Access Control, HP JetAdvantage Secure Print, HP JetAdvantage Security Manager, and partnerships with third-party providers and security leaders such as Arcsight and Splunk to enable printer security event integration into network-wide monitoring tools.⁴
- **HP JetAdvantage Security Manager** - A security breach due to unsecured printing of sensitive company, employee, or client information can be devastating to a business and its reputation. Information technology decision makers can secure their printers and imaging devices against various threats using HP Security Manager.⁵
- **HP Access Control Secure Pull Printing**—Allow users to dynamically print to the network and “pull” jobs to any solution-enabled HP device. Pull printing virtually eliminates unclaimed documents, increases the efficiency of mobile workers, and reduces IT administrative burdens.
 - HP Capture and Route
 - HP JetAdvantage Connect
 - HP JetAdvantage Partner Solutions (TROY, Safecom, etc.)
 - HP Secure Management and Monitoring
- **Security Services**
 - **Print Security Advisory Service**—A three-day assessment and advisory engagement delivered by a credentialed HP Security Advisor. The advisor will work with Purchasing Entity stakeholders to assess the current print environment against industry standards, build a comprehensive print security policy based on business needs and best practices, and develop a plan to achieve improved security.
 - **Print Security Implementation Service**—HP CompTIA Security+ certified delivery technical consultants (“DTC”) assist in deploying security features, often recommended from a Print Security Advisory Service. This may include deploying security settings, adding security enhancements like device certificates, and enabling syslogs to send to security incident and event management tools such as HP ArcSight or Splunk.
 - **Print Security Advisory Retainer Service**—HP Security Advisors can help Purchasing Entity prepare for an audit, periodically review their security plan, update security status to address constantly evolving threats, etc. on an ongoing basis. Purchasing Entity may request this service at intervals that best suit their needs, which may be monthly, quarterly, or annually.
 - **Print Security Governance & Compliance Service**—Only HP offers a governance and compliance service that provides trained experts to manage print device security settings and identify potential issues. Experts perform regular security setting assessments and assume the administrative burden of compliance management. HP delivers this service to help clients sustain protections and avoid costly fines, assure all devices are in line with set policy, identify





³ CRN, “HP Exec: It’s Time Partners Wise Up To The Grave Printer Security Threat,” Steve Burke, October 2017.

⁴ InfoTrends, “Document Imaging Security – Western Europe,” December 2017.

⁵ BusinessMirror, “HP Managed Print Services boost enterprise security, productivity, profitability,” December 2017.

and monitor trends for suspicious activity, and provide monthly reports to demonstrate proof of compliance and update print security action plans.

Figure 18. HP Security Compared to Competitors

		HP	Xerox	Lexmark	Ricoh	Konica Minolta	Kyocera	Canon
 Device security	Sure Start (BIOS protection with self-healing)	●	●	●	●	●	●	●
	Whitelisting	●	●	●	●	●	●	●
	Run-time intrusion detection	●	●	●	●	●	●	●
	Security policy deployment and remediation	●	●	●	●	●	●	●
 Data protection	Access control	●	●	●	●	●	●	●
	Encrypted communications	●	●	●	●	●	●	●
	TPM availability	●	●	●	●	●	●	●
	Integrated encrypted hard drives with secured storage erase	●	●	●	Optional	●	●	●
 Document security	Pull-PIN print solutions	●	●	●	●	●	●	●
	Counterfeit and fraud deterrent	●	●	●	●	●	●	●
 Security practices	Professional Service – Print Security Compliance Assessment	●	●	●	●	●	●	●
	Professional Service – Print Security Compliance Management	●	●	●	●	●	●	●

Security is now mission critical for all businesses. Cybercrime, internal breaches, compliance infringement and more can easily cost millions of dollars. In addition to expensive fines and lawsuits, a security breach can result in a damaged reputation and loss of revenue.

Security breaches were up 40 percent in 2016, and that number will inevitably increase even more this year, said Tate in an executive briefing session at the 2017 Best of Breed (BoB) conference during the session titled, "How Printers Can Expose Your Endpoint Security Strategy."

— Steve Burke⁶

Purchasing Entity can begin and continue to navigate ongoing security journey with HP Secure Managed Print Services. This offering provides the most comprehensive device, data, and document security to protect Purchasing Entity's business, revenue, and reputation. HP Secure MPS addresses the technologies, people, and processes for a robust security strategy and ongoing management to help Purchasing Entity meet and exceed key standards in security and compliance.

Please also see **MPS Technical Response Attachment 5, Security Executive Summary**.

15) How do you handle network and data security issues? What measures do you take to protect sensitive customer information?

HP's approach to print data network security covers the three (3) pillars: Device, Data, and Document. Our key security differentiators include:

- **HP Sure Start4** – Sure Start4 detects and prevents attacks by validating the BIOS code at every boot cycle. If the code is compromised, then the device reboots using a safe copy of the BIOS, thus self-healing! It also creates incident reports that can be integrated with Security Incident Event Management ("SIEM") for monitoring attacks.
- **Whitelisting** – It confirms the authenticity of the firmware code with an HP digitally-signed certificate and loads only valid, non-tampered HP firmware onto the memory. If any discrepancy is detected, the device reboots.

⁶ CRN, "HP Exec: It's Time Partners Wise Up To The Grave Printer Security Threat," Steve Burke, October 2017.

- Runtime Intrusion Detection – Most attacks happen when the device is operational and connected to the network. Runtime intrusion detection detects malware in the device’s memory. If there is an intrusion, the system reboots using the original firmware and thus, removes the malware. It also creates incident reports that can be integrated with SIEM for monitoring attacks.
- HP Connection Inspector – This is a new intelligent embedded security feature to help printers stay one step ahead of malware attacks with advanced self-healing capabilities. The technology is unique in that it can inspect outbound network connections typically abused by malware, determine what is normal, and then stop suspicious activity. If compromised, it will automatically trigger a reboot to initiate
- FutureSmart Firmware – This is a fleet-wide upgradeable firmware that enables updating Enterprise printers with new security features. HP FutureSmart firmware updates make it easy for IT to apply the latest security improvements across the fleet. Some security features will be made available as a HP FutureSmart service pack update on selected existing Enterprise printer models.
- Trusted Platform Module (“TPM”) storage – The HP Trusted Platform Module accessory provides additional protection to the encrypted printer hard disk.

HP takes extensive measures to protect sensitive customer information. HP Secure Erase technology overwrites a deleted file’s data from the individual sectors with random data using either a one-pass or three-pass overwrite, which conform to current US Government specifications.

- Secure Erase Data Overwrite – After a system power cycle the encrypted data is erased and the data partition rebuilt. The encryption keys are not preserved after the power cycle, which provided a secure erase of all customer data.
- Disk Management – Temporary job files are erased at the completion of print, copy, fax or digital send jobs.
- Erase Job Data – All job data files stored on the system disk including temporary data are erased.

HP has a long history of industry leadership in privacy and data protection; together with our robust portfolio of products, software, and security services, we can support our customers’ efforts in protecting personal data and addressing their own compliance.

HP recognizes the fundamental importance of privacy, security and data protection to our customers and partners. HP’s Chief Privacy & Data Protection Officer is responsible for driving the company’s data protection compliance efforts around the world. HP’s current privacy and data protection program is based on internationally recognized frameworks and data protection principles:

- Comprehensive internal policies
- Employee training
- Privacy certifications and data transfer mechanisms
- Information security controls
- Defined supplier contractual terms

HP is bringing our client services into alignment with the ISO 27001 certification standard, including the expansion of our certification’s scope to include Managed Print Services. HP’s print solutions and services can help our customers to maintain personal data confidentiality and integrity through technical means such as encryption, authentication, and device security protection.

- 16)** Describe your remote device monitoring services. Do you obtain meter reads automatically? Do you have an automated toner replenishment program?

HP's Remote Management Services provides a combination of skilled personnel and secure remote access for Purchasing Entity's HP managed fleet under a MPS contract.

HP utilizes technological capabilities that have been consolidated onto the HP Device Connect (HP DC) platform. The remote monitoring-collector sits in the customer network and receives a list of devices from which to collect data and communicates with those networked devices daily, collecting usage information and consumables levels. When the required data is collected, the information is sent back to HP for action.

The data normally collected to enable remote management includes the following:

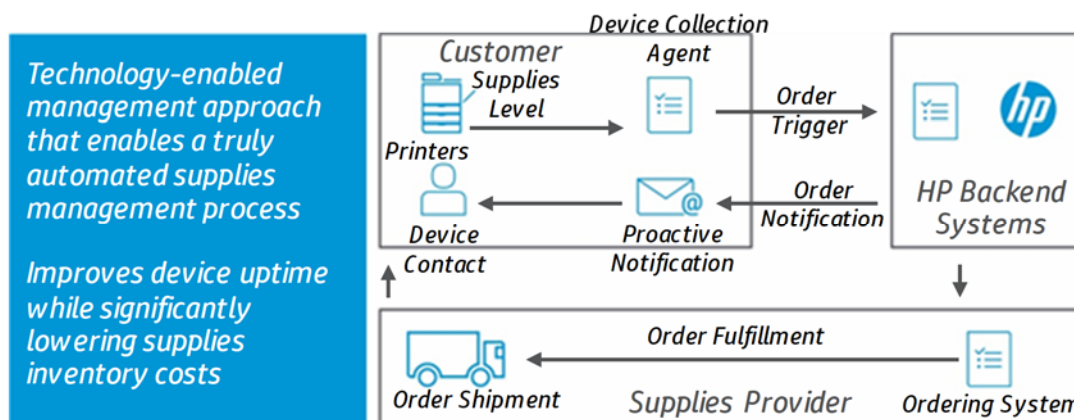
- Detailed page counters
- Consumables status and state
- Preventative maintenance information
- General device information (model number, serial number, firmware revisions, install date, etc.)
- Configuration page
- Status page
- Event logs (both error and warning)
- Security and workflow solution version

This utility integrates with our proprietary service system for integrated service and utilization reporting and is the basis of our billing and reporting. The billing model can be a Cost per Page or Base plus Click. The Base plus Click billing model includes a fixed base payment and a variable payment or "click" for each page printed. The base charge is generally constant, if the fleet remains unchanged throughout the contract term, and typically includes hardware, software licenses, and services. The variable click charge (usage) is based on a per-page fee and is charged for each page printed. The click charge covers use of non-media consumables such as toner, ink, and maintenance kits.

Consumable ordering by Automated Supplies Management (ASM) is a simple and efficient way to acquire, manage, and recycle consumables, while lowering inventory and storage costs.

- Device-initiated, fully-automated ordering and delivery to central receiving/dock location at the applicable location referencing the specific Device for which the order was placed.
- Printing Supplies—Toner, ink, bonding agent
- Long-life Printing Supplies—Print head, print head cleaner, imaging drum kit or cartridge, imaging drum cleaner, toner collection unit etc.
- Maintenance Kits—Contents of maintenance kits vary by device and can include transfer kit, belt or cartridge, fuser, ink droplet collector, pen wipe, etc.

Figure 19. Automatic Supplies Ordering and Management



17) Describe any recycling programs that you offer and how customers can utilize them.

HP leverages the HP Planet Partner program to recycle Original HP Inkjet and LaserJet toner cartridges. Customers can return HP cartridges to authorized retail recycling locations, or go online to request pre-addressed, postage-paid recycling envelopes, labels, and bulk collection boxes. Postage-paid return labels are included in many HP LaserJet cartridge boxes, and organizations can opt for pallet pickup to return large quantities of cartridges. To learn more, please see the HP website: www.hp.com/recycle. Choose your country from the drop-down list under the Recycle tab.

While not included in the MPS pricing, HP Asset Recovery and Recycling Services can help Purchasing Entities return equipment and manage the disposal of imaging and printing technology that no longer meets Purchasing Entity needs or is no longer required. As an industry-leader in reducing environmental impact, HP can manage the disposal of equipment safely and in an environmentally sound manner that is compliant with global regulations related to environmentally responsible IT equipment removal, recycling, and disposal.

HP Asset Recovery Services can include:

- Planning and preparation including a review with Purchasing Entity of the specific steps and timeframes related to the recovery of the assets
- Convenient packaging, shipping and logistics to properly prepare and remove equipment. (Note: additional charges may apply.)
- Capture of full asset details including make, model, serial number and asset tag
- Removal of customer data, including asset and other identifying tags, from devices and internal hard drives using industry-standard software and three-pass wiping process
- Remarketing and financial compensation for the value of devices with existing useful life can be provided. (Note: subject to the age, condition, and functionality of assets being decommissioned.)
- Disposal services for devices with little or no useful life in a manner consistent with applicable laws and regulations
- Reports forwarded to Purchasing Entity detailing origin, make, model, serial number, asset tag, configuration, test results, and whether equipment was remarketed, resold or disposed of can also be provided. (Note: additional charges may apply.)

HP Large-Format Media Recycling

HP offers recycling for certain commercial and industrial signage media, as well as HP graphics and technical media from banner and sign material to films and backlit materials. State-of-the-art processes ensure the plastics used in these printing materials are recycled in a way that conserves resources. For program availability and to learn more, please see the HP website: www.hp.com/go/recyclingbanners.

Reliable Security

Purchasing Entities can be confident that HP handles private information appropriately and securely, and that HP's recycling processes are environmentally responsible. All data left on storage devices is irrevocably destroyed during recycling. Plus, the recycling process itself complies with U.S. Environmental Protection Entity standards and all applicable environmental regulations.

HP offers a certificate of destruction on request signifying that we have properly destroyed the products and that the data cannot be accessed. HP also offers specialized reports that cover details Purchasing Entity may need, such as a list of serial numbers of the recycled items. HP can also provide documentation to show chain of custody of the equipment.

Customized and Compliant

HP works with Purchasing Entities to create a customized solution that ensures hardware is destroyed and recycled in a way that meets even the most stringent requirements. HP's secure and certified data destruction complies with Department of Defense standard 5220.22-M, the Health Insurance Portability and Accountability Act ("HIPAA"), Gramm-Leach-Bliley, and other privacy protection laws. HP can destroy data on all types of media, including hard drives, servers, DVDs, CDs, floppy disks, magnetic tape, USB memory sticks, and Secure Digital cards.

18) Please describe how you will monitor and manage print devices to include:

- Network access
- Fleet configuration and utilization
- Management of customer owned or legacy equipment, including parts, labor, supplies, and moves
- On-going assessments, which shall include, but not be limited to: continuous process improvement, device utilization, fleet performance, cost saving opportunities, green spend, consumables spend, break/fix, and service level standards
- Removing and disposing of Devices, including recycling programs that you offer and how a customer can utilize that program

HP Device Connect ("HP DC") is the platform that resides on the Purchasing Entity's network and enables the HP remote Fleet Engineer to efficiently manage the fleet. This tool provides information that identifies network access with printers, fleet configuration and utilization for all legacy equipment. The HP repository then provides instructions to the data collector to pull usage information from each specified device in Purchasing Entity's environment. Usage data is only collected daily.

HP DC and data repository are used to track the fleet configuration and utilization information. The fleet information typically tracked and reported on includes model numbers, serial numbers, IP and Host addresses, user names and contact numbers, and printer location addresses. Purchasing Entity can provide additional information to be tracked and available on reports. HP manages this activity throughout the term of your agreement and as devices are moved, added, and changed. HP captures all equipment inventory information during device deployment and using a "Master Services Log" or MSL. Equipment information from the MSL is entered into HP's asset management system.

HP Multivendor Support Service includes a range of options and capabilities designed to provide support for Purchasing Entity's non-HP printers, MFPs, copiers, and other devices.

HP hardware-maintenance and supplies services are designed for the increasingly important role of printers and next-generation MFPs so prolific in today's business environment, as well as the increasing complexity of this hardware.

HP Multivendor Support includes:

- Full-service lifecycle support, including:
 - Diagnosis
 - Parts dispatch
 - Engineer allocation
 - Event management
 - Supplies fulfillment
- Remote troubleshooting with HP Priority Phone Support
- Professional onsite response and repair, using HP-authorized customer engineers

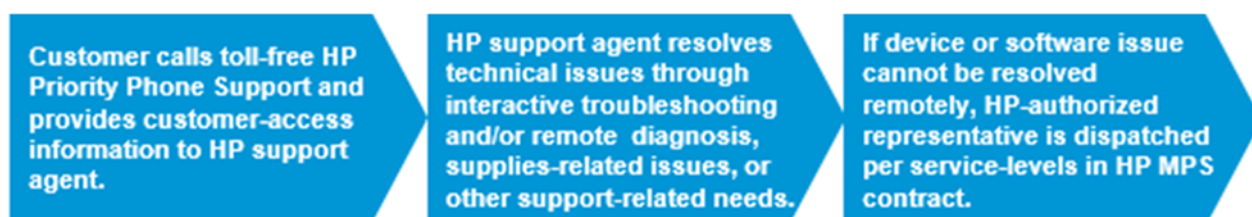
- Service event reporting and review, to verify that HP is meeting or exceeding the agreed-upon service levels and customer expectations
- Standard response service levels include:
 - Next-business-day onsite response, 8:00 a.m. to 5:00 p.m. customer local time, business days, Monday through Friday
 - Same-day onsite, 4-hour response, 8:00 a.m. to 5:00 p.m. customer local time, business days, Monday through Friday
- Supplies management
- Install, move, add, change, and disposal services

HP Support Management and Hardware Technical Support for HP Managed Print Services will contribute to the effective management of Purchasing Entity's imaging and printing environment. It helps reduce operating costs and improve productivity by maintaining optimum performance and maximum availability of devices.

HP Hardware Technical Support Service includes:

- Priority Phone Support
- Afterhours Phone Support
- Hardware Support (parts and labor)

Figure 20. Hardware Technical Support—Simplified Call Flow Process



The HP Client Manager provided the ongoing account-management structure for the Entity. An HP Client Manager oversees the day-to-day administration, management, and support of the Entity's imaging and printing environment to maintain optimum levels of availability and performance. The relationship between the HP Client Manager and the Entity is fundamental to realizing maximum value from the Entity's HP Managed Print Services agreement.

To support the agreement, HP performs the following:

- Establishes an account-management structure that provides the Entity with a single point of contact for ongoing deliverables and support.
- Proactively monitors devices and supplies, provides access to priority technical support, both onsite and/or remote, and provides options for supplies replenishment to help maximize device uptime and availability.
- Monitors the fleet and leverages online reporting to obtain valuable device usage information, enabling the Entity to assess, adjust, and optimized hardware usage as needed. Oversees ongoing optimization of the fleet and continuous ways for improvement.
- Through on-going assessments that include effective fleet optimization, ongoing process improvement, cost savings, improved productivity, and maximized availability delivered by HP's solution, the Purchasing Entity can focus on its core business objectives.

To contribute to green spend, HP Eco Printing Assessment helps the Entity to better understand the impact of its printing on the environment through the HP Eco Printing Assessment. This assessment helps calculate the current environmental impact of 's imaging and printing fleet, develop a roadmap for lowering 's carbon footprint through innovations in infrastructure, management, workflow, and employee behavior, while quantifying the financial and environmental advantages of “going green”.

The HP Eco Printing Assessment can help do the following:

- Calculate the current environmental impact of 's imaging and printing fleet
- Develop a cost-justified roadmap for reducing 's carbon footprint through changes in infrastructure, management, workflow, and employee behavior
- Quantify the financial and environmental benefits of “going green”

All electronics eventually reach the end of their usable lives and need to be reused, recycled or disposed of properly. It is essential that these items be handled in a secure and responsible method. Incorrect disposal of old IT equipment may harm the environment and improper recycling methods could put private data at risk.

HP’s goal is to provide take-back programs with broad geographical coverage and ensure an environmentally responsible option for processing HP products at the end of their life. HP verifies the quality of our global recycling network through third-party vendor audits, and we increasingly rely on third-party recycling certifications when available. HP continues to evaluate expansion of our product take-back programs into additional countries, but this depends in part on the availability of local recyclers that meet our standards or export regulations that allow for legal transport of materials to recycling facilities in other countries.

Specialist third-party companies provide reuse and recycling programs on HP’s behalf. HP requires that our recyclers process all material according to best practice and in full compliance with relevant regulations. HP monitors product take-back programs to ensure there is no “leakage” of material to facilities or organizations outside of our approved vendor network. HP undertakes due-diligence audits of our recycling vendors to ensure compliance with HP’s Supplies recycling standard, Hardware recycling standard, Hardware reuse standard, Policy on export of electronic waste to developing countries, and Supplier code of conduct. HP also requires certification to third-party recycling standards (R2 and e-Stewards) in the many countries where they are available.

HP recycling, trade-in, and other asset recovery services are currently available in more than 70 countries and territories worldwide. And HP remanufacturing programs help extend the life of IT hardware—reducing environmental impacts and making IT equipment accessible to more people. HP recycles products that are no longer suitable for reuse.

HP is leading the way with a strong commitment to providing solutions for our customers that address business issues in ways that can also positively impact society and the planet.

Security Executive Summary

The world is changing in fundamental ways, impacting our businesses, our customers, and our infrastructure.

- **More data**—machine-generated data is a key driver in the growth of the world's data, which is projected to increase 15x by 2020 (representing 40% of the digital universe).

According to IDC, the digital universe will reach 40 ZettaBytes (ZB) in 2020. Just to put that in perspective, in 2015, data was around 8.5 ZB.

- **More clients**—Gartner, Inc. forecasts that 4.9 billion connected things will be in use in 2015, up 30 percent from 2014, and will reach 25 billion by 2020.¹

With the data explosion and significant increases in clients on the network, there is also more opportunity for cybercrime through unprotected or under-protected endpoints. In 2014, companies reported a 48% y/y increase of cyberattacks on their networks and it continues to grow.

IT must continually protect confidential information, including employee identities and customer data, across multiple devices and environments. Digital data has huge benefits, but it is harder to secure. With expanding nodes and devices on the network—plus cloud and mobility—security risks and network vulnerabilities are a bigger problem than ever.

Printers are not immune. Whether it's a malicious cyberattack, an accidental internal breach, or regulatory and legal non-compliance, the cost of resolving a security breach can be huge. Costs can include fines or lawsuits, as well as lost business due to damaged reputation, diminished goodwill, customer turnover, and acquisition costs.

Although investments in security are at an all-time high, successful cyber-attacks are still on the upsurge, both in number and sophistication. In fact, according to the Ponemon Institute, 92 percent of Forbes Global 2000 companies reported data breaches in the past year, with the average annual cost to resolve a cyber-attack amounting to \$7.7 million.²

HP is recognized as a leader in printing security:

"HP's strategy to put security at the heart of their managed print services portfolio is highly innovative and disruptive to a low growth, legacy segment of the managed services market. Their offer delivers peace of mind to their customers while putting their competitors on notice. Well done for an outstanding submission and impressive innovation, HP."

— Technology Service Industry Association (TSIA)³

HP has a robust and advanced print security portfolio. Its printers include advanced embedded functionality such as HP Sure Start (BIOS-level security), whitelisting and run-time intrusion detection. At the time of writing, HP is the only manufacturer to offer integration of printer event data with major security monitoring and incident detection tools such as Hewlett Packard Enterprise ArcSight, SIEMonster and Splunk.

— Quocirca, "Global Print 2025 Study", Louella Fernandes, March 2018

¹ Gartner Says 4.9 Billion Connected "Things" Will Be in Use in 2015.
<http://www.gartner.com/newsroom/id/2905717>

² CIOReview "Managed Print Services: Your Secret Defense Against Internet Security Threats" CIOReview, September 2018.

³ HP Internal, "HP wins TSIA 2017 STAR Awards Winners", November 2017



A further differentiator for HP is the depth of its multivendor security services. These include a robust security assessment of the print infrastructure followed by the development and deployment of a robust security plan that spans device, data and document workflows. HP reports that it has already conducted security assessments for 60 customers on a global scale. These services are delivered by credentialed print security advisors and then maintained within a Secure MPS program. HP is now extending these services to include a new retainer service that provides ongoing monitoring of a security plan; new implementation services and a new governance and compliance service.

— Quocirca, "Print security: An imperative in the IoT era", Louella Fernandes, January 2017

HP can help provide industry-leading end-to-end print security through our comprehensive portfolio of printer security features, solutions, and services.

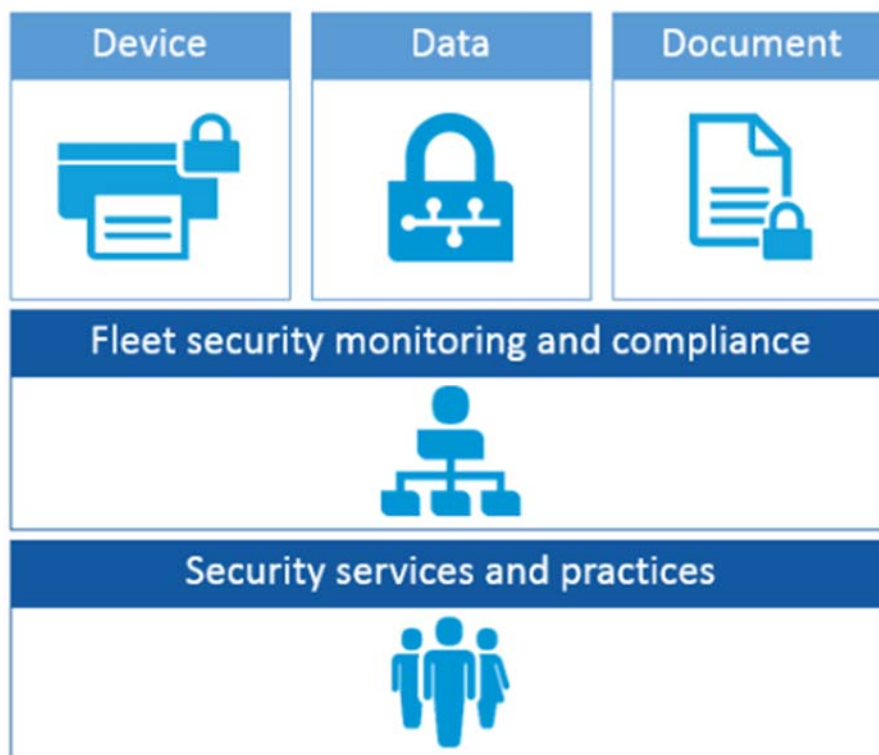
- **Protect the device**—embedded features and add-on solutions can help you defend your printers and network, and reinforce simple but effective security habits. Layers of security provide in-depth defenses.
- **Protect the data**—stored or in transit, your data requires constant protection. HP security features and solutions can help ensure safe arrivals and usage.
- **Protect the document**—integrate HP's smart hardware and software solutions with your larger IT security plan to protect the sensitive information in your printed documents.
- **Fleet security monitoring and compliance**—security monitoring and management solutions can help you identify vulnerabilities and establish a unified, policy-based approach to protecting data, strengthening compliance, and reducing risk—all while saving significant time and resources.
- **Print security services**—lean on the leader in IT security and print management, saving you time, costs, and resources while improving your overall security posture.
- **HP Secure MPS Layered Approach**—lean on the leader in IT security and print management, saving you time, costs and resources while improving your overall security posture.
- **Best in Class Print Security and Manageability**—HP offers security like no one else. Our devices, solutions, and services provide the most secure printing infrastructure available.

Testament to its long-term investment in print security, HP has the broadest and deepest portfolio of security solutions and services in market. It has created a compelling and scalable proposition that provides a layered security approach for businesses of all sizes. Its strong network and IT heritage has given it access to proven IT security expertise which it has fully leveraged in building its global print security team.

— Quocirca, "Print security: An imperative in the IoT era", Louella Fernandes, January 2017



Figure 1. HP leverages our global expertise in providing print services that deliver the most secure devices, solutions, and services.



Protect the Device

Defend your network with the world's most secure printing. Only HP print security offers real-time detection, automated monitoring, and built-in software validation to stop threats the moment they start. With HP, you're more secure on every level, so the trouble that's out there stays out.

Print Security Features Automatically Detect and Stop Attacks

HP business printers, from Pro through Enterprise, can automatically detect and stop a malware attack (and notify your system of potential trouble) during all phases of operation:

During start up. The boot code (for Pro devices) or BIOS (for Enterprise devices) is a set of instructions used to load fundamental hardware components and initiate firmware. The integrity of the code is validated at every boot cycle—helping to safeguard your device from attack.

When loading firmware. Only authentic, known-good HP firmware—digitally signed by HP—that has not been tampered with is loaded. If an anomaly is detected, the device reboots to a secure, offline state and waits for valid firmware to be loaded.

During run-time. HP embedded features help protect devices while they are operational and connected to the network—when most attacks occur. HP devices detect and prevent unexpected changes to memory.

HP Enterprise Devices Can Self-Heal

In addition to being able to detect and stop threats, HP Enterprise printers include security features that can [automatically repair themselves](#) from attack, to maximize uptime while minimizing IT interventions.

- HP Sure Start is the industry's only self-healing BIOS. If the BIOS is compromised, HP Sure Start forces a reboot and reloads with an embedded "golden copy."
- Run-time intrusion detection monitors memory and reboots in the event of an attack. Incident data can be sent to many security monitoring systems (SIEM) such as SIEMonster, ArcSight, or Splunk. This feature automatically triggers a reboot in the event of an attack or anomaly.⁴
- HP JetAdvantage Security Manager, our print security compliance software, automatically assesses and, if necessary, remediates non-compliant security settings to comply with pre-established company policies.⁵

Device Security Features

- HP devices come with built-in encryption to help protect sensitive business information stored on hard drives. Use built-in device capabilities to securely overwrite stored data, and safely remove sensitive information.
- Enable administrative access controls, so only IT staff or other authorized personnel are allowed to set up and configure printer settings.
- Disable physical ports (such as USB or network ports) and unused protocols (such as FTP or Telnet) to prevent unauthorized access or use. Starting in Spring 2015, HP disabled FTP and Telnet by default.
- HP business printers are certified as compliant with internationally recognized security standards, such as Common Criteria Certification (CCC) and FIPS 140.
- At end of device life, HP Custom Recycling Services can ensure data is eliminated from hard drives before responsibly recycling old products.

Protect the Data

- Stored or in transit, your data requires constant protection. HP security features and solutions can help ensure safe arrivals and usage.
- HP devices come with built-in encryption to help protect sensitive business information stored on printer hard drives.
- The optional HP Trusted Platform Module (TPM) accessory can be added to the device to strengthen protection of encrypted credentials and data by automatically sealing device encryption keys to the TPM.
- Unique device identity certificates can help protect your network. They are used to prove identity and encrypt data, enabling secure communication between trustworthy entities. HP JetAdvantage Security Manager provides efficient fleet management of unique identity certificates.

⁴ Select HP LaserJet Pro, OfficeJet Pro, and PageWide Pro devices include embedded features that can detect and stop an attack. For more information, please visit hp.com/go/PrintersThatProtect

⁵ HP JetAdvantage Security Manager must be purchased separately. To learn more, please visit hp.com/go/securitymanager



Protect the Document

Pull printing stores print jobs on a protected server, in the cloud, or on your PC. Users authenticate at their chosen print location to pull and print their jobs. These security measures also eliminate unclaimed prints, which can reduce cost and waste. HP has a range of pull print solutions to match your budget and business requirements.

Protect Sensitive Information with HP Pull Print Solutions⁶

HP's strategy to put security at the heart of their managed print services portfolio is highly innovative and disruptive to a low growth, legacy segment of the managed services market. Their offer delivers peace of mind to their customers while putting their competitors on notice. Well done for an outstanding submission and impressive innovation, HP.⁷

Figure 2. HP Pull Print



Workplace Privacy

Printing, document security and compliance require changing user behaviors and methods of working. HP can help with advice and services based on proven best practices in change management procedures.

Anti-Counterfeit

- Embed tamper-evident features in the print-outs to prevent tampering or forgery
- Lock input trays to protect sensitive paper stock (i.e., prescription paper, check stock)

⁶ HP Access Control must be purchased separately. To learn more, please visit hp.com/go/hpac. HP JetAdvantage Secure Print: Pull printing works with any network-connected printer or MFP. On-device authentication is available for many HP LaserJet, PageWide, and OfficeJet Pro devices and selected non-HP devices. Some devices may require a firmware upgrade. Internet connection required for cloud storage and retrieval of print jobs. Print-job release from a mobile device requires a network connection and QR code. For more information and a list of supported printers and MFPs, see hp.com/go/JetAdvantageSecurePrint. HP JetAdvantage Private Print is available only in North America and select European countries. Card reader is available for separate purchase for selected HP printers and MFPs with touchscreens. Learn more at hp.com/go/JetAdvantagePrivatePrint.

⁷ HP Internal, "HP wins TSIA 2017 STAR Awards Winners", November 2017



Fleet Security Monitoring and Compliance

Fleet Solutions and Tools

Security monitoring and management solutions can help you identify vulnerabilities and establish a unified, policy-based approach to protecting data, strengthening compliance, and reducing risk—all while saving significant time and resources.

HP enables these security best practices:

- Fleet-wide firmware updates
- Automated monitoring and remediation of device settings (HP JetAdvantage Security Manager)
- Print event data sent to incident detection (SIEM) tools
- Compliance audit reporting of print fleet security

HP Solutions

- **HP Security Manager**—Efficiently deploy and monitor devices by applying a single security policy across the fleet, and secure new HP devices as soon as they are added to the network.
- **HP Web Jetadmin**—Optimize and protect your imaging and printing assets with effective fleet management and reporting.

Integrated Security and Workflow Solutions

HP security and workflow solutions are designed to seamlessly integrate into your printing and imaging environment to improve productivity, minimize risk, and optimize your investment. Together, HP Access Control and JetAdvantage Connect solutions:

- Help make printing more secure with multiple authentication options and encryption. You pick up your print job, not someone else.
- Reduce cost by eliminating orphaned print jobs and reducing printing by up to 30%.
- Reduce complexity by limiting print servers, cutting down on network traffic, and eliminating multiple drivers. The HP Access Control Enterprise print spooler supports over 10x devices compared to Windows print spooler.
- Are Enterprise-ready, with support for mobile workers and delegate job retrieval. A broad range of HP and select non-HP devices are supported.
- Make good business sense and fit your enterprise's unique print culture.
- Enable control of printing security, cost and management by changing printing behavior.
- Give IT administrators and users the tools they need to make the most of print in the enterprise.
- Maximize the return on HP printing technology.



Figure 3. HP Solutions⁸



- **HP Access Control Secure Pull Printing**—Allow users to dynamically print to the network and “pull” jobs to any solution-enabled HP device. Pull printing virtually eliminates unclaimed documents, increases the efficiency of mobile workers, and reduces IT administrative burdens.
- **HP Access Control Job Accounting**—Track the use of devices and supplies across the enterprise. Use that information to allocate print costs appropriately, inspire users to print more responsibly, and provide IT with the necessary data to forecast future print fleet utilization.
- **HP Access Control Intelligent Rights Management**—Easily assign access codes and device functionality to users to create a smarter, more efficient, more secure environment. Each device control panel reflects only the user's assigned capabilities. Record MFP usage details and route the data directly to your secure server. Then, access the data to determine the needs and policies of your organization based on actual results.
- **HP Access Control Intelligent Print Management**—Create custom printing policies that enforce your enterprise's cost-cutting goals, compliance needs and green initiatives. Assign duplex (two-sided) printing as the default to save paper, restrict color printing to only those users who need it, balance device use with automatic job routing, and educate users or enforce policies with opt-in/opt-out for any policy.
- **HP JetAdvantage Connect**—Help save time and money by seamlessly leveraging existing IT network tools and policies to manage mobile printing. Users can securely print from a variety of smartphones and tablets—where and when they need to—with similar ease of printing as from a PC.
- **HP Access Control Secure Authentication**—Protect your network print devices with robust authentication features that integrate with your existing network credentials (i.e., LDAP, Active Directory). Increase document security by requiring user authentication prior to printing, copying, emailing, or scanning at the device.

⁸ HP Access Control must be purchased separately. To learn more, please visit hp.com/go/hpac. HP JetAdvantage Connect must be purchased separately. To learn more, please visit hp.com/go/JetAdvantageConnect.

Print Security Services

Get Help to Protect Your Devices, Data, and Documents

Lean on the leader in IT security and print management, saving you time, costs and resources while improving your overall security posture.

- Thorough evaluation of device, data and document security vulnerabilities
- Custom security policy and plan creation
- Support to implement your plan
- Ongoing support: periodic reviews, audit support, and more
- Governance and compliance support

Key Services

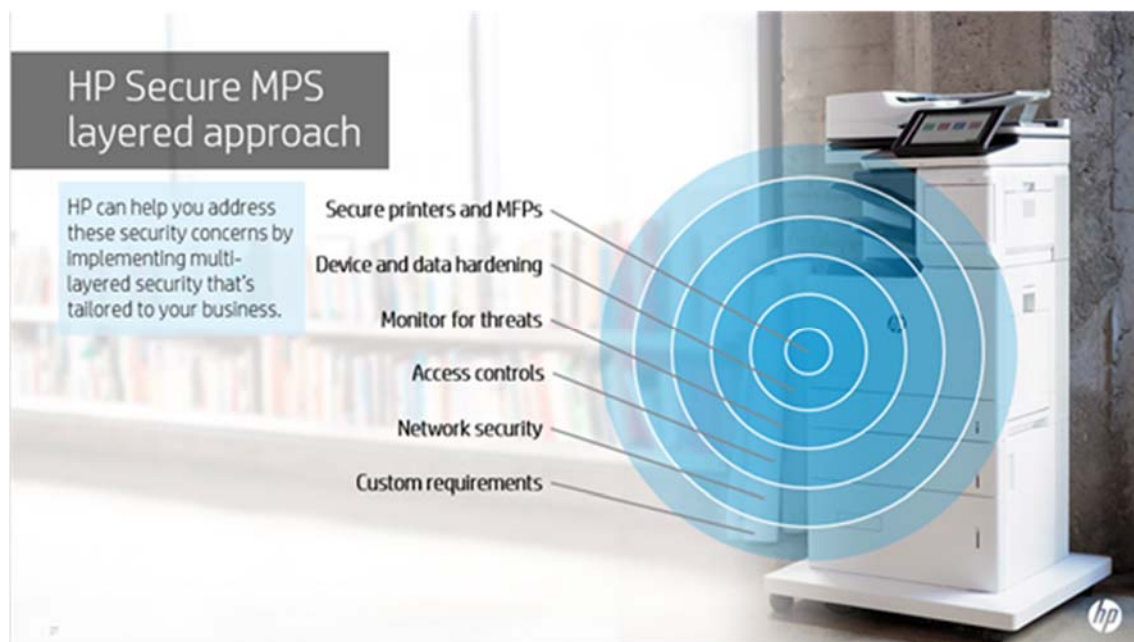
- **Print Security Advisory Service**—A three-day assessment and advisory engagement delivered by a credentialed HP Security Advisor. The advisor will work with customer stakeholders to assess the current print environment against industry standards, build a comprehensive print security policy based on business needs and best practices, and develop a plan to achieve improved security.
- **Print Security Implementation Service**—HP CompTIA Security+ certified delivery technical consultants (DTCs) assist in deploying security features, often recommended from a Print Security Advisory Service. This may include deploying security settings, adding security enhancements like device certificates, and enabling syslogs to send to security incident and event management tools such as HP ArcSight or Splunk.
- **Print Security Advisory Retainer Service**—HP Security Advisors can help prepare for an audit, periodically review their security plan, update security status to address constantly evolving threats, etc. on an ongoing basis. Customers may request this service at intervals that best suit their needs, which may be monthly, quarterly, or annually.
- **Print Security Governance & Compliance Service**—Only HP offers a governance and compliance service that provides trained experts to manage print device security settings and identify potential issues. Experts perform regular security setting assessments and assume the administrative burden of compliance management. HP delivers this service to help clients sustain protections and avoid costly fines, assure all devices are in line with set policy, identify and monitor trends for suspicious activity, and provides monthly reports to demonstrate proof of compliance and update print security action plans.



HP Secure MPS Layered Approach⁹

HP Secure MPS makes it easy for clients to be confident in their print environment, set up with the strongest protection available in the industry and maintained over time to address evolving threats and compliance requirements.

Figure 4. HP is raising the bar to address customers' security challenges by leveraging our security leadership and innovation through services, software and hardware.



Best in Class Print Security and Manageability

HP offers security like no one else. Our devices, solutions, and services provide the most secure printing infrastructure available. The experts agree: However, by virtue of its dominance and maturity in both the print and IT space HP is uniquely positioned to drive industry standardization and raise awareness of the risks of operating an unsecured print infrastructure.¹⁰

HP has set the pace in the market at a time when cybersecurity threats are becoming more widespread and sophisticated. What sets HP apart from its competitors is its brand strength, which allows it to drive awareness of print security, along with its long-established expertise in security innovation and technology across both its print and PC products.

— LouellaFernandes.com, "How printers can be a launchpad for malware attacks", Louella Fernandes, September 2017

⁹ Includes device, data and document security capabilities by leading managed print service providers. Based on HP review of 2015-2016 publicly available information on security services, security and management software and device embedded security features of their competitive in-class printers. For more information visit: <http://www.hp.com/go/MPSsecurityclaims> or <http://www.hp.com/go/mps>.

¹⁰ Quocirca, "Print security: An imperative in the IoT era", Louella Fernandes, January 2017



Table 1. Side by side, HP offers more features and more security.

	HP	Xerox	Lexmark	Ricoh	Konica Minolta	Kyocera	Canon
Device Security							
Sure Start (BIOS protection with self-healing)	X						
Whitelisting-loads only known code	X	X	X	X			
Run-time intrusion detection	X						
Security policy deployment and remediation	X		Partial				
Data Protection							
Access control	X	X	X	X	X	X	X
Encrypted communications	X	X	X	X	X	X	X
TPM availability	X			X	X		X
Integrated encrypted hard drives with security storage erase	X	X	X	Optional	X	X	X
Document Security							
Pull-PIN print solutions	X	X	X	X	X	X	X
Counterfeit and fraud deterrent	X	X	X	X	X	X	X
Security Practices							
Professional Service – Print Security Compliance Assessment	X	X					
Professional Service – Print Security Compliance Management	X						

A Committed Partner

HP can support Purchasing Entities in developing a cohesive printing-security strategy to stay on the path to protection using HP Printing Security Advisory Services. This On-Site Security Advisory Assessment includes a set of services from credentialed security professionals that help organizations implement solutions to protect businesses all around the world. And our team of security specialists provides something that no other competitor does: more than 60 years of combined security expertise and seven deeply experienced and highly certified Printing Security Advisors.

HP is committed at the highest levels to mutually successful partnerships with Purchasing Entities. Transforming their printers and multifunction devices into a secure environment is neither simple nor inconsequential. HP is well positioned to address the technology challenges associated with implementing protection, services, and solutions like no one else can. HP believes that no other supplier can match the breadth and excellence of experience, products, services, and new technologies that HP offers.



Data Breach Plan

(reference Attachment F Section 7a)

HP is unable to provide its Data Breach Plan as it is strictly confidential. However, HP can share some of its procedures as included in the following summary.

HP has established and maintains security and privacy procedures that promote information security, physical security, and privacy awareness. HP policies and processes govern the incident management and breach notification processes as outlined below.

- HP Data Breach Notification Process: This is an 8-step process maintained by the HP Privacy Office that includes:
 1. Identification of whether an incident involves personal data;
 2. Roles and responsibilities of the Privacy Office and key stakeholders, including cyber and the business;
 3. Fact investigation and review;
 4. Analysis to determine whether breach has taken place and determination of breach notification requirements (data subjects, authorities, and third-parties);
 5. Development of breach notification content and action plan;
 6. Execution of breach notification action plan;
 7. Ongoing notification management; and
 8. Root cause analysis and implementation of corrective actions.
- Guide: HP's Data Breach Plan includes a guide ("Guide") maintained by the HP Privacy Office. The Guide is intended to provide an overview of the general process followed in the event of a personal data incident that may be subject to breach notification laws or notification to a corporate client. It helps HP employees understand who is involved, the employee's role, who to contact for questions and support, implications of a breach, and the resulting decisions and approval protocols.

The Guide helps to determine whether a personal data incident requires breach notifications to regulators, data subjects and/or corporate clients which is highly dependent on the facts of the specific incident under consideration. Because the facts of each personal data incident may vary significantly, the Guide is not intended to be a "one stop shop" for making breach notification determinations. Rather, this Guide is intended to help align and coordinate experienced practitioners from multiple disciplines. At every step the HP employee will need to consider the specific situation to determine whether all issues identified in this guide are applicable, different, or if additional steps or information are required.

- Security Incidents: Whether physical, technological, or information-based—are handled primarily through a global incident-reporting process. After receiving an incident report, the team directs it to the responsible party within HP and all parties follow established procedures for each type of incident. These procedures draw from industry best practices, legal requirements, and customer-based specifications within each contract.

All instances of cybersecurity incidents are to be reported to the HP Cybersecurity through a 24x7 online supported process. HP has a documented escalation process to manage security incidents, however generally, once an incident is reported, HP



immediately implements corrective action protocols and conducts a thorough investigation to determine whether any unauthorized access occurred.

Not all security incidents or breaches involve personal data, which means that the first step in HP's Personal Data Breach Notification Process must be to determine quickly whether the incident involved personal data. "Personal Data" is any information relating to a person ("data subject") who can be directly or indirectly identified by an identifier, on its own or combined with other information. If unauthorized access to personal data is discovered, then the incident is escalated to the HP Privacy Office, Global Legal Affairs, and other HP internal stakeholders who will make determinations regarding resolution and notification. Personal Data incidents and/or breaches generally fall into one of the following categories:

1. Accidental or unlawful destruction, loss, or alteration; or
 2. Unauthorized disclosure of, or access to personal data transmitted, stored, or otherwise processed.
- Reporting: Non-cyber breaches may also be reported through a variety of channels. For example, non-cyber incidents may be reported through the following channels:
 1. to the Privacy Office through the Privacy Mailbox (privacy@hp.com);
 2. directly to the Chief Privacy and Data Protection Officer, to Privacy Counsel, or to a member of the Privacy Office;
 3. through the HP Ethics Hotline; or
 4. to the Ethics and Compliance Office through the Compliance Mailbox (compliance@hp.com).

Once notified of a potential personal data incident, the Privacy Office immediately assesses the intelligence provided or ensures participation in a review meeting, depending on the circumstances.

Within 24 hours of the Privacy Office being notified about a potential breach that involves personal data, the Privacy Office and Privacy Counsel will start a process of fact finding and analysis to confirm the existence of a breach. Once it has been established that a breach has occurred, the Privacy Office and Privacy Counsel will be responsible for making an initial determination as to whether breach notifications are required and, if so, for leading the data breach notification process.

- At all times during this process, HP must be working to mitigate the impact to data subjects and to implement the appropriate corrective actions.
- The final step in the data breach notification process is to monitor responses to the notifications, provide ongoing reporting to the appropriate internal teams, and perform a lessons-learned review.





HP MAINTENANCE SERVICES, AND MANAGED PRINT SERVICES STATEMENT OF WORK



Option 1

**HP Maintenance Services and Support Schedule for
Customer Owned or Leased Equipment**



HP MAINTENANCE SERVICES AND SUPPORT SCHEDULE

[DATE]
MPS-US000000000

This Maintenance Services and Support Schedule ("Schedule") defines the activities to be provided by the HP entity named below ("HP") to the customer named below ("Customer") and applies to Customer's purchases of and HP's provision of maintenance services (the "Services"). This Schedule describes the Statement of Work for the delivered Services, along with the NASPO ValuePoint Master Agreement Terms and Conditions for Copiers and Managed Print Services number 140596, which collectively constitute the agreement ("Agreement") between the parties. This Agreement is not effective until signed by Customer and accepted by HP, as specified below ("Effective Date"). The Parties agree that this Agreement and any Change Order or other ancillary agreement can be completed and executed with electronic signatures or as otherwise required by law. Capitalized terms not defined herein are defined in the Agreement. In case of conflicts between terms of this Schedule and the Agreement, the provisions of the Agreement shall prevail to the extent of the conflict. HP and Customer may be individually referred to as "Party," and collectively as the "Parties."

1. TERM: _____ MONTHS

2. GENERAL DEFINITIONS:

- **Support Programs ("PROG").**
- **Maintenance Services and Support ("MSS"):** Full MSS – Includes toner and ink cartridges, maintenance kits, parts, and repairs.
- **[OPTIONAL] Essential Support ("ES"):** Toner Only – Includes toner and ink cartridges drop shipped to Customer's dock. Maintenance kits, parts, and repairs available on a Time and Materials ("T&M") invoice.
- **[OPTIONAL] Multivendor Support ("MVS"):** Includes toner cartridges, maintenance kits, parts, and repairs.

HP WILL PROVIDE SUPPORT WHICH INCLUDES THE FOLLOWING:

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Toner and Ink Cartridges | <input checked="" type="checkbox"/> Repair Services for devices in MSS Program | <input checked="" type="checkbox"/> Strategic Business Reviews |
| <input checked="" type="checkbox"/> Maintenance Items for MSS Program | <input checked="" type="checkbox"/> Cleanings at Every Technician Visit | <input checked="" type="checkbox"/> Assigned Account Manager |
| <input checked="" type="checkbox"/> Toner and Ink Cartridge Disposal | <input checked="" type="checkbox"/> Phone and Online Support for MSS Program | <input checked="" type="checkbox"/> Remote Monitoring Software |
| <input checked="" type="checkbox"/> Location Specific Response Times | <input checked="" type="checkbox"/> HP JetAdvantage Insights [OPTIONAL] | <input checked="" type="checkbox"/> Client Manager [OPTIONAL] |

3. PRICING SCHEDULE

SUPPORT RATES FOR THE VARIOUS DEVICES ARE AS FOLLOWS:

MODEL	TYPE	RATE	PROG	MODEL	TYPE	RATE	PROG
HP	Black	\$0.0000	MSS	HP	Color	\$0.0000	MSS
HP	Mono	\$0.0000	ES	HP	Mono	\$0.0000	ES

SUPPORT RATES FOR THE VARIOUS END OF SERVICE LIFE ("EOSL") DEVICES **[OPTIONAL]**:

MODEL	TYPE	MSS RATE	ES RATE	MODEL	TYPE	MSS RATE	ES RATE
HP	Black	\$0.0000	\$0.0000	HP	Color	\$0.0000	\$0.0000
HP	Mono	\$0.0000	\$0.0000	HP	Mono	\$0.0000	\$0.0000

SUPPORT RATES FOR THE VARIOUS mSKU DEVICES ARE AS FOLLOWS **[OPTIONAL]**:

MODEL	TYPE	RATE	PROG	MODEL	TYPE	RATE	PROG
HP	Black	\$0.0000	MSS	HP	Color	\$0.0000	MSS
HP	Mono	\$0.0000	MSS	HP	Mono	\$0.0000	MSS

4. SERVICE REQUESTS.

Service requests can be made twenty-four (24) hours a day, seven (7) days a week by calling HP's toll-free number (1-800-745-2025) and leaving a voice mail or through the online portal (www.hp.com/go/mpsservice). Upon receipt of any supplies provided by HP under this Schedule, Customer shall be responsible for their safekeeping and shall reimburse HP, at the then-current NASPO ValuePoint Master



Agreement list price, for any supplies that are lost, stolen or damaged. Supplies provided by HP under this Schedule may only be used on devices covered under this Schedule. At the end of the Term, unused supplies provided by HP under this Schedule shall be returned to HP and are the property of HP at all times unless otherwise specified. HP encourages Customer to use HP's free cartridge return program for empty laser and ink cartridge disposal. See www.hp.com/recycle for details. Except to the extent that a specific requirement is set out in this Schedule, HP will manage the method and provision of the support programs in its sole discretion.

5. END OF SERVICE LIFE DEVICES [OPTIONAL]

Devices listed in the SUPPORT RATES FOR THE VARIOUS END OF SERVICE LIFE ("EOSL") DEVICES table above are nearing the end of their service life and therefore HP cannot guarantee support for EOSL Device(s) to the end of the Term. Customer must replace EOSL Device(s) with device(s) of a current model within twelve (12) months of the Schedule Effective Date, otherwise the EOSL Device(s) automatically and immediately revert to the ES Program at the rates indicated in the table above. At that time HP will no longer provide repair or maintenance services on that EOSL Device(s). Repair services and parts may be available upon written request to HP on a T&M basis only.

6. SERVICE LEVEL DEFINITIONS

(a) MSS Response Times: HP offers two (2) response times depending on locations:

- **HP Priority** [OPTIONAL] – Priority 4 Hour Response, toner and ink drop ship.
- **HP Advantage** – Next Business Day Response, toner and ink drop ship.
- **HP Extended Reach** – Depending on location, it may be greater than Next Business Day Response, toner, and ink dropship.

(b) MSS Response Times will only be measured during HP normal business hours and only apply to devices supported by the MSS program. Location specific MSS Response Times can be found in Exhibit A, attached hereto. All Response Times are determined by the ZIP codes listed in Exhibit A, therefore, if a location is listed with an incorrect ZIP code, then the Response Time may be incorrect and will be corrected by way of a Change Order.

(c) MVS Response Time [OPTIONAL]: HP offers one response time under MVS, which is a Next Business Day response with toner drop ship. MVS Response Times will only be measured during HP normal business hours.

Special Note Regarding MVS Service Requests: The process for requesting service for devices supported by MSS and MVS programs is the same, but technicians and fulfillment of the requests are separate and distinct for each support program. For example, if a service request is placed for a device on MVS, the technician that responds may only service the device for which service was requested and any other device on MVS support program (the reverse is true for service requests placed for devices supported by the MSS program).

7. CLIENT MANAGEMENT [OPTIONAL]

(a) Remote Client Management. [OPTIONAL]

HP will provide Customer with a Client Manager ("CM") that will perform the following services for the Term of the Schedule: (1) Serve as the single point of contact responsible for the delivery of the Services, Customer relationship, Customer satisfaction, and manage escalated issues and corrective actions until resolution; (2) Jointly develop with Customer a documented plan ("Delivery Plan") designed to promote delivery consistency and track topics for scheduled strategic reviews; (3) Coordinate and manage Change Orders; (4) Summarize HP standard fleet tracking and utilization reports for discussion during scheduled strategic reviews; (5) Provide a statistical analysis of fleet performance during scheduled strategic reviews; and (6) Track and report service level commitment performance in an HP-defined format.

HP will perform all activities remotely. In coordination with the assigned Client Manager, the CM will schedule and lead annual remote strategic reviews to discuss: (1) the summary of HP's performance against the Schedule, (2) the Delivery Plan, (3) the fleet management analysis (fleet utilization), and (4) recommendations for optimization.

(b) Field Based Client Management. [OPTIONAL]

HP will provide Customer with a Client Manager ("CM") that will perform the following services for the Term of the Schedule: (1) Serve as the single point of contact responsible for the delivery of the Services, Customer relationship, Customer satisfaction, and manage escalated issues and corrective actions until resolution; (2) Jointly develop with Customer a documented plan ("Delivery Plan") designed to promote delivery consistency and track topics for scheduled strategic reviews; (3) Coordinate and manage Change Orders; (4) Summarize HP standard fleet tracking and utilization reports for discussion during scheduled strategic reviews; (5) Provide a statistical analysis of fleet performance during scheduled strategic reviews; and (6) Track and report service level commitment performance in an HP-defined format.

At the discretion of the CM, HP will perform all activities remotely or on-site. The CM will schedule and lead regular strategic reviews with Customer to discuss: (1) the summary of HP's performance against the Schedule, (2) the Delivery Plan, (3) a summary of the service level commitment performance, (4) the fleet management and optimization analysis (fleet utilization) and recommendations for optimization, (5) Information on best practices, and (6) information on HP and/or third-party solutions included in the Schedule.



8. TERM, TERMINATION & RENEWAL

The term of this Schedule will begin on the Schedule Effective Date and will continue for the Term indicated above. Rates listed in the Pricing Schedule above are fixed for the initial Term of this Schedule.

Customer may only terminate this Schedule in the event of HP's uncured material breach of this Schedule. HP will have thirty (30) days from Customer's written notice to cure such breach. If HP fails to cure such breach within the thirty (30) day period, this Schedule will terminate, with no Termination Fee, ninety (90) days after the written notice was received.

This Schedule may not be cancelled for convenience by Customer. In the event of any early termination of this Schedule by Customer for any reason other than HP's material breach, HP, in its sole discretion, may assess and invoice Customer the number of impressions estimated to be remaining for the term of this Schedule based on the most recent historical impression counts ("Termination Fee"). Upon termination of this Schedule, Customer will pay HP for all Services performed, and all charges and expenses then due HP under this Schedule, including any applicable Termination Fee.

HP reserves the right to terminate this Schedule with thirty (30) days' notice.

9. DEVICES COVERED UNDER THIS SCHEDULE

The impression rates listed in the Pricing Schedule above and the terms contained herein are offered based on supporting all eligible devices within Customer's supportable locations listed in Exhibit A and Customer keeping the remote monitoring software active and reporting. All devices of a similar model/series must be enrolled in the support program and covered under this Schedule unless a specific written exception is granted. Devices can only be removed from the support program if they are taken out of service and permanently removed from a supportable location. Additional devices may be added at any time if HP currently provides support for that model/series. Supportable devices that are added at a later date that are not currently included in the Pricing Schedule will be added at the then current rate. To add a device to or remove a device from the Schedule, Customer must submit an email request to HP at pmps-fleetmaintenance@hp.com using a form to be provided by HP. Such requests must be submitted by an account manager or executive employed by Customer, or an employee authorized by the account manager or executive. Devices must be in a working condition prior to being enrolled in this program. If a device to be added to this Schedule is not new, HP will determine if repairs are required to bring the device to a working condition. If repairs are required, HP will notify Customer and, with Customer's approval, will provide those parts and repairs at HP's standard parts and service rates, per the pricing in the NASPO ValuePoint Master Agreement. If a mono device to be enrolled is in a "toner low" or "ink low" condition, Customer will be invoiced 50% of the retail price of a new toner or ink cartridge. If a color device to be enrolled is in a "toner low" or "ink low" condition, Customer will not be invoiced for the first cartridge, but will be invoiced for additional cartridges at retail price. Customer agrees to follow correct device operation guidelines as specified by the manufacturer for all devices covered under this Schedule.

In the event that a device reaches defined end of service-life or if HP cannot acquire spare parts with commercially reasonable efforts, HP may terminate Services for the respective device and potentially all like devices.

10. HOURS OF SERVICE

HP's normal business hours are Monday through Friday, 8:00 a.m. through 5:00 p.m., local time. HP does not provide Services during the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

HP does not provide office support, though does provide technician support, during the following holidays:

- Martin Luther King Day
- Presidents' Day
- Friday following Thanksgiving
- Christmas Eve
- HP company-wide shut down between Christmas Day and New Year's Day

11. PRICING

Customer will be billed at the per impression rates by device model/series as listed in the Pricing Schedule, and per the NASPO ValuePoint Master Agreement. One (1) 8 1/2" x 11" (A4) print will be charged as one (1) impression. One (1) 8 1/2" x 14" (legal) print will be charged as one point three (1.3) impressions. One 11" x 17" (A3) size print will be charged as two (2) impressions. A duplex print will be charged as two (2) times the number of impressions that would be charged for a one-sided print. All other page sizes will be charged as reported by the device. If no purchase order is issued then, by signing this Schedule, Customer authorizes HP to provide the Services and will not contest payment.

12. CUSTOMER REQUIREMENTS

- (a) Customer is responsible for assisting in a timely installation of the remote monitoring software and for keeping the remote monitoring software active. Customer understands that if the remote monitoring software is de-activated, HP will not be able to



receive "Toner Low" or "Service Alert" messages from devices and HP will not be held to the response time commitments listed in Exhibit A. Upon either notice or discovery of a non-reporting device, Customer shall promptly return the device to a reporting condition. Customer may be responsible for manually reporting impression counts for non-networked devices or for non-reporting devices to ensure current and accurate data for billing and reporting purposes. Customer acknowledges that Customer has no ownership of software provided by HP, including the remote monitoring software. Subject to the terms of this Schedule and the Agreement, Customer agrees to allow HP the right to collect and use data through the remote monitoring software.

- (b) **Non-Reporting Devices:** For any device subject to remote monitoring software (for example, a Data Collection Agent ("DCA") or other automated data collection tool provided by HP) that stops reporting data ("Non-Reporting Device"), Customer shall support HP in locating and returning all such Non-Reporting Devices to a reporting condition and to a designated location. Customer remains liable for payment of all charges for Non-Reporting Devices as determined by manually retrieved usage reports to be provided by Customer to HP every thirty (30) calendar days from the date that HP notifies Customer of the non-reporting status of the devices until the devices are returned to an automated reporting status. If Customer fails to provide timely usage reports for Non-Reporting Devices, HP may:
- (1) continue to invoice impression rates based upon the historical usage data gathered from the last billing cycle when the device was in a reporting status. Once received HP reserves the right to reconcile actual usage against any previously invoiced impression amounts based upon historical data and then invoice in arrears for impressions not previously captured. Customer agrees to pay all such related invoices.
 - (2) suspend invoicing for impressions on the affected device until the device is returned to an automated reporting status and then invoice Customer in arrears for all non-reported impressions; or
 - (3) continue to invoice for impressions using the manufacturer's stated yield as the usage for each cartridge shipped during the billing period, multiplied by the impression rate per applicable device.
- (c) **Manual Reporting Devices:** For each device designated as a manual reporting device (i.e. a device that is incapable of automated data reporting), Customer shall provide to HP usage reports every thirty (30) calendar days. If at any point in time Customer stops timely reporting such data, such device shall be deemed a Non-Reporting Device and Customer remains liable for payment of all charges and fees for such Non-Reporting Devices. In such circumstances, HP may continue to invoice for impressions based upon:
- (1) the manufacturer's stated yield as the usage for each cartridge shipped during each billing period that the device remains in a non-reporting condition, multiplied by the impression rate per applicable device; or
 - (2) the historical usage data gathered from the last billing cycle when the device was in a reporting condition. Once received, HP reserves the right to reconcile actual usage against any impressions previously invoiced based upon historical data and then invoice in arrears for impressions not previously captured. Customer agrees to pay all such related invoices.
- (d) **Special Note for mSKU Devices:** Any devices designated as mSKU devices in the Pricing Schedule must be connected to the JetAdvantage Management (JAM) software at all times. Customer must assist HP in a timely installation of JAM and support HP in resolving any issues with devices that are not properly connected to JAM. Use of supplies on any mSKU device that are not provided directly by HP as a part of this Schedule may result in the device being disconnected from JAM. HP may increase the impression rate of any mSKU device that is disconnected from JAM, on a forward looking basis, if such non-reporting condition is due to Customer or lack of cooperation of Customer. HP will notify Customer of any adjustment to the impression rates. HP will implement the new impression rates unless notified of a concern within ten (10) Business Days from the notice date. In case of timely notification of concern, HP and Customer will work in good faith to resolve the dispute in a timely manner. During such time, Customer will be invoiced and pay the unadjusted impression rates until resolution of the dispute.

13. HP JETADVANTAGE INSIGHTS [OPTIONAL]

If HP JetAdvantage Insights is included as a part of this Schedule, then Customer also agrees to the terms and conditions with respect to HP JetAdvantage Insights located at <https://www.insights.hpondemand.com/files/SaaS/JAISPSaaS11302016.pdf>.

14. TONER AND INK COVERAGE

HP regularly reviews toner and ink consumption. If it is discovered that there are devices that are printing with greater than seven percent (7%) toner or ink coverage for monochrome, and twenty-eight percent (28%) toner or ink coverage for color, HP will notify the Customer in writing. HP will work with Customer to correct this problem by making recommendations that may include but are not limited to print policy changes, workflow changes, and device changes. If after sixty (60) days, Customer has not or will not make changes to reduce toner or ink coverage below these limits, HP may increase the rates to account for the increase in coverage, but at no time shall any rate increase exceed the pricing listed in the NASPO ValuePoint Master Agreement. Those increased rates will remain in place until the next annual review.

15. DEVICE OBSOLESCENCE

A manufacturer may choose to no longer support a device at which time replacement parts and/or supplies are no longer available for that device model/series, HP will make reasonable commercial efforts to continue to provide Service for the device, but HP reserves the right to discontinue providing Services on the respective device and potentially all like devices. If the respective device has been on contract for greater than three (3) months, then a standard credit will be provided towards the purchase of an HP printing device.



HP MAINTENANCE SERVICES AND SUPPORT SCHEDULE

[DATE]
MPS-US000000000

HP makes every attempt to identify those devices that are nearing the end of their supportable life. Such devices are described above in the END OF SERVICE LIFE (ES) section above. The standard credit described in the paragraph above does not apply to EOSL Device(s).

16. ITEMS NOT COVERED

The following items are not covered under the Services: paper, staples, font cartridges, third-party SIMM or DIMMs, third-party accessories, and all external interface cards. Special note on Firmware Upgrades: HP will only perform Firmware Upgrades if the manufacturer has announced the Firmware Upgrade resolves a known service issue.

17. REMOVAL OF CONFIDENTIAL INFORMATION

If a hard drive fails, and HP determines that the device, which is still in its service life can no longer be repaired and must be replaced, HP will remove the hard drive from the defective device and leave it with Customer prior to removing the defective device from Customer's premises. In the event that Customer requests that HP repair or replace a device or upon termination of the Schedule, HP will cleanse all hard drive data in accordance with NASPO ValuePoint Master Agreement §4.6.5.(Hard Drive Removal and Surrender). In any other instance when the hard drive needs to be replaced there may be a cost associated with the replacement drive, and pricing will be in accordance with the NASPO ValuePoint Master Agreement Price List.

18. SCHEDULE REVISIONS

If the assumptions and/or circumstances used to create the Pricing Schedule are found to be incorrect or misstated or to have substantially changed, then HP and Customer shall meet and in good faith negotiate equitable changes to the Schedule, which may include, but is not limited to, adjusting rates and/or service level commitments, in adherence with the NASPO ValuePoint Master Agreement. Any changes will only have effect for the future without any retroactive effect on any rates or charges that have already been invoiced. HP will not be liable for failure to meet any obligations in this Schedule to the extent such failure is due to delayed, false, or inaccurate information provided by Customer.

19. ASSIGNMENT

Neither this Schedule nor any right or obligation hereunder shall be assigned or delegated, in whole or part, by either Party without the prior written consent of the other Party, not to be unreasonably withheld.

20. PUBLICITY

HP may use Customer's name and identification of this engagement in connection with general lists of customers and experience.

21. INVOICING

HP will invoice monthly in arrears, based on the impressions made during the previous month. Invoice terms are 30 days from HP's invoice date.

22. CHANGE ORDERS

Both Parties agree to appoint a project representative to serve as the principal point of contact in managing the delivery of services and in dealing with issues that may arise. Requests to add additional service locations or modify current service locations will require a Change Order signed by both Parties. Additional models/series of devices not currently priced on the Order will be added at the then-current rates, per the NASPO ValuePoint Master Agreement Price List.

23. PRICES AND TAXES.

Initial prices will be as quoted in writing by HP. Prices are exclusive of taxes, duties, and fees (including installation) unless otherwise quoted. If a withholding tax is required by law, please contact the HP order representative to discuss appropriate procedures.

24. DISPUTE RESOLUTION.

Any disputed matter under this Agreement will be referred to the parties' Project Managers, except for HP's right to terminate for Customer's failure to pay and except with respect to each party's right to pursue equitable remedies. If the Project Managers are unable to resolve the disputed matter within 2 weeks, the matter will be escalated to the parties' sponsoring executives. If these representatives fail to reach a mutual resolution within the following 2 weeks, or such other period as may be agreed to by the parties, the matter will be referred to the managers of such sponsoring executives. HP may suspend performance of services under this Agreement to the extent a disputed matter (including without limitation, a force majeure event or unfulfilled dependency) is not resolved within 60 days of the commencement of this dispute resolution process.

[SIGNATURE PAGE FOLLOWS.]



HP MAINTENANCE SERVICES AND SUPPORT SCHEDULE

[DATE]
MPS-US000000000

HP and Customer agree by application of their duly authorized representative's respective signatures below that this Schedule should become effective as of the Schedule Effective Date. Customer also warrants that signature of this Schedule authorizes HP to provide the Services and that Customer will pay for all Services provided under this Schedule. This Schedule must be signed within ninety (90) days from the date listed in the header of this Schedule. The Parties also agree that this Schedule and any subsequent amendments or change orders are binding upon HP and Customer.

SCHEDULE EFFECTIVE DATE: _____

HP INC.	CUSTOMER NAME: [REDACTED]
Signature:	Signature:
Printed Name: Tawni Sall	Printed Name:
Title: Director, NA Managed Print Services	Title:
Date:	Date:
Address: 11311 Chinden Blvd. MS 335 Boise, ID 83714	Address:
Contact Name:	Contact Name:
Contact Email:	Contact Email:
Contact Phone:	Contact Phone:



HP MAINTENANCE SERVICES AND SUPPORT SCHEDULE

[DATE]
MPS-US000000000

EXHIBIT A: SLAs by LOCATION

Address	City	State	ZIP	Response Time
TBD				

Special Note for Devices Supported under the ES Program. The Response Times listed below do not apply to those devices supported under the ES program. HP will drop ship toner and ink cartridges via a common carrier to a Customer's location in a timely manner and as requested by the Customer.

MPS Response Times: HP offers two (2) response times depending on locations:

- **HP Priority [OPTIONAL]** – Priority 4 Hour Response, toner and ink drop ship.
- **HP Advantage** – Next Business Day Response, toner and ink drop ship.
- **HP Extended Reach** – Depending on location, it may be greater than Next Business Day Response, toner and ink drop ship.

All Response Times are determined by the ZIP codes listed above, therefore, if a location is listed with an incorrect ZIP code, then the Response Time may be incorrect and will be corrected by way of a Change Order.



Option 2

Managed Print Services Statement of Work for HP-provided Equipment

MANAGED PRINT SERVICES STATEMENT OF WORK

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This Statement of Work ("SOW") numbered [REDACTED] is subject to the terms of the NASPO ValuePoint Master Agreement Terms and Conditions for Copiers and Managed Print Services number [REDACTED] ("Agreement"). To the extent, a provision of this SOW conflicts with a provision of the Agreement, the Agreement provision shall take precedence. If this document is not numbered, HP will provide the SOW number following execution.

HP will provide to Customer the Managed Print Services described in this SOW and its Appendices, Amendments, and Change Orders.

1 SOW DEFINITIONS

- 1.1 "Base Charge" is a recurring fixed Fee.
- 1.2 "Change Order" is a document used to record changes to MPS.
- 1.3 "Click Charge" is a variable Fee.
- 1.4 "Consumables" means Printing Supplies and, if applicable Maintenance Kits and Maintenance Parts, provided hereunder. "Printing Supplies" means toner and ink cartridges, print heads, drum kits, maintenance cartridges and staple cartridges. "Maintenance Kits" means fuser kits, transfer kits, roller kits, collection units and waste toner bottles. "Maintenance Parts" means various replacement parts for Devices.
- 1.5 "Customer-provided Device" means an HP determined eligible Device provided by Customer for MPS.
- 1.6 "Customer-provided Software" means an HP determined eligible Software product provided by Customer for MPS.
- 1.7 "Data Collection Agent" ("DCA") refers to an HP Tool required to provide MPS.
- 1.8 "Device" means the printer, copier, scanner and related hardware and equipment, documentation, accessories, parts, and print related products included in the Fleet. Each Fleet Device is listed in Appendix A – Services and Pricing Statement.
- 1.9 "Device Term" means the time, starting from the Device Start Date through and including the end date of MPS set forth in Appendix A.
- 1.10 "Fees" means all the invoiced or payable amounts owed by Customer.
- 1.11 "Fleet" means the aggregate of all Devices and Software under MPS.
- 1.12 "HP-provided" means supplied by HP as part of the ongoing MPS for Customer's use and chargeable over the applicable Term, though does not include HP Tools.
- 1.13 "HP Tools" means hardware, software, documentation, tools, and materials used by HP to provide MPS.
- 1.14 "Imaging and Printing Environment" ("IPE") refers to the devices, software, consumables, and other critical elements comprising a Customer's imaging and printing infrastructure. MPS IPE includes the same subject to MPS.
- 1.15 "Managed Devices" refers to HP branded Devices specifically designed with smart technology for the MPS IPE to help optimize Printing Supplies usage.
- 1.16 "Managed Print Services" or "MPS" means the imaging and printing services as identified in this SOW.
- 1.17 "Non-Reporting Device" means a Device that is no longer providing timely automated Device usage data back to HP.
- 1.18 "Site" means a Customer location where MPS will be delivered.
- 1.19 "Software Solution" or "Software" means a software product and related MPS provided under this SOW.
- 1.20 "Software Term" or "Software Solution Term" means the time starting from the Software Start Date through the end date of MPS as set forth in Appendix A.
- 1.21 "Software Update" means any generally available modification to the Software Product that corrects errors including maintenance-only releases, bug fixes, and patch-kits.



- 1.22** “Software Upgrade” means a generally available release of the Software Product that contains new features, functionality, and/or enhancements.
- 1.23** “Start Date” means the date the Device or the Software is installed or activated. For HP-provided Devices and Software installed or activated on the 1st through the 15th of the same month, their Start Date shall be the 1st of same month. For HP-provided Devices and Software installed or activated after the 15th till the end of same month, their Start date will be the first of the next month. For example, HP-provided Devices installed, or Software activated on May 10th shall have a Start Date of May 1st, and for HP-provided Devices installed and Software activated on May 20th, the Start Date will be June 1st. For Customer-provided Devices or Customer-provided Software, their Start Date shall be the date HP assumes management of the Device or Software solely to provide MPS. Each Start Date will be set forth in the initial invoice.
- 1.24** “Start-up Fee” means the charges so specified in the Appendix A Services and Pricing Statement.
- 1.25** “Term” refers to a time period for MPS, as described by Device Term or Software Term and/or as it applies to this SOW, the time this SOW remains in effect.

2 TERM AND GENERAL GOVERNANCE

The Term of this SOW shall begin on the Effective Date in the signature block below and continue until the end of the last Device Term (optional term: 36, 48, 60 months), Cluster Term, or Software Product Term.

3 DESCRIPTION OF MPS

HP will provide the MPS defined in this SOW and its Appendices, at Customer Sites during the hours of 8:00 a.m. to 5:00 p.m., local time, where the MPS is to be performed (“Business Hours”), Monday through Friday excluding local public holidays unless otherwise stated. Appendix A lists all Devices, Software Solutions, and all MPS to be delivered and the associated Fees. Additional and available MPS will require a Change Order.

4 HP-PROVIDED DEVICES AND SOFTWARE

- 4.1** HP-provided Devices. **[OPTIONAL]** Customer may use HP-provided Devices for the applicable Term for only internal purposes, not commercialization. Customer agrees to protect HP’s, or its financing company’s ownership interest in HP-provided Devices by: i) affixing any marking (supplied by HP) evidencing the ownership, ii) using due care to maintain, except normal wear and tear, iii) not making any modifications, iv) keeping them in its safe custody and control and free from any liens or encumbrances until they are returned to HP, or purchased by Customer, and v) providing evidence of liability insurance and replacement cost coverage insurance naming HP, its successors, assigns, and affiliates as loss payees, or additional insured’s. Customer will bear all risks of loss or damage (including any repair or replacement costs) not caused by HP to HP-provided Devices. Customer may not relocate HP-provided Devices without HP consent.
- 4.2** HP-provided Software. Except otherwise provided in the Appendix B Service Description for a Software Solution, HP, its Affiliate, or financing company shall remain the licensee operating the HP-provided Software as a service to the Customer. Customer is granted usage rights only and agrees to adhere to any end user licensing information that is (i) attached or (ii) in the Software and/or (iii) its Supporting Material, to the extent such software licensing information does not conflict with this Agreement.
- 4.3** Payment. Except for Customer’s right to dispute Fees in writing within 45 days from invoice date or as otherwise agreed herein, Customer’s payment obligations are absolute and unconditional and shall not be subject to any abatement, reduction, set-off, interruption, deferment, or recoupment.
- 4.4** Ownership Statement. If this SOW is ever deemed by a court of competent jurisdiction to be a lease intended for security, Customer hereby grants HP a purchase money security interest in the HP-provided Devices. Customer represents to HP that the Customer information provided in the signature block is accurate and will promptly notify HP in writing if any changes occurs thereto.

5 FEES AND INVOICING

- 5.1** Invoicing. HP will invoice (i) Start-up Fees upon completion of the specific MPS, (ii) Base Charges monthly in advance, and (iii) Click Charges monthly in arrears, both pursuant to the applicable billing model in



Appendix A. HP reserves the right to deny credit or require payment in advance due to Customer credit or payment history. Where allowed by law, HP may send invoices by email.

- 5.2 Order Commitment.** HP typically requires a Customer purchase order stating the Agreement number to begin MPS. If Customer does not issue an initial purchase order within 30 days of the Effective Date, Customer represents and warrants that: (i) its signature on this SOW authorizes HP to provide MPS.
- 5.3 Non-Reporting Devices.** For any Device subject to DCA data collection that stops reporting such data, Customer shall support HP in locating and returning all such Non-Reporting Device(s) to a reporting condition via the DCA and to a designated location. Customer remains liable for payment of all Fees for Non-Reporting Devices as determined by manually retrieved usage reports to be provided by Customer to HP every thirty (30) calendar days from the date that HP notifies Customer of the non-reporting status of the Device(s) until the Device(s) is returned to automated reporting status via the DCA. If Customer fails to timely provide usage reports for Non-Reporting Devices, HP may either (i) suspend Click Charge invoicing for the affected Device until the Device is returned to a DCA reporting status and then invoice Customer in arrears for all non-reported Click Charges or (ii) HP may continue to invoice Click Charges based upon the Device(s) minimum usage commitment, or the Device(s) historical or forecasted usage. For any non-reporting Managed Device that remains non-reporting for over thirty (30) days from the date that HP notifies Customer and Customer fails to provide manually retrieved usage report for the prior thirty (30) days, HP will thereafter invoice Click Charges based upon the table found in the Appendix A Section 2.4, so long as these Click Charges do not exceed NASPO ValuePoint Master Agreement pricing.
- 5.4 Manual Data Collection Devices.** For each designated manual reporting Devices, Customer shall provide to HP a usage report every thirty (30) calendar days from each Device Start Date. If at any point in time Customer stops timely reporting such data, such Device(s) shall be deemed a Non-Reporting Device(s). Customer remains liable for payment of all Fees for such Non-Reporting Device(s). HP may either (i) suspend Click Charge invoicing for the affected Device until Customer provides a usage report for all Clicks from the date that HP notified Customer of the non-reporting status of the Device(s) and then invoice Customer in arrears for all non-reported Click Charges or (ii) HP may continue to invoice Click Charges based upon the Device(s) minimum usage commitment, or the Device(s) historical or forecasted usage.

6 EXPIRATION, TERMINATION AND RENEWAL

- 6.1 Expiration.** Customer must provide at least thirty (30) days' notice to HP prior to the end of a Term (whether SOW Term, Device Term, Software Term as applicable) of its intention to either: allow the Term to expire; extend the Term one (1) additional year by amendment; and/or begin good faith negotiations for a renewed MPS SOW. Customer must provide 30 days' notice of its intent to allow any extended Term to expire.
- 6.2 Termination for Convenience.** Either party may terminate a Term for convenience, with thirty (30) days prior written notice to the other party.
- 6.3 Termination for cause.** The SOW may be terminated: (i) for the same reasons and procedures that the Agreement may be terminated; (ii) by HP, on written notice if Customer fails to pay the Fees and does not cure such failure within thirty (30) days after written notice from HP.
- 6.4 Survival.** Expiration or termination of the Agreement does not automatically terminate this SOW and the Agreement will survive for purposes of this SOW. In addition, the termination of a Device Term or a Software Product Term will not act to terminate the SOW nor the Agreement unless otherwise stated in the notice of termination, and the SOW will survive for purposes of the existing Device Terms and/or Software Product Terms.
- 6.5 HP Remedies for breach by Customer.** If a default or breach of this SOW by Customer remains uncured, HP may exercise one or more of these remedies: (i) declare all Fees due or to become due as immediately due and payable, including any early termination Fees; (ii) enter upon the premises where the HP-provided Devices are located and take immediate possession of and remove them; (iii) sell any of the HP-provided Devices at public or private sale or otherwise dispose of, hold, use or lease to others; (iv) exercise any other right or remedy which may be available to HP under applicable law or in equity and (v) recover from Customer the costs of enforcement of this SOW, or protection of HP's interest in the HP-provided Products (including reasonable collection agency and attorney's fees). No express or implied waiver by HP of any default should constitute a waiver of any other default or a waiver of any of HP's rights under this SOW.



- 6.6** Purchase of HP-provided Devices. Customer may elect to purchase HP-provided Devices or license HP-provided Software during or on the expiration or effective date of termination of the applicable Term. Any purchase of HP-provided Devices or transfer of license of HP-provided Software will be subject to a separate mutually acceptable purchase and license agreement.
- 6.7** Return of HP-provided Devices, Software, Consumables and HP Tools. Upon termination or expiration of the relevant Term, HP will, at its own expense, de-install, sanitize the hard drives, and pick up all HP-provided Devices and Software CD ROMs, HP Tools, and Consumables provided under this SOW("Terminated Products"), in accordance with the NASPO ValuePoint Master Agreement except for those HP-provided Devices and Consumables that Customer purchases or directly licenses. Following a Customer notice of termination or upon SOW expiration, a quantity of unopened Consumables related to a Fleet Device provided under the Base + Actuals Shipping Supplies Billing Model may be returned to HP provided the parties agree in a Change Order on (i) the exact quantity of Consumables to be returned, and (ii) the amount paid to HP for such Consumables ("Actuals Payment"). Within thirty (30) days of receipt of the unopened Consumables HP will issue a refund to Customer equal to 85% of the agreed upon Actuals Payment for such returned Consumables. Fifteen percent (15%) of the Actual Payment shall be retained by HP as a restocking Fee.
- 6.8** Upon termination or expiration of the relevant Term, HP will pick up all applicable HP-provided Devices, HP Tools, and Consumables ("Terminated Products"), except those HP-provided Products that Customer purchases or licenses as provided above. HP, at its own risk and expense, will: (i) de-install all Terminated Products and associated documentation; (ii) pack all such Terminated Products in accordance with HP's specifications; and (iii) pickup all such Terminated Products to HP within (30) calendar days of the expiration or termination of the Term, or other such period as may be mutually agreed, in the same condition as when delivered (including Customer's removal or deletion of all data contained in the HP-provided Devices).
- 6.9** Early Termination Fees. Whenever there is an early termination of a Term (SOW Term, Device Term, or Software Product Term) (i) by Customer for convenience or (ii) by HP for an uncured material breach of this SOW by Customer, HP will invoice, and Customer will pay the early termination Fees in Appendix A – Services and Pricing Statement.

7 IMAGING AND PRINTING ENVIRONMENT CONTROL

Customer will support HP's provision of MPS. Unless a specific Device is designated in Appendix A as non-substitutable, HP may deliver and install alternative Devices (new, used, remanufactured, or refurbished Devices) of equivalent or enhanced capabilities as those specified in the Appendix A. HP shall manage the method and provision of MPS in its sole discretion, and per the NASPO ValuePoint Master Agreement.

8 LIMITATIONS

- 8.1** Services. HP is not responsible for delayed, disrupted or additional Managed Print Services caused by: (i) actions or events where HP is not at fault; (ii) lost, damaged, stolen, misused Devices and Software where HP is not at fault; (iii) materially incorrect or misstated solution design criteria and dependencies; (iv) improper or unauthorized Customer use, operation, relocation, modification or repair of Devices; (v) Customer's failure to maintain approved internal environmental conditions and to timely address end-user resolvable conditions (e.g., paper jams, toner replacement); (vi) failure to conduct scheduled maintenance and planned upgrades, unless expressly the duty of HP; (vii) failure to install Customer-installable firmware updates and patches, and Customer-replaceable parts and replacement units provided to the Customer by HP for such installation; (viii) Customer's failure to implement and maintain an adequate continuity, redundancy and/or recovery program for Customer's business functions and operations; and (ix) Devices being used beyond their manufacturers recommended performance print volumes.
- 8.2** Customer-provided Devices. Prior to a Customer-provided Device start date, Customer will provide the Device brand name, model name, serial number, physical location information, asset number if applicable, IP address, host name, and current usage page counts. In addition, Customer will provide written confirmation that all such Devices are operable and in good working condition. If eligible for MPS, as solely determined by HP, HP will make reasonable efforts to utilize any Customer-provided Device in its current location. However, if HP reasonably determines that Customer-provided Devices should be relocated to a different location to meet the mutually agreed Design, Customer will assume all costs of moving such



Customer-provided Device(s) to the location designated by the Design. If a Device is deemed ineligible for MPS and repairs must bring the device to a good operating condition for fleet eligibility, HP may provide parts and repairs at HP's standard parts and service rates, per the NASPO ValuePoint Master Agreement pricing, and under separate agreement.

- 8.3** Customer Service Delay. If Customer causes a delay which materially affects HP's delivery of scheduled MPS, including delivery and installation services in the attached Master Schedule, Customer shall reimburse HP for any costs incurred by HP because of the delay (including, without limitation, resource costs incurred by HP during the delay, increased costs for HP to perform or resume performance of the MPS because of the delay, etc.). The Customer's invoice will include these remedial costs as Fees. If the cause of the delay is recurrent and the parties cannot mutually agree upon corrective performance adjustments, the matter shall be referred to the Dispute Resolution process.
- 8.4** Consumables. All Consumables provided under this SOW are the property of HP unless otherwise specified. Consumables may be used only in MPS Devices. Devices hereunder may only be supplied with Consumables. Upon receipt of Consumables, Customer shall be responsible for their safekeeping and shall reimburse HP the then-current list price less any discounts for any Consumables lost, damaged, stolen or used in non-MPS equipment.
- 8.5** Software. Document and Workflow Solutions Software and accessories provided under this SOW are off-the-shelf products. Customer understands that such products have not been tested in Customer IT production environment. Also, Customer assumes full responsibility for any compatibility issue created by any change to the IPE and the IT infrastructure not requested by HP. Unless otherwise stated in the Service Descriptions, Software Upgrade will be managed via a Change Order.
- 8.6** End of Service Life. When the manufacturer no longer supports a Customer-provided Device and repair parts, or Consumables are no longer available, HP reserves the right to suspend Service Levels agreements or discontinue providing Technical Support Services or Supplies Management Services (as described in the Service Descriptions) and will adjust the Fees. HP will work with the Customer to replace such Device(s) via a Change Order. When the manufacturer no longer supports an HP-provided Device and repair parts are no longer available, HP reserves the right, at its sole discretion, to replace the Device by an alternative Device with equivalent capabilities.
- 8.7** Dependencies. HP's ability to perform MPS depends upon Customer fulfillment of the Customer dependencies and responsibilities included herein, in applicable Service Descriptions and the solution design criteria and dependencies listed in Appendix C attached hereto.
- 8.8** HP Tools. Customer may not sell, transfer, assign, pledge, purchase or encumber or convey HP Tools, or modify, adapt, copy, disassemble, or decompile them. For clarification, HP Tools are not subject to purchase or license by Customer.
- 8.9** Removal of Confidential or Sensitive Data, Including Personally Identifiable Information (PII) or Protected Health Information (PHI). If Customer provides a Device to HP for repair, replacement, relocation or upon expiration or termination of this SOW, HP will cleanse all hard drive data in accordance with NASPO ValuePoint Master Agreement §4.6.5.(Hard Drive Removal and Surrender).

9 GENERAL

- 9.1** Change Management. Requests to change MPS will require a mutually agreed to Change Order or amendment to this SOW. Either Project Manager may submit a written Change Order for review to an authorized representative of the other party. HP will advise Customer of the impact of the Change Order on Fees or schedule in writing. Customer will not move, relocate, reconfigure, update, supply, or service any portion of the supported Devices unless agreed to by HP in a Change Order. A remedial Change Order may be executed by HP only when a Change Order is necessary for HP to fulfill its delivery obligations under this SOW and time does not permit HP to obtain prior Customer approval. If the necessity of the remedial Change Order is disputed by the Customer, the Dispute Resolution process shall be utilized.
- 9.2** Hiring. Both parties agree not to solicit, offer to employ, or enter into consultant relationships with any employee of the other party involved in the performance of services under this SOW for one (1) year after the date s/he ceases to perform such services. However, both parties may hire any such employee who



responds to a general hiring program conducted in the ordinary course of business, and not specifically directed to employees of each party.

- 9.3** Point of Contact. Each party will appoint a single point of contact as set forth in the SOW who will serve as their primary representative, have overall responsibility for managing performance, and meet with the other party's representative to review progress.
- 9.4** Prices and Taxes. Prices are set forth in the SOW or Order. Prices are exclusive of taxes, duties, and fees (including installation, shipping, and handling) unless otherwise stated. If a withholding tax is required by law, please contact the HP order representative to discuss appropriate procedures.
- 9.5** Dispute Resolution. Any disputed matter under this Agreement will be referred to the parties' Project Managers, except for HP's right to terminate for Customer's failure to pay and except with respect to each party's right to pursue equitable remedies. If the Project Managers are unable to resolve the disputed matter within 2 weeks, the matter will be escalated to the parties' sponsoring executives. If these representatives fail to reach a mutual resolution within the following 2 weeks, or such other period as may be agreed to by the parties, the matter will be referred to the managers of such sponsoring executives. HP may suspend performance of services under this Agreement to the extent a disputed matter (including without limitation, a force majeure event or unfulfilled dependency) is not resolved within 60 days of the commencement of this dispute resolution process.

10 DOCUMENT LIST

These Appendices are attached and incorporated into this SOW.

- Appendix A – Services & Pricing Statement
- Appendix B – Service Descriptions
- Appendix C – Solution Design Criteria
- Appendix D – Sites Profile
- Appendix E – Master Schedule



Signatures:

The Parties agree this SOW and any subsequent amendments or change orders, will be executed, and completed by using electronic signatures and HP processes, subject to any local legal requirements, and are binding upon the Parties.

Issuance Date:			
Effective Date:			
HP Inc.		Sold To: [Participating Entity]	
Signature:		Signature:	
Name:		Name:	
Title:		Title:	
Date:		Date:	
"Invoice To:" Invoicing:			
		Attention:	
		Address:	
		City:	
		State/Province:	Postal Code:
		Telephone:	
		Email:	
Optional Additional Contact Information:			
Project Managers: [Insert name of Transition Manager or ADM]			
HP Project Manager		MPS Project Manager	
Name:		Name:	
Title:		Title:	
Address:		Address:	
City:		City:	
State/Province:	Postal Code:	State/Province:	Postal Code:
Telephone:		Telephone:	
Email:		Email:	
Notices: [Insert Local Legal Office Address]			
Name:		Name:	
Title:		Title:	
Address:		Address:	
City:		City:	
State/Province:	Postal Code:	State/Province:	Postal Code:
Telephone:		Telephone:	
Email:		Email:	
Issue Resolution:			



Contract number: [CSSA number]
[SOW number]

MPS Statement of Work for [Customer Name]
[Date of Issue]

Name:	Name:
Title:	Title:



MPS APPENDIX A – SERVICES AND PRICING STATEMENT

1 SERVICES STATEMENT

[INSERT DART QUOTE]

2 BILLING MODELS, CONSUMABLE RECONCILIATION AND EARLY TERMINATION FEES

2.1 Billing Model Table

The table below defines the SOW billing model, the associated reconciliation and early termination Fees calculation processes.

Billing Model	Base + Click
Billing Model Description	Customer is billed monthly Fees per Device and Software Product equal to a fixed monthly base payment ("Base Charge") commencing upon the Start Date, plus a variable fee upon the Device installation date, or for Customer-provided Device, the date HP assumes management of the Device, equal to the number of print outputs or clicks multiplied by the cost per print output ("Click Charge"), as set forth in the pricing table above and in applicable Change Orders. In addition, and as applicable, Customer may be billed Start-up and recurring Service Fees as they may be defined in the Pricing Tables above. This billing model requires the continuous use and Customer connection to the DCA.
Early Termination Fees & Calculation	Unless otherwise agreed in writing, early termination Fees include an aggregate lump sum payment of all remaining Base Charges which would have been owed by Customer for the remaining Term (Early termination Fee per affected product = Monthly Base Charge per product multiplied by remaining months of Term).

2.2 Page Format Reference for Click Charges

Click counts will be provided to HP by DCA. A4 and Letter size prints will be charged at the rate of 1 (one) click per impression. Legal size prints will be charged at the rate of 1.3 (one point three) clicks per impression. A3 size prints will be charged at the rate of 2 (two) clicks per impression. All other page sizes will be charged at the conversion rate as reported by the Device. A duplex page will be charged as 2 impressions regardless of whether ink or toner is used on both sides of the page, unless all of the following conditions are met: (i) the duplex printing capability is supported and enabled for use in a Device; and (ii) Customer applies firmware updates (when required) to support duplex impression counts at Device level. If all of these conditions are met, HP, to the best of its technical ability, will count only the printed sides of a sheet as reported by the Device. The number of pages which are printed and tracked by the Solution Software may not match the number of pages indicated on Customer's invoices. This discrepancy can occur in the Customer's environment because the Customer's environment may have a number of applications, computer platforms, devices and locations which will not spool outputs through the Software. While some printed pages cannot be tracked by the Software, all page impressions are tracked and invoiced through DCA.

For prints/copies on Officejet Enterprise Devices, Accent Color pages (impressions with color content less than 90K color pixels i.e. 0.5 square inches) will be charged as Mono pages, General Office Color pages will be charged as Color pages and other Color pages will be charged as Color Professional pages, unless otherwise specifically stated herein. In case the Click Charge per Color Professional Page is not specified, all color pages will be charged at the Click Charge per Color Page.

For print/copies on DesignJet Devices, the media usage data will be converted into multiple of Letter size equivalent = $8.5 \times 11 = 0.0603$ square meters) and charged to the nearest full letter size equivalent. Low Density pages (pages with ink coverage below 20%) will be charged as monochrome pages and high-density pages (pages with ink coverage equal or above 20%) will be charged as color pages. Pricing is based on ink coverage density of 20% or less for low density pages (mono click), which assumes of an average of 10% of ink density coverage for all Letter size equivalent pages printed as low-density pages, and above 20% on ink coverage density for high density pages (color click), based on an assumption of an average of 40% of ink density coverage for all Letter size equivalent pages printed as high-density pages. HP may periodically audit ink coverage usage for abnormal levels of consumption and make an appropriate percentage change to the click charges for future usage that is 10% greater than the governing pricing assumptions, which are the (i) original assumptions of ink density average at 10% for low ink density Letter size equivalent pages as a mono click, and a 40% for high ink density Letter size equivalent



pages as color click or, (ii) current assumptions as may have been revised by means of a previous audit and documented as a written Change Order.

For print/copies on HP PageWide XL Devices, the media usage data will be converted into multiple of Letter size equivalent = $8.5 \times 11 = 0.0603$ square meters) and charged to the nearest full letter size equivalent. Mono Line pages on standard media without color usage (pages with total pixel coverage below 10%) will be charged as Mono pages, Color Line pages on standard media with color usage (pages with total pixel coverage below 10% and color pixel coverage above 1%) will be charged as Color pages, and Low to High density image pages on standard media (pages with total pixel coverage equal or above 10%) as well as Premium Quality Images on premium media will be charged as Color Professional pages.

Pricing for Mono pages is based on 5% average pixel coverage, for Color pages is based on 5% average pixel coverage, and for Color Professional is based on 72%-pixel coverage. HP may periodically audit pixel coverage usage for abnormal levels of consumption and make an appropriate percentage change to the click charges for future usage that is 10% greater than the governing pricing assumptions as may have been revised by means of a previous audit and documented as a written Change Order.

2.3 Managed Devices

Managed Devices must be connected to DCA at all times, and Customer shall support HP in resolving any Non-Reporting Managed Device issues. All color impressions will be charged at the Click Charge per Color Page. For any Managed Device(s) that remains non-reporting for more than thirty (30) days, HP may increase the Click Charge of such Non-Reporting Managed Devices, on a forward-looking basis per the Adjusted Click Charge stated in the table below. HP will notify Customer of adjustment to the applicable Click Charges. HP and Customer will continue to work in good faith to resolve non-reporting issues related to Managed Devices and may agree to re-adjust applicable Click Charges once the Managed Devices have been returned to the DCA and reporting status for more than two consecutive billing periods.

Table: Non-reporting Adjusted Click Charges for Managed LaserJet Devices

Non-Reporting Managed Device	Original Reporting Click Charge		Adjusted Non-Reporting Click Charge	
	Mono	Color	Mono	Color
List different model types				

Managed Devices must be connected to DCA always. Customer shall support HP in resolving any Non-Reporting Managed Device issues.



MPS SOW APPENDIX B – SERVICE DESCRIPTIONS

1 SERVICES CUSTOMIZATION

Detailed descriptions for HP provided MPS selected by Customer (collectively, “Service Descriptions”) are provided via the following URL: <http://mps-prod.us-west-2.elasticbeanstalk.com/>.

To access your Service Descriptions at any time during the Term of the SOW, please utilize the following logon information:

- User ID: **NASPOVALUEPOINTSEK**
- Password: **ii0v3**

All Service Descriptions are incorporated herein by reference. HP reserves the right to modify the Services Descriptions from time to time. HP agrees that such modifications will not materially reduce the quality of the MPS Service provided to the Customer. Each Service Description provides a “Definition” and “Scope” of the MPS and outlines the respective “Roles and Responsibilities” of the parties along with any special considerations such as additional terms and requirements that must be present to complete that Service. Throughout, those sections marked as Customer’s Responsibilities are also considered Dependencies under the SOW.

1.1 Customer Services overview

ASSESSMENT SERVICES – HP uses its Assessment Services to “Observe and Analyze” Customer’s current state IPE. These services survey a customer’s existing IPE to gather information on current device location, condition, usage, configuration, capabilities as well as operational factors such as infrastructure, solutions, and business needs. Through Assessment Services, HP and the Customer will collaboratively develop a MPS roadmap that both parties will use to make decisions regarding MPS to be performed and projected future state IPE requirements. These Services do not include any form of remedial activities, configuration changes, specialized system configuration analysis or patch and firmware analysis. Customer agrees the following Assessment MPS will be provided as described in detail on: <http://mps-prod.us-west-2.elasticbeanstalk.com/>

Discovery and Design Assessment Service [OPTIONAL]
HP Printing Security Advisory Service (PSAS) [OPTIONAL]

PROCUREMENT SERVICES – Various procurement services are used in MPS to provide a flexible means to purpose Device and Software Solutions that meet Customer’s fleet requirements and solution design criteria. Hardware a Software Solutions services provide for the (i) HP purchase, licensing or leasing and (ii) delivery of Devices and Software Solutions that are to be used by a customer within their IPE for the term of the SOW. If applicable, parties may also agree for HP to acquire customer Devices for redeployment within Customer’s future IPE as well as the removal of certain quantities of Devices without penalty. HP may also recover both HP and Customer provided Devices at the end of Term for proper disposal. Customer agrees the following procurement MPS will be provided as described in detail on: <http://mps-prod.us-west-2.elasticbeanstalk.com/>

Hardware and Software Procurement Service [OPTIONAL]
--

TRANSITION AND IMPLEMENTATION SERVICES – HP provides Deployment Management and Educational MPS to systematically transition a Customer from its current IPE to the newly planned and designed MPS IPE through managed and coordinated planning and implementation. Customer agrees the following Transition and Implementation MPS will be provided as described in detail on: <http://mps-prod.us-west-2.elasticbeanstalk.com/>

Deployment Management Service
Hardware Installation Service
Management of Change
User Training

MANAGEMENT AND SUPPORT SERVICES - HP Management and Support Services provide Customer with a variety of MPS for the ongoing management of Customer’s IPE, which will be supported throughout the Term of the SOW. HP will utilize HP Tools to gather information, manage Customer’s IPE and provide comprehensive technical assistance, troubleshooting, and Device technical support with goal to maximize Fleet uptime and availability. HP Supplies Management Services provides Customer with an efficient way to acquire, manage, and recycle applicable Consumables, including maintenance kits services



and multi-vendor supplies through HP's automated Consumables delivery and recycling program. HP provides multiple ways to order supplies: phone, web or through an automated process. Customer agrees the following Management and Support MPS will be provided as described in detail on: <http://mps-prod.us-west-2.elasticbeanstalk.com/>

HP Priority Phone Support	
HP Extended Priority Phone Support [OPTIONAL]	
MPS Portal Interface	
Data Collection Agent	
Remote Management Services:	
	Device Configuration Management Service
	Firmware Management Service
	Proactive Diagnostic & Support for Hardware malfunctions
Delivery Service Management	
	Software Solution and Device Management
	Core Strategic Business Review [OPTIONAL]
	High Touch Strategic Review [OPTIONAL]
Technical Support Service for HP-branded Devices	
Supplies Management Service for HP-branded Devices	
IMAC	

DOCUMENT AND WORKFLOW SOLUTIONS – HP provides Software Solutions and related services help automate paper-intensive workflows as well as to continually improve and better manage Customer's underlying infrastructure. HP JetAdvantage Solutions can (i) enable Customer to centrally control the Fleet, (ii) expertly monitor, manage, update, and troubleshoot Devices; (iii) help protect data and documents, control user access, and enforce printing policies across Customer's organization; and work seamlessly with most smartphones, tablets, and notebooks at the office or on the go, thereby enabling users to print wirelessly in the office without connecting to the company network; and (iv) enable employees to easily capture via Devices, manage, and share information. Customer agrees the following Software Solutions and related MPS will be provided as described in detail on: <http://mps-prod.us-west-2.elasticbeanstalk.com/>

HP Access Control (HPAC) [OPTIONAL]
HP JetAdvantage Security Manager (HP SM) [OPTIONAL]

DOCUMENT AND WORKFLOW SOLUTIONS SERVICES – Customer agrees the following services related to Software Solutions will be provided as described in detail on: <http://mps-prod.us-west-2.elasticbeanstalk.com/>

Software installation
Solution accessories installation
Software support
Solution accessories support

MPS SOW APPENDIX C – SOLUTION DESIGN CRITERIA

1 MPS Design Criteria and Limitations

HP will use commercially reasonable efforts to achieve the MPS specified in the SOW and Appendix B Service Descriptions, subject to certain design criteria and limitations described herein

1.1 Design Criteria.

1.1.1 **Customer Profiles**

1.1.1.1 Location Profiles

Location Profile	Description
General Office	Employee work areas in the field of coverage with output requirements that can be serviced by the shared resources providing print, copy, fax, and scan functionality. Typically, this would encompass the greater portion of an enterprise deployment
Production	Production areas such as manufacturing plant floors, which may include the need for high volumes and a fixed feature set and/or small volumes with a rich feature set. It is not uncommon for a Production environment to be intermixed in an office environment. These environments can also be mission critical with high Device availability and/or output demands
[Other profile 1]	[e.g. R&D, Warehouse, Remote, Small Office]
[Other profile 2]	

1.1.1.2 User Profiles

User Profile	Description
General Office user	Typical user functional requirements (8.5 x 11, duplex, mono, print, copy, scan, fax, PIN printing). Majority of end-user requirements should be met by this user profile.
Production user	Special, advanced, or additional functional, capacity or proximity requirements to meet business / mission critical needs. Exception needs such as disabled users can be served by this category.
Specialty	

1.1.2 Security. Other than performing remedial services selected and included in MPS, the Parties agree HP does not assume any liability if Customer personnel changes the settings. The following security settings for Devices will be implemented during deployment.

1.1.2.1 Secure print jobs will be retained up to 24 hours then automatically deleted if not printed.

1.1.2.2 Pull Printing jobs will be retained for up to 48 hours then automatically deleted if not printed.

1.1.2.3 MFD Hard Drive data erase schedules will be implemented.

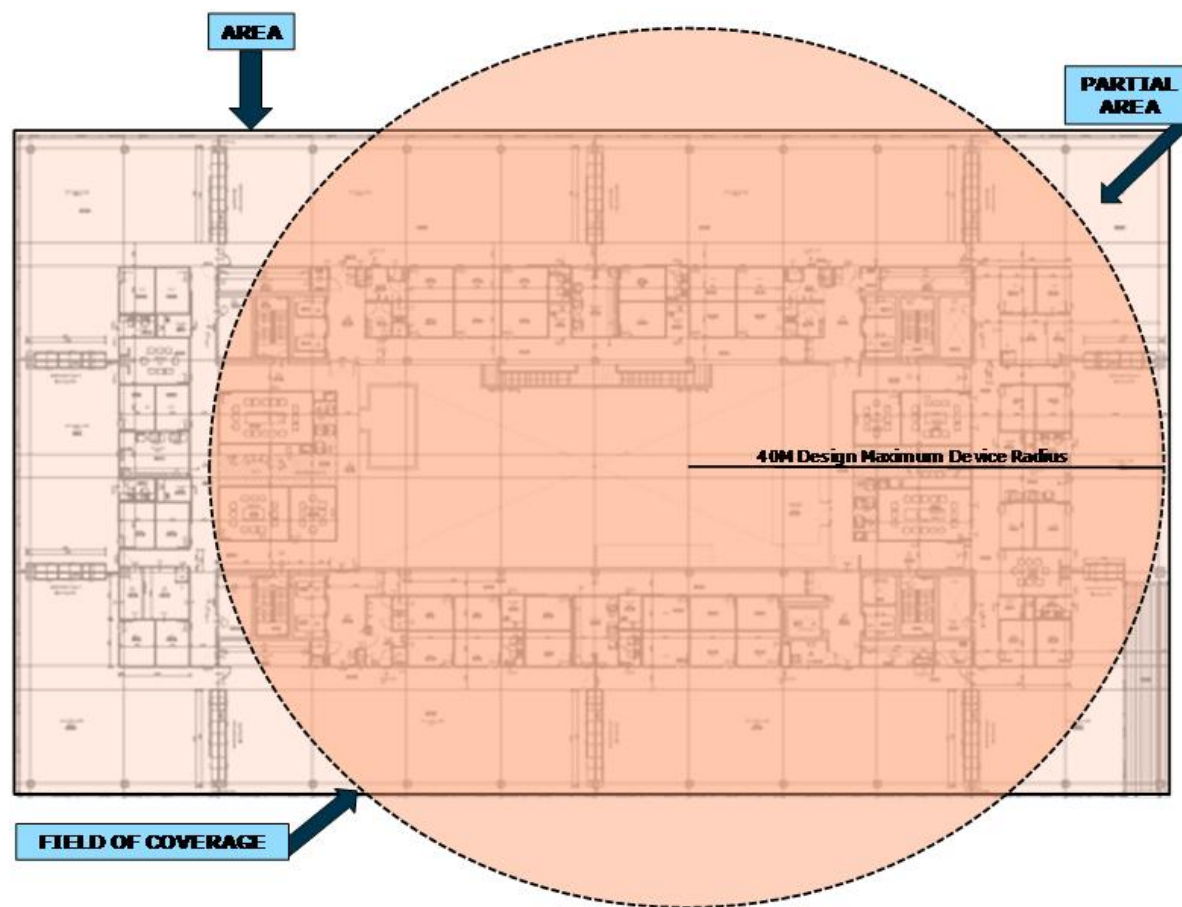


1.1.3 MPS Design Definitions. The following definitions may be employed in describing the Customer specific MPS Design Criteria in the following section.

1.1.3.1 Field of Coverage (“FOC”) – A service area (radius) surrounding a print / output Device that is defined by the design maximum Device radius (i.e., distance in straight line to the user) of 40m / 120ft.

1.1.3.2 Area – Contiguous floor space that is bound by permanent physical barriers (i.e., walls) and/or security mechanisms that prevent adjacent users from entering/exiting (i.e., security offices, research labs, or reception desks) or prevent users within the area from easily accessing adjacent area Devices. An area may also be bound by Health, Safety and Environmental (“HSE”) barriers (i.e., fire doors) to insure compliance with site HSE regulations.

1.1.3.3 Partial-area – A partial-area is defined as an area outside the field of coverage that is not large enough to accommodate another Device radius and, therefore, another departmental Device.



1.1.3.4 AMPV – Device AMPV is defined as “Average Monthly Page Volume,” or the average number of pages that a Device has produced monthly since its installation (or in-service) date, introduction (or “Born-on”) date.

1.1.3.5 Area AMPV – The sum of all Devices’ AMPV for an area.

1.1.4 MPS DESIGN CRITERIA

Devices selected for service delivery should be determined based on the ability to meet requirements indicated in the requirements/profile matrix. Specific Device models may be suitable for multiple profiles.

- 1.1.4.1 Current state volume will be used in conjunction and prioritization of other criteria to designate Device location within the specified Field of Coverage and/or category
- 1.1.4.2 Primary placement of Devices will be located where power and network drops already exist.
- 1.1.4.3 In the event a Device must be placed in a location without power or network, the Device should be placed in a location with only power over a location with only network.
- 1.1.4.4 All HP requirements for Device space must be met (i.e., a Device will not be placed in an area with insufficient space) with the proposed placement. Do not place equipment in locations that would require building changes other than power or network as described above.
- 1.1.4.5 Device placement may be limited by the physical layout of the building and/or space constraints.
- 1.1.4.6 For practical purposes, the maximum number of doors that the user must traverse to reach the Device is two (2); otherwise the straight-line distance between the Device and the user should be shortened to not exceed the maximum number of doors that must be traversed. This will be addressed and finalized during Discovery and Design.
- 1.1.4.7 An end user will not need to go up or down a floor to reach the print Device.
- 1.1.4.8 Buildings may have specific "Safety Considerations" that dictate where or how Devices can be placed in the Future State Design. Certain environments (e.g. plant floor, labs, etc.) may limit the physical placement of or type of Devices that can be used.
- 1.1.4.9 There is a clear methodology and hierarchy guiding Device deployment. The first criterion is user areas and the second is page volumes. The following table describes the balanced design hierarchy.

Criteria	Departmental	Workgroup	Desktop
The first device is deployed if ...	the area total AMPV meets or exceeds optimal minimum.	"overflow" pages exceeding optimal minimum remain after deploying all departmental devices with balanced unit AMPVs.	the area total AMPV is less than the optimal minimum.
Additional devices are deployed if ...	the remaining device radius for the area exceeds 40m/120ft	"overflow" pages remain after deploying the first workgroup device (limit is 1:1 departmental to workgroup, or switch to high AMPV alternate)	the remaining device radius for the area exceeds 40m/120ft, or coverage is required for a partial-area.

1.2 Dependencies.

TBD

- 1.2.1** Delays during transition and transformation phase: HP assumes the Transition and Implementation Services provided under this SOW shall be conducted in a timely manner and without Customer delay. If the deployment of MPS Devices is delayed by more than **[XX]** weeks from the agreed plan, HP will initiate a Change Order to reflect impact on pricing.
- 1.2.2** Customer agree that all pricing is based on all Design Criteria, Customer selected MPS and timely execution of all customer obligations included in this SOW and associated documentation.



MPS SOW APPENDIX D – SITES PROFILE

Type (Standard / Remote)	Contract number	Site name	Site Address	Discovery & Design Site Type ("On-Site" / "Remote")	Variance From SOW



MPS SOW APPENDIX E – HP MASTER SCHEDULE

This Master Schedule defines the preliminary main milestones of the deployment and certain of the key dependencies.

Device Implementation Schedule Milestones

This Master Schedule is preliminary and is based on information provided by the Customer or known by HP. It will be adjusted based on joint planning between the HP Transition Manager and the Customer Project Manager. A detailed Transition Plan and Device installation schedule will be the outcome of this joint effort and used to manage the project throughout deployment.

Table A:

Site / Device Type	Contract effective date for planning w/Customer	Dependencies	MONTH 1-6 Quantity of Devices Installed	MONTH 7-12 Quantity of Devices Installed	MONTH 13-18 Quantity of Devices Installed	ADDITIONAL MONTHS Quantity of Devices Installed	Target Installation Completion

A Device Installation Schedule, as mutually agreed to by the parties, with specific installation dates that achieves milestones in Table A above (as adjusted based on joint planning between the HP Transition Manager and the Customer Project Manager), will be developed within thirty (30) Business Days of completion of the Discovery and Design of each Site. If HP is not providing Discovery and Design Assessment Services, the Device Installation Schedule will be developed within thirty (30) Business Days of the Effective Date of the Agreement and of availability to HP of customer fleet design deliverables (such as future fleet floor maps), unless otherwise mutually agreed.

