

**EXHIBIT B  
TO  
MASTER SERVICES AGREEMENT  
BETWEEN  
CDS GLOBAL, INC  
AND TOWN OF PRESCOTT VALLEY**

**Section I  
Exhibit B Additional Terms and Conditions**

**1.1 General Provisions.**

This Exhibit B is entered into effective as of the [ ] day of [ ] 2013 (the "Exhibit B Effective Date") and is subject to the terms and conditions of that certain Master Services Agreement by and between CDS Global, Inc. and Town of Prescott Valley with an effective date of August 1, 2010 (referred to as the "Agreement"). Initially capitalized terms not defined in this Exhibit B shall have the meanings given those terms in the Agreement.

**1.2 Term.**

The Term of this Exhibit B shall begin on the Exhibit B Effective Date set forth in Section 1 above. The initial term of this Agreement shall continue until June 30, 2014 (the "Term"). When used in this Exhibit B, "year" shall mean a consecutive twelve (12) month period.

**Section II  
Client's Responsibilities**

CDS Global will perform the Services as set forth in Section II of this Exhibit B provided that Client meets the following responsibilities:

**2.1** Client agrees to send the data to be used in the presentment process (e.g., billing files) in the layout mutually agreed upon during the onboarding process.

**2.2** Client agrees to provide a mock-up of the layout to include messages, offers, text, etc. within ten (10) days prior to selection.

**2.3** Client agrees to provide legible mailing instructions within ten (10) days prior to selection (electronic submission is preferred).

**2.4** Client agrees to validate in writing: package, and layout set-up.

**2.5** Client agrees to provide Client-supplied components to CDS Global Mailing Services at least six (6) Business Days prior to the scheduled production date.

**2.6** Client agrees to provide all related non-CDS Global goods and services, including but not limited to, mailing permits.

**Section III  
CDS Global Services and Fees and Charges**

**3.1 CDS Global Services and Fees and Charges.**

3.1.1 The parties mutually agree that CDS Global will provide the mailing services set forth in this Section II of Exhibit B to the Agreement (the "Services") on an exclusive basis, except where otherwise indicated, for Client's following mail: bill presentment. Client shall pay to CDS Global the fees and charges set forth in this Section II for the Services.

3.1.2 CDS Global agrees to perform the Services in good and workmanlike manner in accordance with this Agreement. The terms "Business Days" and "Daily" shall mean each day of the week, excluding Saturdays, Sundays and weekdays recognized as holidays by CDS Global.

3.1.3 Paper and Printing Prices. The paper and printing prices are set semi-annually each January and July and apply for the subsequent six (6) months. The semi-annual adjustments are based on any increase or decrease in paper costs to CDS Global, which will be passed through to the Client in the prices for the next six (6) month period. CDS Global will notify the Client thirty (30) days prior to each semi-annual date of any such increase or decrease.

3.1.4 Mailing Services - Plain Paper Cut-Sheet.

Each mailing package will be priced separately and invoiced monthly based on the following rates (premium rates will be applied to Client-requested overtime periods):

- (a) Mailing Services Bundle ..... \$115.00/M

Bundle pricing is based on the following services Mailing Services as described below.

The following services are included in the Mailing Services Bundle:

- (i) Inserting:
  - (1) Including a 10# outer envelope, 9# return envelope, a 8.5" by 11" 20lb cut stock and optional two additional marketing pieces
  - (2) Metering in-line
- (ii) Preparation for Postal Presentation
- (iii) Printing
  - (1) Standard Black Duplex Printing
- (iv) Package and Inventory Management Services
- (v) Folding
- (b) The following Services are available at an additional charge when applicable:
  - (i) Job Set-up Fee ..... \$15.00/job
  - (ii) Metering Envelopes Only – Separate Pass ..... \$7.50/M\*  
*\*Only applies for pieces over two (2) ounces.*
  - (iii) Printing.
    - (1) Hold for Print Sample ..... \$25.00/each
    - (2) Other print technologies (e.g., scanned logos, scanned signatures, and other scanning) ..... Quoted upon request
    - (3) Additional Black and White Page Printing for Newsletter ..... \$40.00/M

(4) Additional Black and White Page  
Printing for Insert Printing ..... \$20.00/M

- (iv) Special programming requests from Client to CDS Global for new programs or systems (specialized programming) will be quoted individually in advance based on CDS Global's prevailing rates.
- (v) CDS Global will provide the clerical or hand work necessary to process Client's additional Service requirements not provided for in Section II at the rate of \$36.00 per hour, if and when requested by Client.
- (vi) Outside files received at CDS Global in a non-approved format will be reformatted for the following charges: first-time reformatting of a new file type at \$250.00 each and \$59.00 each for subsequent reformatting of the same file type.

(1) Print Programming and Paper Based Communication Layout and Design

- (A) Print Programming ..... \$80.00/hour  
Minimum charge ..... ¼ hour
- (B) PreFlight Graphic Art:  
First 15 minutes per job ..... No Charge  
Additional minutes per job ..... \$80.00/hour  
Minimum charge ..... ½ hour
- (C) If requested, Graphic Art/Design ..... \$125.00/hour  
Minimum charge ..... ½ hour
- (D) Full-Color Proof Sample ..... \$50.00/set  
Proof samples will be sent overnight at Client's expense.
- (E) Full-Color Printing, including  
CDS Global-Selected Paper Stock ..... Bid Basis
- (F) CDS Global will provide print programming and paper based communication layout and design for full-color printing Services for the following fees and charges:

(vii) In support of the USPS Full Service Intelligent Mail Barcode and its requirements, CDS Global will provide its Intelligent Mail Sequencing ("IM Sequencing") Services. The IM Sequencing Services will apply to all Full-Service IMb Mail output.

- (a) CDS Global will perform the following IM Sequencing Services:
  - (i) Assign unique sequence numbers to all mail pieces qualified to mail as Full-Service.
  - (ii) Store sequence numbers and ensure uniqueness for a minimum of forty-five (45) days.
  - (iii) Retrieve from the USPS Change of Address and NIXIE records in Full-Service Format.

- (iv) Maintain a cross reference file that contains the unique sequence numbers and customer account information.
- (v) Match the Change of Address and NIXIE records to the cross reference file for application to the fulfillment database.
- (vi) Assign appropriate Barcode ID and Service Type for inclusion in the Intelligent Mail barcode.
- (vii) When CDS Global performs postal presort, CDS Global will produce Electronic Mailing Documentation (mail.dat) for submission to the USPS.
- (viii) When CDS Global performs postal presort, CDS Global will create unique Intelligent Mail container barcodes as required for postage discounts.
- (ix) If requested, CDS Global is certified and licensed by the United States Postal Service® (USPS®) to use the USPS's NCOA<sup>Link</sup> Product at its site. CDS Global is a non-exclusive Limited Service Provider Licensee of the United States Postal Service. CDS Global offers a NCOA<sup>Link</sup> Processing Program to identify customer's changes of address and update the customer records prior to USPS® mail entry. Such updating prior to mail entry will result in fewer changes of address returned through the USPS Address Change Service™ (ACSTM) and improved deliverability of postal correspondence to your customers. If Client desires to participate in this Program, it will notify CDS Global in writing, which will be deemed Client's authorization for CDS Global to identify change of address records on the Client's file and update these records through use of CDS Global's NCOA<sup>Link</sup> license prior to entry into the USPS® mail system. Upon identification of a change of address, CDS Global will return the updated address record to Client for its database use. Client may discontinue its participation in the NCOA<sup>Link</sup> Processing program at any time upon thirty (30) days' prior written notice to CDS Global. CDS Global will apply a minimum charge of \$75.00 per file passed through the NCOA<sup>Link</sup> Processing Program.\*

\*The charge for CDS Global's Services under this Agreement is not established, controlled or approved by the United States Postal Service. All payments for CDS Global's Services under this Agreement shall be made payable to CDS Global, Inc.

Following receipt of Client's written request to participate in this Program, CDS Global Marketing Services Group will assist Client in completing the two required Client Obligations identified below that are required to be in place before CDS Global can begin processing Client's customer file through NCOA<sup>Link</sup>.

Client Obligations:

1. Fill out an NCOA<sup>Link</sup> Postal Acknowledgement Form(PAF)

Postal regulations require all NCOA<sup>Link</sup> providers to administer and report all NCOA<sup>Link</sup> usage to the USPS. The PAF is one of the tools CDS Global uses. This form will be emailed to Client from an NCOA<sup>Link</sup> expert, and it must be filled out and signed *before* CDS Global will run NCOA<sup>Link</sup>.

2. Ensure file entering the USPS mail stream meets the USPS® Address Change Service™ (ACSTM) Requirements

The Move Update standard requires that mailers select one of the Postal-approved ways to periodically update the addresses contained within a mailing list by comparing the address records on the mailing list against customer-filed change-of-address (COA) orders and make the necessary updates before mailing.

A Federal Register final rule of Move Update standard for First-Class Mail and Standard Mail mailings included the following changes related to Move Update standard:

First-Class Mail® Presorted (automation and non-automation) mailings  
Increased the required frequency of Move Update mailing list processing from 185 calendar days to no more than 95 calendar days prior to the date of mailing

Standard Mail® (All prices) mailings  
Extended the Move Update standard to include all Standard Mail (letters, flats, parcels and Not Flat-Machinables)  
Required frequency of Move Update processing is no more than 95 calendar days prior to the date of mailing.

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The following trademarks are owned by the United States Postal Service®: NCOA<sup>Link</sup>, United States Postal Service, USPS, Address Change Service, and ACS.

(x) Shipping and Handling Charges.

Client shall be responsible for CDS Global handling charges and all shipping costs incurred by CDS Global for the transporting of all material for Client hereunder, including containers, packaging, insurance, postage, and all other transportation charges.

(xi) Computer Presort Services..... \$1.65/M  
*A minimum charge of \$150.00 per file will apply.*

(xii) Stock – Shortage Administration Fee:

A shortage of Client-supplied stock at the time of mailing services runs for Client's jobs results in additional administrative tasks for CDS Global. A CDS Global stock-shortage administration fee of \$50.00 will apply for each Client job for which there is such stock shortage.

(xiii) Other Expenses.

If CDS Global incurs costs for any additional goods or services that are not expressly provided for in this Exhibit or that were to be provided or paid for by Client, CDS Global shall include the same for reimbursement to it on the invoice next issued after the date on which such costs were incurred.

3.1.5 Postal Service.

(a) Incoming Postage.

- (i) Client shall arrange for the establishment of post office box numbers at locations mutually agreed to for all mailings hereunder.
- (ii) Business reply postage and fees will be paid by Client in advance through a U.S. Postal Service Control Accounting Payment System (CAPS) in the name of CDS Global. Client's deposits to this account shall be payable to CDS Global for consolidation into the required electronic fund transfer.

(b) Outgoing Postage.

- (i) For First and Standard Class mailings from CDS Global's Mailing Services, Client will be responsible for all required U.S. Postal Service costs and will deposit sufficient moneys with CDS Global to cover such postage costs prior to all mailing dates for bills and renewals, and to cover postage due accounts. CDS Global will make payments to the U.S. Postal Service from Client's deposited moneys and will provide to Client usage and balance reports.
- (ii) With respect to CDS Global's performance of Periodicals Class label sortation, CDS Global will prepare postal forms for each issue and forward the forms in accordance with Client's instructions.
- (iii) Postage balance must be maintained to avoid holding mailing until funds are available. These holds are subject to additional fees.

(c) Postal Files.

CDS Global will maintain U.S. postal files on a current basis, which include 5-digit ZIP codes, ZIP+4 postal codes, primary city names, alternate city names, state codes, and Neilsen county codes; editions; and entry points, as required.

IN WITNESS WHEREOF, the parties have executed this Exhibit B as of the date first above written.

**CDS GLOBAL, INC.**

**TOWN OF PRESCOTT VALLEY**

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

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

\_\_\_\_\_  
(print)

\_\_\_\_\_  
(print)

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

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