

**CITY CLERK
ORIGINAL**

**C-10240
09/01/2015**

MASTER SERVICES AGREEMENT

This Master Services Agreement ("Agreement") is made as of the 1st day of September, 2015 ("Effective Date"), by and between CDS Global, Inc. ("CDS Global"), an Iowa corporation, with its principal place of business at 1901 Bell Avenue, Des Moines, IA 50315-1099, and City of Glendale ("Client"), an Arizona municipality, with its principal place of business at 5850 West Glendale Avenue, Glendale, AZ 85301.

1. TERM.

1.1 The term ("Term") of the Agreement shall begin on the Effective Date and continue for a two-year (2) initial period ("Initial Term"). The City may, at its option and with the approval of CDS Global, extend the term of this Agreement an additional three (3) years, renewal on an annual basis. The Glendale City Manager is authorized to exercise the City's discretion whether to extend the Agreement. CDS Global will be notified in writing by the City of its intent to extend the Agreement period at least 90 calendar days prior to the expiration of the initial term or any renewal period. The term of any Exhibit hereto shall be set forth in the respective Exhibit. There are no automatic renewals of the Agreement or any Exhibit hereto.

1.2 CDS Global may terminate this Agreement at any time upon Client's failure to make any payments due and owing hereunder or under any related Exhibit in accordance with Section 4 of the Agreement within five (5) Business Days of written notice from CDS Global regarding such failure to pay. 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 that has been approved by the other party to cure such default within 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, is insolvent, or ceases to do business, 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.

2.1 The services to be provided by CDS Global to Client ("Services") are set forth in Exhibit A executed by the parties, attached and incorporated hereto. Each additional Exhibit shall be deemed an amendment to this Agreement, and may require approval by Client's City Council. 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.

2.2 CDS Global's delay or non-performance of its obligations under this Agreement shall be excused to the extent caused by Client's failure to perform its obligations under this Agreement. CDS Global will provide Client with reasonable notice of such non-performance or delay and shall specifically identify Client's alleged failure to perform and state with particularity what action is required by Client. CDS Global will use commercially reasonable efforts to continue to perform. Client shall continue to pay CDS Global for Services actually performed by CDS Global prior to and during any such period.

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. Each party shall cooperate with the other party by, among other things, making available, as reasonably requested by the party, appropriate management personnel to make decisions and give information and approvals, so that the party may accomplish its obligations and responsibilities hereunder. 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. Costs for any additional goods or services that are not expressly provided for in an Exhibit are not payable by Client, unless CDS Global obtained prior written approval from Client for additional goods or services. If CDS Global incurs costs for any additional goods or services that were to be provided or paid for by Client, CDS Global shall include such costs for reimbursement on the invoice next issued after the date on which such costs were incurred. Unless otherwise specified, all charges are exclusive of taxes. Client will pay all taxes (including, but not limited to, sales, use, excise, value added and gross receipts taxes) levied in connection with the Agreement, except taxes based upon CDS Global's net income or corporate franchise. Client shall be responsible for filing any and all applicable state and local sales and use tax returns and further agrees to fully indemnify and hold CDS Global harmless for its failure to file such returns.

4.2 During any term of the Exhibit, CDS Global may change the fees upon any change in charges incurred on behalf of Client by CDS Global from third parties, including, without limitation, charges that are beyond CDS Global's control (**e.g.**, fuel surcharges, postal increases, paper price increases). CDS Global will provide Client with as much notice as possible of changes in any such third-party charges. An annual price increase may be implemented with the written approval of Client on each anniversary of the Exhibit Effective Date after the Initial Term using a percentage equal to the percentage increase in the most recent Consumer Price Index, All Urban Consumers ("CPI-U"), U.S. City Average, All Items, 1982-84=100, published by the U.S. Department of Labor, Bureau of Labor Statistics, as compared with the CPI-U publicly available on the previous anniversary date of the Exhibit.

4.3 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 30 days of the date of invoice shall accrue interest at a rate of 1.5% per month or the maximum lawful rate, whichever is less.

5. CONFIDENTIALITY.

5.1 During the course of performance under this Agreement, Client may disclose to CDS Global, or other entities may disclose to CDS Global on Client's behalf, certain Client intellectual property, as well as confidential or proprietary information (collectively, the "**Client Confidential Information**"), including, but not limited to, Client's customer data, tapes, and mailing lists. CDS Global shall use commercially reasonable efforts to prevent the disclosure of the Client Confidential Information to any third party, except as otherwise specifically provided in this Agreement. CDS Global agrees not to use or make copies of the Client Confidential Information except as required for the performance of its obligations under the Agreement, and agrees to limit access to the Client Confidential Information to its own employees, agents, consultants and subcontractors strictly on a "need to know" basis; provided, that such agents, consultants and subcontractors have executed a written agreement with CDS Global with confidentiality provisions at least as restrictive as those contained herein. Upon expiration or termination of this Agreement or as requested by Client in writing, CDS Global shall promptly return to Client or destroy all of the Client Confidential Information then held by CDS Global and, upon request, certify any such destruction in writing.

5.2 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, 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 "confidential" or "proprietary." Client shall use commercially reasonable efforts to prevent the disclosure of the CDS Global Confidential Information, including, without limitation, derivative works, modifications or adaptations, to any third party, except as provided in this Agreement, including as allowed by Arizona's Public Records Law (A.R.S. 39-101 et seq. Client agrees

not to use or make copies of the CDS Global Confidential Information other than in performance of this Agreement, and agrees to limit access to the CDS Global Confidential Information to its own employees, agents and consultants strictly on a "need to know" basis; provided, however, that such non-employee agents and consultants have executed a written agreement with Client with confidentiality provisions at least as restrictive as those contained herein. Upon expiration or termination of this Agreement or as requested by CDS Global in writing, Client shall promptly return to CDS Global or destroy all of the CDS Global Confidential Information then held by Client and, upon request, certify any such destruction in writing.

5.3 "Confidential Information" shall refer collectively to Client Confidential Information and CDS Global Confidential Information. The receiving party acknowledges that the disclosure of Confidential Information may give rise to irreparable injury to the disclosing party or to a third party which may be inadequately compensable in damages. Accordingly, the disclosing party or third party may seek injunctive relief against the breach or threatened breach of any of the foregoing undertakings, in addition to any other legal remedies that may be available, and the receiving party hereby consents to the seeking of such injunctive relief.

5.4 Notwithstanding anything in this Agreement to the contrary, neither party's Confidential Information shall be deemed to include information that: (a) is or becomes a part of the public domain through no act or omission of the party receiving the information; (b) 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; (c) is lawfully disclosed by a third party without restriction on disclosure; or (d) is independently developed by the party receiving the information without use of, or reference to, proprietary information of the other party.

5.5 Notwithstanding anything in this Section 5 to the contrary, CDS Global acknowledges and agrees that disclosure of some or all of the items subject to this Agreement, including but not limited to **CDS Global Confidential Information** may be required by law, including but not limited to Arizona's Public Records Law, Arizona Revised Statutes § 39-101 et seq. In the event Client receives a request for disclosure of CDS Global Confidential Information, Client will provide CDS Global with prompt notice of that request, which will be deemed given when emailed or deposited by Client with the United States Postal Service for regular delivery to the address specified for notices in this Agreement. Within ten (10) days of Client's giving notice, CDS Global will inform the Client in writing of any objection to the disclosure of the requested information and the failure to object timely will be deemed to waive any objection and any remedy against the Client for disclosure. In the event CDS Global objects to disclosure within the time specified, CDS Global agrees to handle all aspects related to request, including properly communicating with the requestor and timely responding with information the disclosure of which CDS Global does not object thereto. Furthermore, CDS Global must defend, indemnify and hold harmless the Client from any claims, actions, lawsuits, or any other controversy or remedy, in whatever form, that arises from the failure to comply with such request for information under the laws pertaining to public records, including defending the Client in any legal action and payment of any penalties, settlements, judgments or any other remedy. This provision will survive the termination of this Agreement.

5.6 In the event that either party's Confidential Information is required to be disclosed pursuant to subpoena, court order, law (other than Arizona's Public Records Law, Arizona Revised Statutes § 39-101 et seq.) or other governmental authority, the party receiving the information shall, to the extent legally permissible: (a) first give written notice to the other party disclosing the information so that a protective order, if appropriate, may be sought; (b) use commercially reasonable efforts to cooperate with the disclosing party in seeking such a protective order; and (c) furnish only such portion of the Confidential Information as, in the written opinion of legal counsel, it is legally compelled to disclose.

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 Each party warrants to the other that its Confidential Information has been legally obtained, and that the provision of its Confidential Information to the other does not violate any applicable laws or any agreement with third parties.

6.4 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.

6.5 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'S OBLIGATIONS UNDER SECTION 8 OR FOR EITHER PARTY'S UNAUTHORIZED DISCLOSURE OF THE OTHER PARTY'S CONFIDENTIAL INFORMATION, (a) (i) CDS GLOBAL'S LIABILITY WITH RESPECT TO ANY SECURITY EVENT OR SECURITY BREACH (INCLUDING, WITHOUT LIMITATION, THE DISCLOSURE OF PERSONAL DATA) SHALL BE LIMITED TO AN AGGREGATE AMOUNT OF \$75,000 THROUGHOUT THE TERM, AND (ii) FOR ALL OTHER BREACHES UNDER THIS AGREEMENT, CDS GLOBAL'S LIABILITY SHALL BE LIMITED TO EITHER, AT CLIENT'S OPTION, A RE-PERFORMANCE OF THE SERVICES IN QUESTION WITHOUT CHARGE OR A REFUND OF UP TO SIX 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, elected officials, officers, representatives, agents and employees harmless from and against any third party claim, action or liability (including damages, costs, expenses and reasonable attorneys' and claim processing fees) ("Claim"), that may arise against the indemnified party for (a) injuries or property damage caused by the indemnifying party; (b) the indemnifying party's failure to comply with all laws and regulations applicable to the provision of Services under this Agreement; (c) the indemnifying party's infringement or misappropriation of a third party's intellectual property (including, without limitation, patents, trademarks, copyrights or trade secrets); (d) any unauthorized disclosure of the other party's Confidential Information, and (e) 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, unless CDS Global reasonably should have known its actions were improper or could result in a claim (ii) CDS Global's processing and depositing of checks and other negotiable instruments containing restrictive endorsements, and (iii) forgery, insufficient funds or other similar actions. CDS Global's defense and indemnity obligations extend to the actions of its subcontractors, to the extent the subcontractors are utilized to perform the Services under the Agreement. The indemnifying party shall have the right to exercise 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 This indemnity and hold harmless provision applies even if a Claim is in part due to the indemnified party's negligence or breach of a responsibility under this Agreement, but in that event, the indemnifying party shall be liable only to the extent the Claim results from the negligence or breach of a responsibility of the indemnifying party.

8.3 Neither party is required to indemnify any Indemnified Parties for, from, or against any Claim resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

8.4 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 procure and maintain until all obligations have been discharged the following minimum insurance coverage. The insurance requirements contained herein are minimum requirements and in no way limit the indemnity covenants contained in this Agreement. Client does not warrant that the minimum coverages are sufficient to protect CDS Global as they are free to purchase additional insurance as they deem necessary:

9.1 All-Risk Insurance. CDS Global agrees to maintain an All Risk Property insurance policy in the amount of not less than \$1,000,000.00 covering full replacement cost of Client's tangible personal property, including mailing stock if any, kept under CDS Global's care, custody or control.

9.2 Crime Insurance Bond. CDS Global agrees to maintain a Crime Insurance Bond with policy coverage limits of not less than \$5,000,000.00 per Occurrence (as defined below) and annual aggregate. For purposes of this Crime Insurance Bond paragraph, "Occurrence" shall mean all loss resulting from any act or any series of acts committed by the same employee or in which the same employee is concerned or implicated. 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.

9.3 Media Liability Insurance. CDS Global agrees to maintain a Media Liability insurance policy, which includes errors and omissions and network security, (or a successor policy covering similar perils) with limits of no less than \$5,000,000.00 per claim and annual aggregate.

9.4 Commercial General Liability Insurance: CDS Global shall at all times carry and maintain a comprehensive general liability insurance policy with minimum limits of \$5,000,000.00 per occurrence. Such insurance policy shall include coverage with respect to bodily injury. The limit may be provided through a combination of primary and umbrella/excess liability policies on a following form basis.

9.5 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 \$1,000,000.00 each accident, bodily injury and property damage.

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

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

- (b) Employers liability insurance coverage for bodily injury in the amount of \$1,000,000.00 each accident; \$1,000,000.00 disease (each employee); \$1,000,000.00 disease (policy limit).

9.7 Umbrella Liability Insurance: CDS Global agrees to maintain Umbrella/excess liability insurance on a following form bases in the amount of \$5,000,000.00 each occurrence and \$5,000,000.00 annual aggregate.

9.8 Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Arizona with an AM Best rating not less than A-, VII by AM Best.

9.9 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 30 days prior to any material change in policy coverage.

9.10 The Commercial General Liability, Automobile Liability, and Umbrella Liability insurance policies shall contain the City of Glendale, its officers, officials, and employees (collectively "City") as additional insureds by blanket endorsement, and City shall be named as a loss payee on the All-Risk insurance policy.

9.11 CDS Global's General Liability insurance coverage shall be primary insurance with respect to City. Any insurance or self-insurance maintained by the City shall be excess of CDS Global's insurance and shall not contribute with it.

9.12 Should any of the required policies be cancelled prior to the expiration date thereof, notice will be delivered in accordance with the policy provisions.

9.13 CDS Global and any of its subcontractors shall furnish the Client with original certificates and amendatory endorsements providing the required insurance coverage. All certificates and endorsements are to be received by the Client before work commences. However, failure to obtain the required documents prior to work beginning shall not waive CDS Global's obligations to provide them. In the event of any claim, demand or litigation related to this contract, Client has the right to require complete, certified copies of all required insurance policies, including endorsements.

9.14 Waiver of Subrogation. CDS Global hereby grants to Client a waiver of any right to subrogation which any insurer of CDS Global may acquire against Client by virtue of the payment of any loss under such insurance. CDS Global agrees to make reasonable efforts to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Client has received a waiver of subrogation endorsement from the insurer.

10. RESPONSIBILITY FOR SUBCONTRACTORS. All subcontracts shall comply with Federal and State laws and regulations which are applicable to services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract and as if the Subcontractor were the Contractor referred to herein. The Contractor is responsible for the contract performance whether or not Subcontractors are used

11. 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.

11.1 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 Section 11.2 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 Section 11.1 with respect to Services performed for Client under this Agreement, exclusive of CDS Global financial information, provided that: (a) reasonable written notice of a requested review is provided to CDS Global, (b) the review is performed during CDS Global's regular business hours, (c) persons performing the review are accompanied by a CDS Global employee, and (d) 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.

11.2 Notification of Security Breach and Incident Response Plan.

(a) 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.

(b) 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: (i) unencrypted cardholder data together with other Personal Data, or (ii) encrypted cardholder data for which the encryption key may have been compromised.

(c) If determined by CDS Global that a Security Event is an actual breach of security of Personal Data ("Security Breach"), CDS Global will, within 24 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). Each party acknowledges and agrees that any costs, claims or liabilities arising from any Security Event or Security Breach (including, without limitation, the disclosure of Personal Data) shall be subject to the limitations of liability set forth in Section 7.

(d) 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.

(e) 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.

11.3 Third Party Audit.

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 an independent third party auditor that is currently referred to as an SSAE No. 16 SOC 1 audit report or an applicable successor/replacement standards 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 SSAE No. 16 SOC 1 audit report (or applicable successor/replacement standards report) or other internal control assessment reports including, but not limited to, any deficiencies identified in the aforementioned report, status of remediation efforts, and timelines.

11.4 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 Client'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.

11.5 Client Audit.

Client or its designated representative may audit, from time to time, upon at least two 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 unreasonably 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. Client agrees to pay CDS Global for time expended on any audit activity as described above at the CDS Global prevailing hourly rate for such professional services for more than one audit during a calendar year. These fees will be invoiced at the end of the month in which the audit-related services are provided by CDS Global.

12. 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), delays of carriers or suppliers, riot, flood, fires, civil commotion, insurrection, strikes, lockouts, embargoes, severe weather conditions, failures of public utilities or any other cause beyond the reasonable control of the party delayed ("Event of Force Majeure"). If said conditions and said delay, prevention, or failure continue for a period of five working days, then the Client may obtain the affected Services from other persons until such time as there is no longer an Event of Force Majeure, at which time CDS Global shall resume all of its duties hereunder; provided, however, that if said conditions and said delay, prevention, or failure shall continue for a period of 15 days, the Client may terminate this Agreement upon notice to CDS Global, provided that said conditions and said delay or prevention are continuing at the time such notice is given.

13. 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.

14. 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. No other use of Client's name, logo or other identifying information is authorized unless approved in writing by Client prior to use by CDS Global.

15. 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 within three days of deposit by either party with the United States Postal Service, or one day after deposit to a nationwide courier delivery service. CDS Global will provide Client, without request, copies of any petition or application related to any filing by the CDS Global of bankruptcy, receivership or trusteeship and any notices received from regulatory agencies pertaining to its operations.

15.1 If to CDS Global, at the address first set forth above, to the attention of the CEO, with copy to Contract Management Department with attention to Director of Contract Management; and

15.2 If to Client, at the address first set forth above, to the attention of the Revenue Administrator, with a copy to the City Manager and City Attorney.

16. EFFECT OF TERMINATION.

Upon termination of this Agreement or an Exhibit for any reason, CDS Global will provide the Client-owned materials relating to such terminated Agreement and Exhibit(s) to Client on a mutually agreed upon schedule and cooperate in an out-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 hereunder 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, except amounts less than 30 days due.

17. GENERAL PROVISIONS.

17.1 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.

17.2 Conflicting Provisions. In the event of conflicting provisions between this Agreement and any Exhibit, the terms of the Agreement shall control and resolve the conflict, unless specifically stated otherwise in the Exhibit.

17.3 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. No waiver by either party of any default by the other in the performance of or compliance with any provision, condition, or requirement herein shall be deemed to be a waiver of, or in any manner release such other party from compliance with, any provision, condition, or requirement in the future, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

17.4 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.

17.5 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. Approval by Client's City Council may be required.

17.6 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 electronic or facsimile copies, each of which may be executed by less than all of the parties hereto.

17.7 Use of Aggregated Data. Client agrees that CDS Global may aggregate data it receives from or on behalf of the Client with data gathered from other CDS Global clients to create non-client specific metrics and statistics (e.g., benchmarking, response analysis and modeling). In no event shall such aggregated data identify Client or any of Client's customers.

17.8 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.

17.9 Non-Discrimination. CDS Global must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. CDS Global will require any Sub-contractor to be bound to the same requirements as stated within this section. CDS Global, and on behalf of any subcontractors, warrants compliance with this section.

17.10 Conflicts. This Agreement is subject to cancellation for conflicts of interest under the provisions of A.R.S. § 38-511.

17.11 Immigration Law Compliance.

(a) CDS Global, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

(b) Any breach of warranty under subsection (A) above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.

(c) City of Glendale ("City") retains the legal right to inspect the papers of any CDS Global employee who performs work under this Agreement to ensure that CDS Global or any subcontractor is compliant with the warranty under subsection (A) above.

(d) City may conduct random inspections of the CDS Global facility performing services under this Agreement, and upon request of the City, CDS Global shall provide copies of papers and records demonstrating continued compliance with the warranty under subsection (A) above. CDS Global agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this Section 17.11.

(e) CDS Global's warranty and obligations under this Section 17.11 to the City are continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.

(f) The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

17.12 Entire Agreement. The Agreement, together with the Exhibit(s) attached constitute 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. Inconsistencies between the elements of this agreement shall be resolved in the following order of preference:

- a. Master Services Agreement
- b. Exhibit A

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.

(Signatures on Following Page)

CDS Global, Inc.

By:

Debra Janssen

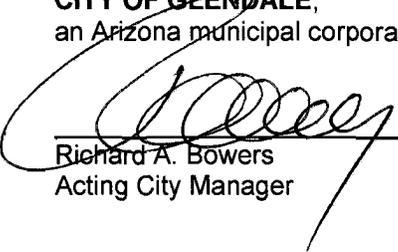
Printed:

Debra Janssen

Title:

President/CEO

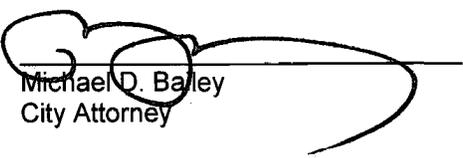
CITY OF GLENDALE,
an Arizona municipal corporation


Richard A. Bowers
Acting City Manager

ATTEST:


Pamela Hanna, (SEAL)
City Clerk

APPROVED AS TO FORM:


Michael D. Bailey
City Attorney

**EXHIBIT A
TO
MASTER SERVICES AGREEMENT
BETWEEN
CDS GLOBAL, INC.
AND
CITY OF GLENDALE**

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

1. General Provisions.

This Exhibit A is entered into effective as of the Effective Date of the Master Services Agreement to which this is an Exhibit (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 the City of Glendale with an effective date of September 1, 2015 referred to as the "Agreement"). Initially capitalized terms not defined in this Exhibit A shall have the meanings given those terms on 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 Exhibit A shall continue for a period of two years from the Exhibit A Effective Date until August 31, 2017 (the "Initial Term"). Following the Initial Term, this Exhibit may be extended for one-year periods (each a "Renewal Term") by written amendment signed by both parties no less than 30 days prior to the end of the Initial Term or subsequent Renewal Term. In addition, effective October 1, 2015 Client may terminate this Exhibit A for any reason at any time by providing 90 days' written notice to CDS Global prior to October 1, 2015 or any date after October 1, 2015 during the Initial Term or any subsequent Renewal Term. The early termination fee set forth in Section 3 of Part 1 below shall apply in the event of early termination during the Initial Term. When used in this Exhibit A, "Term" shall mean the Initial Term plus any Renewal Terms and "year" shall mean a consecutive twelve (12) month period. In the event Exhibit A is terminated, the Master Services Agreement shall terminate on the same date.

3. Early Termination Fee.

In the event Client terminates this Exhibit A during the Initial Term by providing 90 days' written notice to CDS Global as set forth in Section 2 above, an early termination fee shall apply. For each month remaining in the Initial Term after the effective date of termination, Client shall owe to CDS Global \$125.00. The month in which the Services are terminated shall be included in the calculation of the early termination fee. The early termination fee shall be invoiced in the month following the early termination of this Exhibit A.

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

1. CDS Global Services.

(a) The parties mutually agree that CDS Global will provide remittance processing 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 utility payments. Client shall pay to CDS Global the fees and charges set forth in Part II, Section 2 for the Services:

(b) CDS Global agrees to perform the Services in a commercially reasonable manner. 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 2015, and for each subsequent year during the Term of this Agreement CDS Global will provide a holiday list on or before December 1 of the preceding year (e.g., the 2016 holiday schedule will be provided to Client on or before December 1, 2015).

1.1 CDS Global Services.

CDS 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 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) Transmit check images (front and back) and MICR data (banking account information) to Client's financial institution
- (e) Check only's with account numbers will be imaged and processed.
- (f) Check only's without account numbers will be out-sorted and returned to Client in a manner mutually agreed upon between the parties.
- (g) Identify non-processables (including, but not limited to, changes of address), outsort, and forward to Client in a manner mutually agreed upon between the parties.*
- (h) Transmit customer payment data output file, on a daily basis, to Client's office or a location designated by Client in writing.
- (i) 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 facility performing the Services for incoming payment mail and a bank account for deposit of the payments.
- (c) Client shall provide to CDS a monthly volume projection (forecast) for payments to be processed by CDS, each such projection to be received by CDS at least thirty (30) days prior to the production month.

1.3 CDS Global Performance.

Provided that Client furnishes the monthly payment volume projections on time in accordance with Section 1.2(c) above, CDS Global agrees to process payment transactions, as measured over a calendar month as a weighted average, as follows:*

- (a) CDS Global will process 98.5% of clean scannable items with single remittance and single check that are received at the CDS Global processing facility by 7:00 a.m. local time of the CDS Global processing facility the same day as receipt.

- (b) Process a minimum of 95% of all remaining payments by the end of the next Business Day (second Business Day).
- (c) Process any remaining payments by the end of the third Business Day.
- (d) Transmission feeds of the data output file(s) will be sent by CDS Global once each Business Day to Client's office by 5:00 p.m. local time of the CDS Global processing center.
- (e) All payments processed (based on paragraphs (a), (b), and (c) above) will be submitted for funds deposit each Business Day by the close-of-processing time of Client's banking institution.

-
- * (i) If in any month Client's actual volumes for payments to be processed by CDS exceed by 15% or more the projected monthly volumes to be provided by Client pursuant to Section 1.2(c) above, then the performance goals set forth in (a), (b) and (c) above shall not apply for that month.
 - (ii) 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.
 - (iii) In measuring performance, CDS will exclude occurrences resulting from events beyond its control (e.g., late or incorrect Client instructions, Events of Force Majeure, incompatibility of forms, etc.).

1.4 Source Materials.

Response documents will be retained by CDS Global for 14 Business Days for imaged documents. The parties agree that following this retention period, CDS will dispose of the documents in a secure manner.

1.5 Electronic Check Presentment.

(a) Original paper checks will be provided to Client's bank only if electronic check presentment Services as described in paragraph (b) below are not available.

(b) If Client requests CDS Global to deposit qualified check transactions in Client's bank account via electronic presentment, then such request shall be deemed Client's permission for CDS Global to transmit to and receive electronic files from its financial institution on its behalf, and 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 Client after which time CDS Global will securely 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.

Section II
CDS Fees and Charges.

Client agrees to pay CDS the following fees and charges for the Services set forth in Section I of this Exhibit A:

2.1 Start-up Fee\$2,500.00
Includes programming and testing to automate transactions that can be accepted by Client's current system at time of conversion. The Start-up Fee will be payable upon the commencement of Services..

2.2 Transactional Charges

- (i) Processing single check with payment coupon \$0.15/each
Includes Mail Receive, Extraction, Sortation, Image Scanline Capture, and Deposit.
- (ii) Processing multiple checks with one payment coupon..... \$0.15/each
Includes Mail Receive, Extraction, Sortation, Image Scanline Capture, and Deposit.
- (iii) Processing one check with multiple payment coupons..... \$0.15/each
Includes Mail Receive, Extraction, Sortation, Image Scanline Capture, and Deposit.
- (iv) Processing single check with account number but no payment coupon \$0.20/each
Includes Mail Receive, Extraction, Sortation, Image Scanline Capture, and Deposit.
- (v) Processing single check with no account number or payment coupon \$0.50/each
Includes Mail Receive, Extraction, Sortation, Image Scanline Capture, and Deposit.
- (vi) Processing cash items with one payment coupon \$1.00/each
*Includes Mail Receive, Extraction, Sortation, Image Scanline Capture, and Deposit.
A voucher will be created for the currency and the currency will be processed through CDS Global's secure cash handling policy.*

2.3 Additional Services' Fees and Charges

- (i) Non-Processable Items \$0.17/each
Any document determined to be non-processable will be returned to the Client physically or through an exception queue in the Web Image Archive.
- (ii) Clerical..... \$36.00/hour

Clerical rate includes hand work necessary to process Client's payments and direct mail for Services not set forth in Section 2.2 of this Agreement. Examples include additional sortations for manual or electronic processing, project work, etc.

- (iii) Monthly Account Maintenance Fee\$250.00/month
Includes an assigned account manager, standard reporting package, and general maintenance of the product.

2.4 Programming

Requests from Client for special programs or reports will be quoted individually in advance based on the rate of \$165.00 per hour.

2.5 Web Image Archive.

If requested by Client, CDS Global will provide Web Image Archive services ("WIA").* WIA includes Client's ability to view document images via Internet connection with search capabilities for captured data. Each applicable document imaged by CDS Global (both sides) will be securely transmitted and stored on an online Web Image Archive platform. (E.g., if a check and a form are received and imaged, they will be counted as two documents.) Images will be made available for a specified number of months. The associated charge applies one time per document and allows Client unlimited access to view such document and to search for images for the specified number of days/months.

- (a) Programming Fee Hourly Rate Set Forth in Section 2.4
- (b) WIA Storage up to 15 months \$0.015/document

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

(ii) Source documents, checks, and related images will be archived on a system maintained by a third party vendor for the selected number of months following date of receipt. Client hereby agrees that by requesting the optional WIA 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 Electronic Check Presentment.

If Client requests electronic presentment Services as described in Section I, 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.*

2.7 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 and taxes on Client's mailing stock, if any.

(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 hereto have caused this Exhibit A to be executed by their duly authorized representatives as of the Exhibit Effective Date written above.

CDS Global, Inc.

By: Debra Janssen

Printed: Debra Janssen

Title: President / CEO

CITY OF GLENDALE,
an Arizona municipal corporation

Richard A. Bowers
Richard A. Bowers
Acting City Manager

ATTEST:

Pamela Hanna
Pamela Hanna, (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
Michael D. Bailey
City Attorney

ATTACHMENT I TO EXHIBIT A

2015 CDS Global Holiday Schedule*

Thursday, January 1	New Year's Day
Monday, January 19	Martin Luther King, Jr. Day
Monday, May 25	Memorial Day
Friday, July 3	Day before Independence Day
Monday, September 7	Labor Day
Thursday, November 26	Thanksgiving
Friday, November 27	Day after Thanksgiving
Thursday, December 24	Christmas Eve
Friday, December 25	Christmas Day

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

Subsequent CDS Global Holiday Schedules

On or before December 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 2016 CDS Global holiday dates will be provided to Client on or before December 1, 2015).