

ONLINE PROCESSING AND OUTPUT SERVICES TERMS AND CONDITIONS

THESE ONLINE PROCESSING AND OUTPUT SERVICES TERMS AND CONDITIONS (“TERMS AND CONDITIONS”) ARE ENTERED INTO BETWEEN CSG SYSTEMS, INC., FOR ITSELF AND ITS AFFILIATES (“CSG”) AND THE CUSTOMER OR CLIENT RECEIVING SERVICES HEREUNDER (“CUSTOMER”). IN THE EVENT CSG AND CUSTOMER HAVE ENTERED INTO A SEPARATE WRITTEN AGREEMENT FOR SERVICES, SUCH SEPARATE WRITTEN AGREEMENT SHALL CONTROL. ANY ORDER PLACED BY CUSTOMER AND ACCEPTED BY CSG FOR WHICH CSG PROVIDES SERVICES SHALL BE SUBJECT TO AND GOVERNED BY THE FOLLOWING TERMS AND CONDITIONS WHICH FORM A PART OF OUR AGREEMENT:

1. SPECIFICATIONS

Customer shall supply all necessary specifications to CSG in writing. Customer waives all claims based on non-performance of specifications communicated orally without prior written confirmation.

2. PRINTED MATERIALS

Printed material shall be shipped to CSG on banded or polywrapped skids with one code, key, or other unique feature per skid. Customer shall ensure individual cartons are clearly labeled with Customer name, component description, kit or key codes, project name, quantity and other information to properly identify the component. CSG reserves the right to reject a shipment or any part thereof if it is visibly damaged or not packaged, labeled or identified to these specifications. CSG shall not be responsible for variances from the manufacturer’s stated quantities. Material must arrive at CSG a minimum of three business days before production start-up. If CSG is required to order printed materials, additional time will be required for proofs.

3. PROOFS

Customer may approve a sample of each job. Customer waives all claims against CSG in the event that Customer instructs CSG to proceed without such approval.

4. STORAGE

CSG will store, at no cost to Customer, materials received up to 30 days prior to the scheduled production start-up of the project. Materials received prior to 30 days, stored as an ongoing project, or retained for more than 30 days after the completion of a project, may be subject to CSG’s current storage charges on the following basis: (a) Storage will be charged as set forth in the applicable quote or proposal; (b) any portion of a skid will be billed at the same rate as a complete skid; and (c) any portion of a calendar month will be billed at the same rate as an entire month.

5. DISPOSITION OF MATERIALS

Upon completion of each unique project, CSG will supply a list of remaining materials to Customer. Customer is responsible at that time to instruct CSG on the disposition of the material. If, within 30 days no instructions are given by Customer, CSG may in its sole discretion dispose of the materials or charge for storage as set forth in Paragraph 4 above.

6. PRICE QUOTATIONS

Unless the parties have previously agreed to pricing in writing or pursuant to a mutually agreed upon rate card, the price quoted to Customer or otherwise presented in writing to Customer shall be valid for 30 days from the date of the quote, and represent a good faith estimate of the applicable work necessary to deliver the mailpieces at the time of quotation. Prices are based, among other things on the current understanding of the nature and scope of the project, present cost of materials and labor and the current business environment. Prices are subject to escalation in the event of increased costs or materials or labor beyond the 30-day period or in the event of a change in the nature or scope of the project. The actual price shall be determined based on costs at time of completion of each project. Prices quoted do not include any charge for boxing or for crating. Such charges will be extra unless specifically indicated. In the event of a change in prices as described herein, CSG shall submit such change to Customer for approval prior to the provision of Services.

7. TAXES

Prices quoted do not include any sales, use, consumption, excise or other taxes levied, or which may be levied by the federal or state government, or any other taxing authorities. Any taxes levied shall be paid in full by Customer.

8. CONFIDENTIALITY.

- A. Information. Customer and CSG acknowledge that each party may have access to certain of the other party’s confidential and proprietary information and trade secrets (“Information”) in connection with this job. Each party

shall take all reasonable precautions necessary to safeguard the confidentiality of the other party's Information, including (i) those required under this Section, (ii) those taken by such party to protect its own confidential information and (iii) those which the other party may reasonably request from time to time.

- B. Use and Disclosure. Each party will use the other party's Information solely to fulfill the purposes of this Agreement. Neither party will disclose, in whole or in part, the other party's Information to any person, except to such party's employees or agents who require access to fulfill the purposes of an Agreement and are bound by confidentiality agreements no less restrictive than this Agreement.
- C. Unauthorized Use or Disclosure. Each party acknowledges that any unauthorized use or disclosure of the Information may cause irreparable damage to the other party. If an unauthorized use or disclosure occurs, such party will take, at its expense, all steps which are necessary to recover the other party's Information and to prevent its subsequent unauthorized use or dissemination.
- D. Limitation. Neither party will have any confidentiality obligation with respect to any portion of the other party's Information that (i) it independently knew or develops, (ii) it lawfully obtains from a third party under no obligation of confidentiality or (iii) becomes available to the public other than as a result of its act or omission.

9. TERMS OF SHIPMENTS AND DELIVERY BY CSG

Prices quoted herein are FOB CSG's place of business for mailing or shipment by independent carrier and will be considered mailed when delivered to a United States Post Office or third party presort provider as applicable and shipped when delivered to such independent carrier. Title to and risk loss of mailpieces delivered shall shift from CSG to Customer upon CSG delivery to an independent carrier for shipment or to a United States Post Office or third party presort provider for mailing. Customer shall pay any excess charge, including those due to special routing instructions. Freight costs may not be shown in each quote but will be charged if applicable. Network Distribution Center (NDC) or Section Center Facilities (SCF) Coordination shall be billed as provided in each quote.

10. CANCELLATION CHARGES

Scheduling a project for Customer requires a commitment on the part of CSG of time, equipment and other resources. This requirement does not allow CSG to serve other customers during this scheduling period and places a financial responsibility on Customer for those committed. Upon Customer's approval of CSG's provision of Services pursuant to a quote or order, Customer agrees CSG may bill Customer for charges resulting from projects cancelled or substantially reduced in quantity.

11. PAYMENT TERMS

CSG's payment terms are net 30 days from the date of invoice, other than postage, which shall be prepaid. A service charge of 1 1/2% per month shall be added to all balances more than 30 days past due and CSG may cease performance hereunder and withhold Services, mailpieces, materials or deliverables until such delinquent balances are paid in full. For the purposes of this Agreement, Customer and CSG agree, Services shall be defined as any materials, products or services necessary for CSG to create, ship and deliver Customer's mailpieces.

12. DISCLAIMER OF WARRANTY

CSG MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND EXPRESS OR IMPLIED WITH RESPECT TO THE MAILPIECES AND/OR SERVICES TO BE FURNISHED HEREUNDER WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER.

13. CLAIMS AND NOTICE OF CLAIMS

All claims for any damages shall be made to CSG in writing within 30 days from (the last day of mailing of such mailpieces by CSG. With respect to any defects incapable of discovery until use or further processing of mailpieces, all claims for any damages or losses shall be deemed waived unless received by CSG within 30 days after mailing or shipping of mailpieces by CSG. After the expiration of such 30-day period, Customer expressly assumes all liability for any damages or losses, irrespective of any processing or use which may arise or whether the alleged defect shall have occurred or been discovered prior to the expiration of such period.

14. SOFTWARE

Customer agrees and acknowledges that all software, computer programs and related property ("Software") which are owned or developed by CSG in performing its duties hereunder are not works made for hire and are and shall remain the sole and confidential property of CSG. Customer shall have no right or claim as an owner or licensee of any Software.

15. LIMITATION OF LIABILITY

CUSTOMER'S EXCLUSIVE REMEDY FOR CLAIMS ARISING HEREUNDER SHALL BE FOR THE REPAIR OR REPLACEMENT OF DEFECTIVE SERVICES OR MAILPIECES, CSG'S LIABILITY (WHETHER IN CONTRACT OR IN TORT) FOR ANY AND ALL LOSSES AND DAMAGES TO CUSTOMER RESULTING FROM ANY CAUSE WHATSOEVER INCLUDING BUT NOT LIMITED TO BREACH OF ANY WARRANTY, EXPRESS OR IMPLIED, CSG'S NEGLIGENCE OR ALLEGED DAMAGE OR DEFECTIVE SERVICES OR MAILPIECES, IRRESPECTIVE OF WHETHER SUCH DEFECTS ARE DISCOVERABLE OR LATENT, SHALL IN NO EVENT EXCEED THE PRICE PAID TO CSG FOR THE DEFECTIVE MAILPIECES AND/OR SERVICE WITH RESPECT TO WHICH LOSSES OR DAMAGES ARE CLAIMED. IN NO EVENT, INCLUDING IN THE CASE OF A CLAIM OF NEGLIGENCE SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, DAMAGES OR DELAYS CAUSED BY DEFECTIVE MAILPIECES OR SERVICES OR CONTINGENT CLAIMS ARISING FROM LOSS OF PRODUCTION.

16. FORCE MAJEURE

CSG shall not be responsible for any failure to perform or any delay in performance of Services arising from causes beyond its reasonable control, including but not limited to manufacturing conditions, labor disputes, fires, floods, wars, sabotage, accidents, delays of carriers, governmental laws, ordinances, rules, regulations, failure to receive or shortages of material, or Customer's failure to meet the terms contained herein. In the event of any such contingency, CSG may at its option, cancel any order or portion thereof as to which such failure or delay shall apply or perform within a reasonable time after removal of the contingency and may also, at its option, extend the time for all subsequent deliveries by duration of the contingency.

17. CONTRACT TERMS

UNLESS OTHERWISE AGREED IN WRITING PURSUANT TO A SEPARATE DULY EXECUTED AGREEMENT, CSG AND CUSTOMER AGREE ANY ORDER FOR SERVICES IS MADE PURSUANT TO THESE EXPRESS TERMS AND CONDITIONS. THESE TERMS AND CONDITIONS SHALL SUPERSEDE ANY OTHER TERMS OR CONDITIONS PROVIDED ON ANY PROPOSAL FOR ADDITIONAL OR DIFFERENT TERMS OR ANY ATTEMPT BY CUSTOMER TO CHANGE ANY OF THESE TERMS. NO CHANGES IN CUSTOMER'S ACCEPTANCE, WHETHER BY PURCHASE ORDER OR OTHERWISE, SHALL OPERATE AS A REJECTION OF THIS OFFER TO SELL PROVIDED HOWEVER CUSTOMER MAY AMEND THE DESCRIPTION, QUANTITY, OR DELIVERY SCHEDULE OF MAILPIECES, BUT THIS OFFER SHALL BE DEEMED ACCEPTED BY CUSTOMER WITHOUT SAID ADDITIONAL OR DIFFERENT TERMS.

IN THE EVENT CSG IS ALREADY PERFORMING SERVICES OR THERE IS A CONTINUATION OF SERVICES THESE TERMS AND CONDITIONS SHALL GOVERN CSG'S PROVISIONS OF SUCH SERVICES.

18. MODIFICATIONS AND WAIVER

No modifications, changes or alterations in, or any waiver of, the terms and conditions applicable to any order will be binding upon CSG unless agreed to in writing by CSG. CSG's waiver or acquiescence in any breach by Customer of any of the terms contained herein shall not relieve Customer of responsibility for any prior or subsequent breach.

19. NATURE OF RELATIONSHIP

In performing hereunder, both parties are acting as independent contractors and neither party undertakes to perform any obligation of the other, whether regulatory or contractual, or to assume any responsibility for the other's business or operations. Customer understands and agrees that CSG may perform similar services for third parties and license the same or similar products to third parties. Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between CSG and Customer.

20. RELIANCE ON INFORMATION

In performing any obligations under this Agreement, CSG shall be entitled to rely upon and act in accordance with any instructions, guidelines, data or information provided to CSG by Customer and shall incur no liability in doing so.

21. CONTROLLING LAW

This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the laws of the State of Colorado.