

## **AGREEMENT**

The Agreement is made between the Meyercord Revenue Inc., ("Meyercord"), a SICPA company, a corporation whose address is 475 Village Drive, Carol Stream, Illinois 60188, and the Division of Revenue, State of Delaware ("Revenue"); and

WHEREAS Revenue requires cigarette tax stamps of both machine heat or heat iron applied types to be mechanically and/or manually applied to cigarette packages and packaging stamping machines, associated equipment, service and training; and

WHEREAS as the result of the 2012 bid process, it was determined that Meyercord was the lone and successful bid proposer and vendor/provider for the cigarette tax stamps Request for Proposal No. 2506010401.

NOW THEREFORE in consideration of the mutual promises, covenants, terms, and conditions contained herein and for other valuable and further consideration, receipt of which is hereby acknowledged, the parties agree that:

### **SERVICES:**

1. Revenue may purchase, and Meyercord will supply through June 30, 2015, the items listed on the Schedule of Items attached hereto and made a part hereof. There can be up to 3 extensions of 12 months each from the end of June 30, 2015.

### **PRICE:**

2. The price for the items shall be stated on the Schedule of Items attached hereto. The quantity for the item, subject to Revenue's needs shall be stated on the Schedule of Items as part of the successful bid proposal submitted by Meyercord on May 25, 2012.

### **DETERMINATION:**

3. Revenue has the option to terminate this contract after June 30, 2015, without cause; or at any time if services rendered, including services to cigarette vendors using stamps produced under this contract or materials supplied do not meet Revenue's print quality or timeliness requirements or if Meyercord's performance is such as to impair effective tax administration. Should Meyercord fail to comply with the terms and conditions of this contract, Revenue reserves the right to purchase the goods and services otherwise to be rendered in the open market or complete the required work at either the expense of Meyercord or by recourse to the provisions of the faithful performance bond.

### **PERFORMANCE BOND:**

4. Meyercord must furnish a Performance Bond in the amount of 100% of Bid Award, made payable to the State of Delaware and prepared by an approved bond company and on an approved form of Performance Bond as security for the faithful performance of the contract within ten days of their notification that their bid has been accepted. The surety thereon must be such surety company or companies as are acceptable to the State of Delaware and as are authorized to transact business in the State. Attorneys in fact who sign bid bonds must file with each bond a certified copy of their power of attorney to sign said bonds. Meyercord upon failure or refusal to furnish the required Performance Bond within ten days after their notification of the bid award shall pay to the State of Delaware as liquidated damages for such failure or refusal an amount in cash equal to the security deposited with their bid.

**PACKING AND DELIVERY:**

5. All deliveries must be prepaid at the expense of Meyercord and must be timely delivered to each location subsequently designated on purchase orders at no cost over and above the net bid prices as indicated. In no case will collect shipments be accepted.

**INVOICES:**

6. All invoices shall be sent to Revenue's listed address. State of Delaware standard invoice forms must also be completed and submitted if furnished to Meyercord.

**PATENTS:**

7. Meyercord shall hold and save Revenue and the State of Delaware, its officers, agents, servants, and employees harmless from liability of any nature or kind, including but not limited to damages, litigation costs and expenses, and attorneys' fees, for or on account of any litigation including claims, patented or unpatented invention, articles, process or appliance manufactured or used in performance of this contract.

**GUARANTEE:**

8. Meyercord shall unconditionally guarantee the materials and workmanship of all materials, furniture, and equipment furnished by it for a period of one year from the date of acceptance of the item delivered and installed. If, within the guaranteed period, any defects or signs of deterioration are noted, which are due to faulty design and installation, workmanship or materials, Meyercord, at its expense, shall repair or adjust the equipment, materials or parts to correct the condition, or it shall replace the part or entire unit to the complete satisfaction of Revenue. These repairs, replacements or adjustments shall be made only at such time as will be designated by Revenue as least detrimental to the operating programs. Nothing in this paragraph shall affect the rights of Revenue as set forth in Item 4 (Performance Bond).

**GUARANTEE OF DELIVERY:**

9. Meyercord, by the award of the contract, agrees to bear all direct and indirect costs incurred by Revenue for Meyercord's failure to meet the shipment date(s). These costs include, but are not limited to, additional costs for form modifications, printing costs, and other related contractual services. Meyercord shall not be responsible for any delays caused by Revenue, nor for any consequential damages in the nature of revenue loss or earnings or lost revenues.

**COMPLIANCE WITH FEDERAL, STATE, COUNTY & MUNICIPAL STATUES, RULES AND REGULATIONS:**

10. Meyercord, when awarded the contract agrees that it has complied with all pertinent Federal, State, County, and Municipal Statues, Rules and Regulations as they may pertain to taxes, products, services, or work to be performed under provisions of the specifications which are part of this contract and further states, that it is or will be duly licensed to do business in this State at all times that this contract remains in effect, including but not limited to all periods of extensions hereof.

**COST OVERRUNS:**

11. Meyercord agrees that where the quantity of an item delivered exceeds the quantity specified in the quote offer, the additional cost to the Division of Revenue for such overruns shall not exceed 5% of the quoted price of \$0.083 per thousand.

**FUNDING OUT CLAUSE:**

12. If sufficient funds are not appropriated by the Delaware General Assembly or other appropriate Federal or State agency to sustain, in whole or in part Revenue's performance hereunder, or such appropriation is reduced such that its amount is insufficient to sustain Revenue's performance, this Agreement shall be null and void, at the election of Revenue.

SIGNATURE OF CONTRACTOR

DATE: July 24, 2012

Anthony Criscuola  
Chief Financial Officer

ADDRESS OF CONTRACTOR: Meyercord Revenue Inc., a SICPA company  
475 Village Drive  
Carol Stream, IL 60188

WITNESSED BY: \_\_\_\_\_

DATE: 7/24/12

ACCEPTED: Division of Revenue \_\_\_\_\_

DATE: July 25, 2012

Director of Revenue  
Patrick Carter

WITNESSED BY: \_\_\_\_\_

DATE: 7/25/2012

**SCHEDULE OF ITEMS**

**COMPANY NAME: Meyercord Revenue Inc., A SICPA COMPANY**

ITEM NUMBER	APPROXIMATE QUANTITY (3 YEARS)	UNIT PRICE PER THOUSAND	EXTENDED PRICE
Machine Stamps (20's) 30,000 per roll	240,000,000	.83	\$199,200.00
Machine Stamps (20's) 15,000 per box	210,000	.83	\$174.30
		TOTAL	\$199,374.30

