



MASTER SERVICES AGREEMENT

This Master Services Agreement (“Agreement”) is made as of the 1st day of August, 2010 (“Effective Date”), by and between CDS Global, Inc., an Iowa corporation, with its principal place of business at 1901 Bell Avenue, Des Moines, Iowa 50315-1099 (“CDS Global”), and Town of Prescott Valley (“Client”), a municipal corporation, with its principal place of business at 7501 E. Civic Circle, Prescott Valley, Arizona 86314.

1. TERM.

1.1 The term (“Term”) of the Agreement shall begin on the Effective Date and continue until terminated in accordance with this Section. The term of any Exhibit hereto shall be set forth in the respective Exhibit.

1.2 Either party may immediately terminate this Agreement upon written notice to the other party if no Exhibit is then in effect or scheduled to come into effect. Either party may immediately terminate this Agreement and/or an affected Exhibit upon written notice to the other party if (i) the other party is in default hereunder and fails to either cure such default or begin implementation of a plan to cure such default within thirty (30) days of written notice from the other party specifying the nature of such default and requiring its remedy; or (ii) the other party files for bankruptcy or is insolvent, however evidenced. Upon expiration or termination of this Agreement, the terms of the Agreement will continue in effect for any Exhibit that has not expired or been terminated by its own terms.

2. SERVICES.

The services to be provided by CDS Global to Client (“Services”) will be set forth in one or more Exhibits executed by the parties. Upon execution, each such Exhibit shall be deemed part of this Agreement. The Exhibit attached hereto shall be deemed Exhibit A and each additional Exhibit will be identified by the next sequence alphabetical letter. “Daily” and “Business Days” shall mean each day of the week, excluding Saturdays, Sundays, and weekdays recognized as holidays by CDS Global.

3. COMMUNICATION. Each party will designate one individual to whom all communication concerning this Agreement may be addressed. Either party may change its designated contact by providing written notice to the other party. The designated contact of either party will respond to any requests of decision, approval, or information made by the other party within a reasonable time from receipt of such request.

4. PRICING AND PAYMENT.

4.1 Client agrees to pay CDS Global for goods and Services provided under this Agreement in accordance with the pricing set forth in each Exhibit.

4.2 Payment for the Services provided hereunder is due within thirty (30) days from the date of invoice. In the event of a good faith dispute as to the calculation of the invoice, Client shall immediately give written notice to CDS Global stating the details of any such dispute and shall promptly pay any undisputed amount. The acceptance by CDS Global of such partial payment shall not constitute a waiver of payment in full by Client of the disputed amount. Any undisputed amounts not paid within thirty (30) days of the date of invoice shall accrue interest at a rate of one and one-half (1.5%) per month or the maximum lawful rate, whichever is less.

5. CONFIDENTIALITY.

5.1 During the course of performance of this Agreement, Client may disclose to CDS Global, or other entities may disclose to CDS Global on Client's behalf, certain confidential information (collectively, the "**Client Confidential Information**"), including, but not limited to, Client's customer data, tapes, mailing lists, product designs, business and marketing plans, and product strategies. During the course of performance under this Agreement, CDS Global may disclose to Client certain CDS Global intellectual property, as well as other CDS Global confidential or proprietary information (collectively, the "**CDS Global Confidential Information**"), including, without limitation, pricing information, computer programs, including application and systems product, technical and operating systems and procedures, capabilities, specifications, solution design documents, layout, flowcharts, and presentations, as well as any other materials marked or reasonably considered "confidential" or "proprietary."

5.2 "**Confidential Information**" shall refer collectively to Client Confidential Information and CDS Global Confidential Information. Neither party's Confidential Information shall be disclosed to any third party or used by the other party, except as required under this Agreement. Confidential Information does not include information that: (i) is or becomes a part of the public domain through no act or omission of the party receiving the information; (ii) was in the lawful possession of the party receiving the information prior to the disclosure and had not been obtained either directly or indirectly from the party disclosing the information; (iii) is lawfully disclosed by a third party without restriction on disclosure; (iv) is independently developed by the party receiving the information without use of, or reference to, proprietary information of the other party; or (v) is required to be disclosed by law or other governmental authority; provided, however, that the party receiving the information shall, to the extent legally permissible, first have given notice to the other party disclosing the information so that a protective order, if appropriate, may be sought.

6. WARRANTIES.

6.1 CDS Global warrants that it has the trained personnel to properly perform the Services consistent with standard industry practices, and that it will perform the Services in a professional and workmanlike manner.

6.2 Each party warrants to the other that it has full power and authority to enter into and perform the Agreement, that the execution and delivery of the Agreement have been duly authorized, and that the performance of its obligations under the Agreement does not violate any

applicable law, statute or regulation and does not breach any other agreement or covenant to which it is a party or by which it is bound.

6.3 With respect to each party's performance under this Agreement, each party warrants to the other that it will comply with all applicable laws, rules and regulations relating to the operation of their respective businesses.

6.4 EXCEPT AS OTHERWISE STATED IN THIS AGREEMENT, THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, HEREUNDER, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. LIMITATION OF LIABILITY. EXCEPT FOR EACH PARTY MEETING ITS OBLIGATIONS UNDER SECTION 8 OR FOR EITHER PARTY'S UNAUTHORIZED DISCLOSURE OF THE OTHER PARTY'S CONFIDENTIAL INFORMATION, (a) CDS GLOBAL'S LIABILITY FOR ANY BREACHES UNDER THIS AGREEMENT SHALL BE LIMITED TO A REFUND OF UP TO FIFTEEN (15) MONTHS' CHARGES UNDER THE APPLICABLE EXHIBIT FOR THE PARTICULAR SERVICES TO WHICH THE BREACH RELATES and (b) NEITHER CDS GLOBAL NOR CLIENT SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER, INCLUDING, WITHOUT LIMITATION, LOST INCOME, LOST REVENUE, LOST PROFITS, AND DAMAGES FOR LOSS OF GOOD WILL, WHETHER BASED IN CONTRACT, TORT, OR ANY OTHER THEORY, REGARDLESS OF THE FORM IN WHICH ANY LEGAL ACTION OR EQUITABLE ACTION MAY BE BROUGHT, INCLUDING, WITHOUT LIMITATION, ANY ACTION IN TORT OR CONTRACT. Each party shall have a duty to mitigate damages for which the other party is responsible.

8. INDEMNIFICATION.

8.1 Each party agrees to indemnify, defend and hold the other party, its directors, officers, representatives, agents and employees harmless for, from and against any third party claim, action or liability (including damages, costs, expenses and reasonable attorneys' fees) ("Claim"), that may arise against the indemnified party for (i) injuries or property damage caused by the indemnifying party; (ii) the indemnifying party's failure to comply with all laws and regulations applicable to the provision of Services under this Agreement; (iii) the indemnifying party's infringement or misappropriation of a third party's intellectual property (including, without limitation, patents, trademarks, copyrights or trade secrets) by the other party; (iv) any unauthorized disclosure of the other party's Confidential Information, and (v) the breach by any indemnifying party of any representation, warranty, or covenant contained in this Agreement. Client further agrees to indemnify CDS Global from and against any Claim that may arise from (i) the actions or omissions of CDS Global taken in compliance with the Client's instructions regarding CDS Global's performance of the Services, (ii) CDS Global's processing and depositing of checks and other negotiable instruments containing restrictive endorsements, or (iii) forgery, insufficient funds or other similar actions. The indemnifying party shall have the right to exercise reasonable control over any litigation within the scope of this indemnity; provided, however, that the indemnified party shall have the right to participate in any such litigation insofar as it concerns claims against it. That right to participate includes the indemnified party's right to select and retain counsel to represent it at the indemnified party's own expense.

8.2 Neither party shall have any obligation to defend or indemnify the other party pursuant to this Section 8 if the indemnifying party is not notified promptly of the claim and is

materially prejudiced thereby. The indemnified party shall cooperate to the extent necessary in the defense of any claim within the scope of these indemnities.

9. INSURANCE.

CDS Global shall at all times carry and maintain the following insurance coverage:

(a) All-Risk Insurance. CDS Global shall maintain an All Risk insurance policy in the amount of not less than one million dollars (\$1,000,000) covering full replacement cost of Client's tangible personal property, including mailing stock if any, kept under CDS Global's care, custody or control. In the event of a loss or damage to any such property, Client's sole remedy shall be limited to the amount of insurance proceeds recovered under such policy.

(b) Crime Insurance Bond. CDS Global shall maintain a Crime Insurance Bond with policy coverage limits of not less than five million dollars (\$5,000,000.00) per Occurrence (as defined below) and annual aggregate, with the following sublimits: money order and counterfeit paper currency - \$250,000, depositors forgery - \$1,000,000, and credit forgery - \$250,000. For purposes of this Crime Insurance Bond paragraph, "Occurrence" shall mean each criminal act giving rise to an event of coverage and not to each individual claim based on such criminal act. It is understood that the Crime Insurance Bond described is first party coverage for CDS Global, and Client cannot place a direct claim on the policy. Client agrees to cooperate with CDS Global in providing proof of loss information for a claim under the Crime Insurance Bond. Said policy will include an endorsement that names Client as a joint loss payee.

(c) Errors and Omissions Insurance. CDS Global agrees to maintain a Media Liability insurance policy (or successor policy covering similar perils) with limits of no less than five million dollars (\$5,000,000) per claim and annual aggregate.

(d) Commercial General Liability Insurance: CDS Global shall at all times carry and maintain a comprehensive general liability insurance policy with minimum limits of five million dollars (\$5,000,000) per occurrence. Such insurance policy shall include coverage with respect to bodily injury.

(e) Automobile Liability Insurance: CDS Global agrees to maintain an Automobile Liability insurance policy, including owned, non-owned and hired-car coverage. The minimum limit of liability shall be one million dollars (\$1,000,000) each accident, bodily injury and property damage.

(f) Workers' Compensation Insurance: CDS Global agrees to maintain a Workers' Compensation insurance policy, including occupational disease and employer's liability insurance coverage as follows:

(i) Statutory limits and coverages as required by state or states of operation.

(ii) Employers liability insurance coverage for bodily injury in the amount of \$1 million each accident; \$1 million disease (each employee); \$1 million disease (policy limit).

(g) Umbrella Liability Insurance: Umbrella/excess liability insurance in the amount of five million dollars (\$5,000,000) each occurrence and five million dollars (\$5,000,000) annual aggregate.

(h) Network Security Liability Insurance. CDS Global agrees to maintain a Network Security Liability Insurance policy of not less than five million dollars (\$5,000,000) per occurrence and annual aggregate, including coverage for computer attacks.

(i) The aforementioned insurance policies will be maintained with insurance carriers rated by A. M. Best as A- or better.

(j) If requested by Client, certificates of insurance will be provided to Client for the aforementioned insurance policies following execution of this Agreement. CDS Global will endeavor to notify Client thirty (30) days prior to any material change in policy coverage.

(k) If requested by Client, it may be named as an additional insured on the Commercial General Liability, Automobile Liability, and Umbrella Liability insurance policies, and as a loss payee on the All-Risk insurance policy.

10. SECURITY.

If applicable, throughout the Term (including all renewals), CDS Global will employ the following security measures to protect against unauthorized access to customer information.

(a) PCI DSS.

CDS Global agrees to: comply with the Payment Card Industry Data Security Standard (the "PCI DSS"), submit to data security audits and scans by qualified assessors and scan vendors as required by the PCI DSS, promptly remediate any non-compliant components of its operations at no charge to Client, and, if and to the extent required by the PCI DSS, provide full cooperation and access to permit PCI representatives to conduct a security review of CDS Global's policies and procedures. In the event of a breach or intrusion of, or otherwise unauthorized access to, cardholder data stored at CDS Global for Client in connection with the Services provided by CDS Global for Client under this Agreement, CDS Global shall immediately notify Client in the manner set forth in paragraph (b) below and provide card issuers and the acquiring financial institution and their respective designees access to CDS Global's facilities and all pertinent records to conduct a review of CDS Global compliance with the PCI DSS, should it be requested. CDS Global will fully cooperate with any reviews of its facilities and records provided for in this paragraph (a) with respect to Services performed for Client under this Agreement, exclusive of CDS Global financial information, provided that: (i) reasonable written notice of a requested review is provided to CDS Global, (ii) the review is performed during CDS Global's regular business hours, (iii) persons performing the review are accompanied by a CDS Global employee, and (iv) such access and requests for information will not compromise the confidentiality of CDS Global Information or the confidentiality of other clients' data or interfere with the operations of CDS Global.

(b) Notification of Security Breach and Incident Response Plan.

(i) CDS Global will promptly notify Client in accordance with its Security Breach Incident Response Plan if it learns of or has reason to believe that there has been unauthorized access to, disclosure (whether intentional or accidental) or use of, or any security breach relating to or affecting, Client's customers' personal data defined as customers' specific order data, payment information, including cash payments, credit card numbers, debit card numbers, financial account numbers (e.g., checking account numbers), transaction history, and

other similar restricted information relating to Client's customers ("Personal Data"), or that any person who has had access to the Personal Data has violated or intends to violate the terms of this Agreement. As part of its notice, CDS Global will provide Client with the name and direct contact information of an available senior CDS Global employee with appropriate data security expertise to address any questions Client may have concerning any compromise of the security of the Personal Data.

(ii) In the event of a Security Event, CDS Global will, at its own expense, promptly notify Client, investigate within CDS Global, and respond to Client with regard to such Security Event investigation. For the purposes of this Agreement, a "Security Event" shall mean an event of which CDS Global learns has occurred, or has reason to believe has occurred, in which the following is accessed or received by an individual or entity that is not authorized to access or receive such information: (a) unencrypted cardholder data together with other Personal Data, or (b) encrypted cardholder data for which the encryption key may have been compromised.

(iii) If determined by CDS Global that a Security Event is an actual breach of security of Personal Data ("Security Breach"), CDS Global will, within twenty-four hours following its identification of the compromised data, provide Client with a list of the compromised Client account numbers of affected customers. CDS Global will then proceed in accordance with its "Security Breach Incident Response Plan" which will meet or exceed PCI DSS requirements. Such procedures will include CDS Global cooperating with Client in notifying customers or other affected individuals as required by law and seeking injunctive or other equitable relief against any such person or persons who have violated or attempted to violate the security of the Personal Data. Further, in the event of a Security Breach, CDS Global will provide access to CDS Global's facilities and all pertinent Client records for Client or its approved representative to conduct a review of CDS Global's compliance with the PCI DSS requirements, provided Client gives reasonable advance notice and conducts such review during CDS Global's regular business hours. CDS Global agrees to fully cooperate with any such reviews or audits of its facilities and records in the event of a Security Breach involving cardholder data of Client's customers, whether conducted by a PCI representative or a PCI-approved third party (or a representative or other approved entity of any of the individual card companies).

(iv) In the event CDS Global discovers or is notified of a Security Breach or potential breach of security relating to Client's Personal Data, CDS Global shall not notify authorities or media regarding the breach unless (i) explicit, written permission has been provided by Client, or (ii) CDS Global is otherwise required by law to notify authorities, in which event CDS Global will make such commercially reasonable attempts to notify Client in advance of making any such required notification as are possible given the circumstances and time periods involved.

(v) Following a Security Breach within CDS Global and the determination of the cause of such Security Breach, CDS Global will, at its own expense, use commercially reasonable efforts to implement procedures within CDS Global to prevent a recurrence of such Security Breach.

(c) SAS70.

Upon request by Client, CDS Global will provide a copy of the annual Independent Service Auditor's Report, a comprehensive internal controls assessment report prepared by a third party auditor that is currently referred to as a SAS 70 report, for a fee based on CDS Global's prevailing rate. Further, CDS Global will use commercially reasonable efforts to make available, upon Client's prior advance notice, any individuals for Client to consult with to get periodic updates with respect to any matters contained within the SAS 70 or other internal control assessment reports, including but not limited to, any deficiencies identified in the aforementioned report, status of remediation efforts, and timelines.

(d) Business Resumption Plan.

CDS Global shall establish and maintain a commercially reasonable Business Resumption Plan ("BRP") that includes business continuity and disaster recovery relating to the Services to be performed under this Agreement. Such BRP shall be for the purposes of (a) providing the Services within a reasonable period of time of any service interruption, and (b) providing for reasonably adequate backup protection for any of Client's data or confidential information. CDS Global shall review, and if necessary, update the applicable provisions of the BRP whenever there is a material change in the operating environment for such service (including without limitation, changes to hardware, software, communications network, and data center facilities and/or disaster recovery facilities), but in any event no less frequently than annually. A summary of CDS Global's most recent disaster recovery plans will be provided to Client upon its request. At Client's option and upon its reasonable notice to CDS Global, Client and/or its designated representative may review, at CDS Global's offices, copies of the full BRP, subject to Publisher's confidentiality obligations set forth in Section 5 of this Agreement and/or its representative's execution of CDS Global's Confidentiality and Non-Disclosure Agreement.

(e) Client Audit.

Client or its designated representative may audit, from time to time, upon at least two (2) weeks' notice to CDS Global and during regular business hours, Client's customer files and records and CDS Global books and records with respect to the Services and the associated fees charged hereunder, exclusive of CDS Global's financial information, provided such person(s) are accompanied by a CDS Global employee and such access and requests for information will not compromise the confidentiality of CDS Global Information under Section 5 or confidentiality of other CDS Global clients' data or interfere with the operations of CDS Global. Any third party representative of Client shall be required to sign a Confidentiality and Non-Disclosure Agreement. CDS Global agrees to maintain policies, books and records adequate to permit all such audits, and CDS Global agrees to cooperate in a reasonable manner in assisting such audits.

11. FORCE MAJEURE. Neither party shall be liable for any losses arising out of the delay or interruption of its performance of obligations under the Agreement due to any act of God, act of governmental authority, act of terrorism, war (whether or not declared), riot, flood, fires, civil commotion, insurrection, strikes, lockouts, embargoes, severe weather conditions, failures of public utilities or the Internet, software viruses or any other cause beyond the reasonable control of the party delayed.

12. INDEPENDENT CONTRACTOR. CDS Global shall perform all Services hereunder as an independent contractor, and nothing contained herein shall be deemed to create

any employment, association, partnership, joint venture, or relationship of principal and agent or master and servant between the parties hereto or any of Client's affiliates or subsidiaries, or to provide either party with the right, power or authority, whether express or implied, to create any such duty or obligation on behalf of the other party.

13. PUBLICITY. CDS Global may include Client on its client list in presentations or reports made to clients, potential clients and industry associations and representatives, provided no representation, express or implied, is or will be made as to Client's opinion of CDS Global's Services and/or products. Each party will submit all press releases that use the other's name or trademark to the other party for approval not less than five (5) days before the proposed use. Neither party shall unreasonably withhold its approval; provided, however, that such usage accurately reflects the relationship of the parties in accordance with this Agreement.

14. NOTICES. Except for communications made in the normal course of the Services, any notice or other communication required hereunder shall be made in writing and sent by registered or certified United States mail, return receipt requested or by a nationwide courier delivery service to the designated recipient provided below. A party may change the name or address of the designated recipient by giving written notice to the other party. Any notice or communication shall be deemed given upon receipt.

14.1 If to CDS Global, at the address first set forth above, to the attention of the CEO, with copy to Shirley Jacobsen, Senior Contracts Manager; and

14.2 If to Client, at the address first set forth above, to the attention of Management Services Director.

15. EFFECT OF TERMINATION.

Upon termination of this Agreement or an Exhibit for any reason: (a) Client shall immediately pay to CDS Global all invoiced amounts due and an estimate of the fees and charges not yet invoiced, such estimate to be reconciled following determination of actual charges and the applicable adjustment made (CDS Global reimbursement if an overcharge or additional Client payment if an undercharge); (b) CDS Global will, following receipt of Client's payment(s) pursuant to (a) above: (i) provide Client-owned materials to Client on a mutually agreed upon schedule; (ii) cooperate in a conversion, with the understanding, however, that CDS Global shall not be required to incur costs in so doing (unless Client agrees to pay CDS Global therefor) or provide or disclose proprietary or confidential information of CDS Global. Termination of this Agreement or an Exhibit shall not relieve Client from its obligation to pay CDS Global for Services performed prior to the termination and, if applicable, completion of Client's out-conversion. The obligations of CDS Global under Section 15(b) are subject to the condition that there are no amounts due and payable by Client to CDS Global prior to the release of database files and property within CDS Global's possession.

16. MISCELLANEOUS.

16.1 Applicable Law. The Agreement shall be governed and construed in accordance with the laws of the State of Arizona, without regard to conflict of law principles. This Agreement is subject to A.R.S. §38-511 which is incorporated into this Agreement by reference.

16.2 Conflicting Provisions. In the event of conflicting provisions between this Agreement and any Exhibit, the terms of the Exhibit shall control and resolve the conflict.

16.3 Modification/Severance/Waiver. The Agreement and any Exhibit may only be amended in writing. If any one or more of the provisions of the Agreement or an Exhibit shall for any reason be held to be invalid or unenforceable, the same shall not affect any of the other portions thereof. Failure or delay by either party in exercising any right hereunder shall not operate as a waiver of such right.

16.4 Assignment. Neither party may assign its right or obligations hereunder without the prior written consent of the other party, which shall not be unreasonably withheld or delayed; provided, however, that no consent shall be required for assignment by either party to an affiliated corporation or other entity under common control with such party, provided that the assigning party shall remain fully liable for performance hereunder, unless the parties agree otherwise in writing.

16.5 Subcontracting. CDS Global shall have the right to subcontract the performance of certain of the Services to third parties without Client's prior written consent. Subject to Section 7 of this Agreement, CDS Global shall bear responsibility for the acts and omissions of its subcontractors insofar as they relate to the Services subcontracted under this Agreement.

16.6 Approvals/Further Assurances. Any approval or consent requested of either party shall not be unreasonably withheld, delayed, or conditioned, unless specifically stated to the contrary in this Agreement or any Exhibit, as applicable. Subsequent to the execution and delivery of the Agreement and, without any additional consideration, each party will execute and deliver any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement.

16.7 Survival of Terms. Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement, including, without limitation, all provisions with respect to confidentiality, limitation on liabilities, and indemnification, shall survive any termination or expiration of this Agreement and continue in full force and effect.

16.8 Headings/Good Faith/Counterparts. The descriptive headings of the Sections of this Agreement and any Exhibit are for convenience only and do not constitute a part of this Agreement. With respect to all of their respective dealings under this Agreement, each party will act fairly and in good faith. This Agreement and any Exhibit may be executed in any number of counterparts, including facsimile copies, each of which may be executed by less than all of the parties hereto.

16.9 Entire Agreement. The Agreement, together with the Exhibit(s) attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all written or oral prior agreements and understandings between the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date set forth above.

CDS GLOBAL, INC.

TOWN OF PRESCOTT VALLEY

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

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

**Part I
Exhibit A Additional Terms and Conditions**

1. General Provisions.

This Exhibit A is entered into effective as of the 1st day of August 2010 (the "Exhibit A 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 A shall have the meanings given those terms in the Agreement.

2. Term.

The Term of this Exhibit A shall begin on the Exhibit A Effective Date set forth in Section 1 above. The initial term of this Agreement shall continue until June 30, 2012 (the "Term"). When used in this Exhibit A, "year" shall mean a consecutive twelve (12) month period.

**Part II
CDS Global Services and Fees and Charges**

1. CDS Global Services.

(a) The parties mutually agree that CDS Global will provide the data capture services (the "Services") set forth in this Part II, Section 1 of Exhibit A to the Agreement on an exclusive basis, except where otherwise indicated, for Client's incoming payment mail. Client shall pay to CDS Global the fees and charges set forth in Part II, Section 2 for such Services.

(b) 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 as listed in Attachment I hereto for the calendar year 2010, and for each subsequent year during the Term of this Agreement CDS Global will provided a holiday list on or before November 1 of the preceding year (e.g., the 2011 holiday schedule will be provided to Client on or before November 1, 2010).

1.1 CDS Global will perform the following Services:

- (a) Receive and extract payment mail addressed to a post office box opened and maintained by Client proximate to the location of the CDS Global operating facility performing the Services.
- (b) Image and data capture payment coupons and checks to create data output file.
- (c) Balance, endorse, encode and deposit payments in a single bank account opened and maintained by Client. Furnish copy of deposit tickets to Client.
- (d) Check only's with account numbers will be imaged and processed.
- (e) Check only's without account numbers will be out-sorted and returned to Client.
- (f) Identify non-processables (including, but not limited to, changes of address), outsort, and forward to Client.*

- (g) Transmit customer payment data output file, on a Daily basis, to Client's office
- (h) Direct all customer service inquiries to Client.*

**Payment coupons with customer service notes, such as change of address information, will be imaged to capture account data (and an enclosed payment will be deposited), after which the written-on coupon, along with any other customer service items (e.g., letters), will be forwarded to Client on a mutually agreed upon schedule.*

1.2 Client's Responsibilities.

- (a) Client agrees to work with CDS Global to make all incoming envelopes (which shall be windowed) and payment coupons (which shall contain OCR-A font scanlines) compliant with CDS Global equipment and processing guidelines for computer processing (including extraction and scanning and/or imaging).
- (b) Client agrees to open and maintain a local post office box at the location(s) of the CDS Global facility performing the Services for incoming payment mail and a bank account for deposit of the payments.
- (c) Client shall provide to CDS Global a monthly volume projection (forecast) for payments to be processed by CDS Global, each such projection to be received by CDS Global at least thirty (30) days prior to the production month. If the actual volume is more than 15% under the projected volume, an adjustment charge of \$0.02 per transaction will be assessed for the total number of transactions processed during that month.

1.3 Source Materials.

Hard copies of response documents will be retained by CDS Global for twenty (20) Business Days. Once every twenty (20) Business Days, CDS Global will transport the response documents to Client's facility for the transportation fee set forth in Section 2.6.

1.4 Electronic Check Presentment.

(a) Original paper checks will be provided to Client's bank unless electronic check presentment Services as described in paragraph (b) below are available and requested by Client.

(b) In the event Client requests CDS Global to deposit qualified check transactions in Client's bank account via electronic presentment, the following shall apply:

(i) CDS Global Electronic Check Presentment ("ECP") Services*:

(1) Provided that CDS Global and Client's financial institution mutually agree upon a delivery system for the transmission of images, CDS Global will transmit check images (front and back) and MICR data (banking account information) to Client's financial institution. Client and/or its financial institution shall determine whether such images will be processed as Automated Clearing House / Accounts Receivable Truncation (ACH/ARC) or Check 21 transactions (Image Exchange or IRD).

(2) CDS Global will use commercially reasonable methods to securely store source documents for a period of time designated in writing by Publisher after which time CDS Global will destroy the source documents.

**In some instances, CDS Global may need to process the original paper check instead of using ECP.*

(ii) Client's ECP Responsibilities:

(1) Client shall be responsible for all electronic presentment notices it is required to give to its consumers.

(2) Client shall provide to CDS Global written instructions with respect to handling any opt-out requirements.

2. CDS Global Fees and Charges.

Client agrees to pay to CDS Global the fees and charges set forth in this Part II, Section 2 of Exhibit A for the Services described in Part II, Section 1.

2.1 One-time Implementation Fee.....\$2,000.00
This includes, but is not limited to: queue creation, balancing rules, document setup, and additional capture items. The Implementation Fee will be payable upon execution of the Agreement.

2.2 Transactions

(i)	Image Retail Single	\$0.125 per item
(ii)	Image Multiple.....	\$0.167 per item
(iii)	Image Check Only's/Check List.....	\$0.208 per item
(iv)	Non-processable Items*	\$0.073 per item
(v)	Transmission Charge.....	\$156.00 per month per Client
(vi)	Clerical Rate.....	\$29.00 per hour

Includes non-standard processing requested and approved by Client.

*Non-processable items include, but are not limited to: change of address, customer service notes, letters, etc. that are not to be processed by CDS Global.

2.3 Programming

Requests from Client for special programs or reports will be quoted individually in advance based on the rate of \$125.00 per hour. All programming charges and schedules shall be agreed upon by both parties prior to the performance of the programming Services.

2.4 Electronic Check Presentment.

If Client requests electronic presentment Services as described in Section 1.4, a charge of \$0.01 per check item transmitted electronically will apply*.

**In the event of increased costs to CDS Global due to changes imposed by the participating financial institutions and/or the rules and regulations governing such processing, CDS Global will have the right to adjust the charge accordingly.*

2.5 Web Image Archive.

CDS Global will provide Web Image Archive services. Web Image Archive services include the ability to view check images via Internet connection with search capabilities for captured data. Images to be made available for three (3) years. Retrieval of archived images after three (3) years is chargeable at the clerical/hand rate.

(i) One time programming fee Included in the Implementation Fee set forth in Section 2.1

- (ii) Web Image Archive.....\$0.01 per image
Includes both storage and imaging for unlimited documents.

Client will be provided an administrative password and will be solely responsible for administration of its users (using a CDS Global-provided Web interface).

Source documents, checks, and related images will be archived on a system maintained by a third party vendor. Client hereby agrees that by requesting the optional Image Viewing Service from CDS Global it authorizes CDS Global to provide the images to the third party vendor, which has executed an agreement with CDS Global including confidentiality obligations. Images will be transmitted to the third party vendor via Secure FTP.

2.6 Source Material Transportation Fee.

As set forth in Section 1.3, CDS Global will transport response documents to Client's facility every twenty (20) Business Days for a fee of \$15.00 per delivery.

2.7 Change in Charges.

All of the fees and charges set forth in this Exhibit A will remain in effect through June 30, 2012.

2.8 Client Responsibilities.

(a) Bank Charges. Client shall establish and maintain a bank account and bear all bank charges for such account connected with the Services performed hereunder.

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

(c) Taxes. Client shall be responsible for the payment of all taxes for, or on account of, any activity or action undertaken by CDS Global and for goods or Services provided by CDS Global in accordance herewith (other than taxes on the income or property of CDS Global), including, without limitation, sales or use taxes.

(d) Other. Client shall be responsible for all other non-CDS Global goods/Services, including but not limited to P.O. box rentals, BRE permits, accounting fees and bank reconciliations, other bank charges, endorsement dies, deposit tickets and other materials, and courier charges.

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

CDS Global, Inc.

Town of Prescott Valley

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

ATTACHMENT I TO EXHIBIT A

2010 CDS Global Holiday Schedule*

Friday, January 1	New Year's Day
Monday, May 31	Memorial Day
Monday, July 5	Day after Independence Day
Monday, September 6	Labor Day
Thursday, November 25	Thanksgiving
Friday, November 26	Day after Thanksgiving
Friday, December 24	Christmas Eve
Friday, December 31	New Year's Eve

**Some holiday dates may vary for CDS Global's Customer Service, Mailing Services and Operations departments.*

Subsequent CDS Global Holiday Schedules

On or before November 1 of each year during the Term of this Agreement, CDS Global shall provide to Client a listing of the next year's holiday dates (e.g., the 2011 CDS Global holiday dates will be provided to Client on or before November 1, 2010)