

TERMS AND CONDITIONS

American Financial Management, Inc. (“*Company*”) provides debt collection and accounts receivables management services (“*Services*”). The organization that places, assigns, or refers an unpaid balance to *Company* for *Services* (“*Client*”) agrees to engage *Company* to perform *Services*, and *Company* agrees to perform such *Services* for *Client*, upon the terms, covenants, and conditions recited herein (“*Terms and Conditions*”). *Company* and *Client* may hereinafter be referred to individually as a “*Party*” and collectively as the “*Parties*.” Now, THEREFORE, the *Parties* agree as follows:

- 1. Definitions.** The following definitions apply to all terms within *these Terms and Conditions*:
 - (a) “*Obligor*” means *Client’s* past customer that *Client* assigns to *Company* for *Services*;
 - (b) “*Account*” means a file that *Client* places, assigns, or refers to *Company* for collection of an unpaid receivable from *Obligor*;
 - (c) “*Forwarding Attorney*” is a third-party contractor that provides legal services to *Client* on *Accounts Client* authorizes *Company* to forward for possible legal action against an *Obligor*;
 - (d) “*Placement Form*” means the forum and manner of *Client* placing, assigning, or referring *Accounts* to *Company* for *Services*, which provides *Company* with details of the balance due to *Client* from *Obligor* and initiates *these Terms and Conditions* on the *Accounts*;
 - (e) “*Published Rate Schedule*” means *Company’s* pricing document that describes *Company’s* standard fees;
 - (f) “*Placement Date*” means the date that *Client* places, assigns, or refers *Accounts* to *Company*; and
 - (g) “*Master Services Agreement*” means *Company* and *Client’s* specific agreement.
- 2. Scope.** *Company* will perform for *Client* the *Services* on *Accounts* as set forth in *these Terms and Conditions* and *Client* agrees to pay for such *Services* at the rates set forth in Section 13 of *these Terms and Conditions*. If the *Parties* entered into a *Master Services Agreement (“MSA”)* and if any part of *these Terms and Conditions* and/or *Company’s Published Rate Schedule* conflicts with the *MSA*, then the *MSA* shall control.
- 3. Placement of Accounts.** *Client* shall place, assign, or refer *Accounts* to *Company* for *Services* as *Client*, in *Client’s* sole discretion, elects to send to *Company*. *Client* represents and warrants that *Client* reasonably believes *Obligor* legally owes *Client* the outstanding *Account* balance. *Client* shall provide *Company* with all necessary documentation to substantiate the balance due to *Client* from *Obligor*, as well as any other such *Obligor* and *Account* information to support *Company Services* for *Client*. *Client*

acknowledges and agrees that *Client* representative who places, assigns, or refers *Accounts* to *Company* for *Services* has the authority to bind *Client* to *these Terms and Conditions* for the submitted *Accounts*.

- 4. Term/Termination.** *These Terms and Conditions* apply to all *Accounts Client* places, assigns, or refers to *Company* after June 1, 2021 and are effective as of the *Account Placement Date* and continue until the completion of the *Services*, or until earlier terminated as set forth in this Section 4 of *these Terms and Conditions*. Either *Party* may terminate *these Terms and Conditions* by providing thirty (30) days written notice to the other *Party*, or with immediate written notice in the event of a material breach hereof. In the event of termination by *Client* without cause or by *Company* for cause, *Client* agrees to pay *Company* compensation, including any withdrawal fees, as set forth in Section 13 of *these Terms and Conditions*. All rights and obligations arising or accruing under *these Terms and Conditions* prior to termination shall survive such termination.

- 5. Warranties.** *Company* represents and warrants that:
 - (i) *Company* will perform the *Services* in a professional and workmanlike manner by using personnel of required skill, experience, and qualifications
 - (ii) *Services* provided hereunder do not infringe any third-party patent, copyright, trademark, trade secret or other proprietary rights;
 - (iii) *Company’s* performance of the *Services* and all terms of *these Terms and Conditions* will not breach any agreement that *Company* has with another party;
 - (iv) *Company* will abide by and comply with all Federal, State and Local consumer collection laws, bankruptcy laws, and all other laws, regulations, rules and ordinances governing debt collections in the course of performing the *Services*; and
 - (v) *Company* will make all commercially reasonable efforts to comply with *Client’s* internal policies provided by *Client* to *Company*. *Client* agrees that *Company’s* failure to fully provide *Services* by a particular deadline or targeted timeframe shall not be grounds for cancellation of *these Terms and Conditions*. *Client* also agrees that any *Client* deadline shall be adjusted forward to the extent that *Client* delays providing *Company* with information necessary for *Company* to perform *Services*.

6. Services Overview. *Company* will be free of *Client's* domination or control over the time and manner of *Company Services*, which may include the following *Services*:

- Attorney Intervention Collection;
- Credit Reporting;
- Legal Forwarding;
- Free Demand Letter Series;
- Credit Granting; and
- Early-Out.

7. Attorney Intervention Collection. *Company* will provide collection *Services* to *Client* on *Accounts*, including making verbal and written demands for payment by telephone, email, facsimile, and postal mail.

(a) **Pursuit.** From the *Account Placement Date*, *Company* will persistently contact the *Obligor* to obtain voluntary payment in full. If *Company* does not collect immediate payment in full, then *Company* will attempt to learn the *Obligor's* reason for nonpayment to dictate how *Company* should pursue *Account* recovery in the future. However, if *Company* does not immediately speak with the *Obligor*, then *Company* will engage in investigative efforts to expand on *Company's* previous attempts to directly communicate with the *Obligor* and/or its principal. Further, *Company* will conduct research to obtain a more complete picture of *Obligor's* operating status and financial capabilities. Nonetheless, at the very minimum, *Company* will work every *Account* at least one (1) time per week for approximately ninety (90) days. However, the facts of an *Account* may expedite or delay *Company's Services*. When appropriate, after *Company* exhausts its internal recovery efforts on an *Account*, depending on whether *Company* provides credit bureaus reporting *Services* for *Client*, as well as *Client's* legal threshold, the balance owed and other facts of the *Account*, *Company* will either cease its internal, proactive collection efforts while the *Account* remains open and active in *Company's* database for *Credit Bureaus* reporting purposes, close its *Account*, or provide *Client* with the option to forward the *Account* to a *Forwarding Attorney* for possible legal action. Note, in accordance with Section 9 of these *Terms and Conditions*, *Company* will only forward an *Account* to a *Forwarding Attorney* after *Client* authorizes *Company* to forward the *Account*.

(b) **Settlements.** Unless *Company* receives *Client's* prior authorization, *Company* will not settle any *Account* for less than the full amount owed.

(c) **Bankruptcy.** *Company* does not file proof of claims or monitor bankruptcy proceedings for *Client*. Upon

learning that an *Obligor* filed bankruptcy, *Company* will convey the bankruptcy case information to *Client*, so *Client* can file a proof claim and monitor the bankruptcy proceedings without any further financial obligation to *Company*.

(d) **Customer Service / Status Updates.** *Company* will provide *Client* with *Account* updates through *Company's* online client portal and on an individual *Account* basis. Further, *Company* will provide *Client* with *Account* updates with monthly reporting when *Client* requests certain reports from *Company*.

(d) (i) **Company's Online Client Portal.** *Company* will provide *Client* with 24/7 access to *Company's* online client portal, called Client Access Web ("CAW"), which is accessible through [Company's Website](#). CAW allows each *Client* contact to review all notes, payment activity, and the status of every *Account* assigned, placed, or forwarded to *Company* for collection *Services*. In addition, each *Client* contact will be able to view and download numerous performance reports, such as Inventory Reports, History Reports, and Payment Reports.

(d) (ii) **Individual Account Updates.** *Company* will email *Client* status updates on each *Account* when significant events arise during *Company Services* that require direction from or disclosure to *Client*, including, but not limited to the following:

- Time-sensitive information;
- Settlement offers;
- Documentation requests;
- Direct payment verifications;
- Disputes;
- Bankruptcy notifications;
- Option to forward an *Account* to a *Forwarding Attorney* for possible legal action;
- Legal updates after *Company* forwards an *Account* to a *Forwarding Attorney*; and
- Closed file confirmations.

(d) (iii) **Monthly Reporting.** Upon receiving *Client's* request, *Company* will email *Client* the following monthly performance and status reports within the first three (3) business days of each month:

- Placement Report;
- Active Inventory Report;
- Full Inventory Report;
- Portfolio Liquidation Report;
- Standard History Report;
- Payment Report; and
- Close and Return Report.

Closing Accounts. *Client* and *Company* agree that an *Account* will close and *Company Services* will cease (i) when the *Account* is paid in full, (ii) when the *Account* is settled in full, (iii) seven (7) years after the *Account Placement Date* if *Company* provides credit bureaus reporting services for *Client*, or (iv) when *Company* deems it appropriate to close the given *Account*. If *Client* cancels, terminates, or withdraws an *Account* prior to closure as set forth in the preceding sentence and the *Account* was not forwarded by *Company* to a *Forwarding Attorney*, *Client* and *Company* agree that the *Account* will be regarded as an Erroneous Placement and *Account Cancellation* in accordance with Section 13(D)(vi) of these *Terms and Conditions*. However, if an *Account* was previously forwarded by *Company* to a *Forwarding Attorney* and *Client* cancels, terminates, or withdraws the *Account* while *Forwarding Attorney* is actively pursuing legal recovery efforts on the *Account*, *Client* and *Company* agree that the *Client* may not cancel, terminate, or withdraw the *Account* without *Company's* approval.

8. Credit Bureaus Reporting. If *Client* desires *Company*, at no cost to *Client*, to report *Client's* *Obligors'* unpaid *Account balances* to Experian, TransUnion, Dun & Bradstreet, and Cortera (collectively, the "*Credit Bureaus*"), *Client* must sign *Company's* *Credit Bureaus Authorization Agreement*, which will be incorporated into and made a part of these *Terms and Conditions*.

9. Legal Forwarding. *Company* will only forward an *Account* to a *Forwarding Attorney* after *Company* exhausts *Company's* in-house collection efforts described within Attorney Intervention Collection in Section 7 of these *Terms and Conditions* and after *Client* authorizes *Company* to forward the applicable *Account* to a *Forwarding Attorney*. After the conditions described within the preceding sentence are met, *Client* hereby authorizes *Company* to refer any *Accounts* to a *Forwarding Attorney* at *Company's* sole cost and expense, with an adjustment to *Company's* fees for the applicable *Account* in accordance with Section 13 of these *Terms and Conditions*.

Client reserves the right to choose the *Forwarding Attorney*. When *Client* desires to choose the *Forwarding Attorney*, *Client* will send *Company* by email to litigation@afm-usa.com the desired *Forwarding Attorney* names for various locations or for specific *Accounts*. If *Client* does not desire to choose the *Forwarding Attorney*, then *Client* authorizes *Company* to tender any *Accounts* to any *Forwarding Attorney* selected by *Company* from a law list holding a Certificate of Compliance from the Standing Committee on Law Lists of the American Bar Association.

Company will tender *Accounts* to the *Forwarding Attorney* upon the terms of compensation recommended by the Commercial Law League of America. The supplemental suit fee will not exceed ten percent (10.00%). If any *Forwarding Attorney* requests compensation in excess of compensation recommended by the Commercial Law League of America or in excess of a ten percent (10.00%) supplemental suit fee, *Company* shall advise *Client* and *Client* will determine whether or not to retain the *Forwarding Attorney*. Further, if a *Forwarding Attorney* is unacceptable to *Client*, *Client* shall promptly notify *Company* and *Company* will use reasonable efforts to promptly replace the *Forwarding Attorney*.

When *Company* forwards an *Account* to *Forwarding Attorney*, *Company* instructs *Forwarding Attorney* that all future communications on the *Account* must always include *Client*, *Company* and *Forwarding Attorney* ("*Group Email*").

After *Forwarding Attorney* acknowledges receipt and accepts a new *Account*, *Forwarding Attorney* immediately becomes *Client's* attorney, subject to *Client's* direction and control. Accordingly, subject to *Client's* control, *Client* authorizes *Company* as *Client's* agent to conduct all routine correspondence with *Forwarding Attorney*.

Forwarding Attorney will conduct their own investigation and immediately send a written demand letter to the *Obligor*. Under the Fair Debt Collection Practices Act ("*FDCPA*"), a consumer *Obligor* has thirty (30) days to provide a formal, written dispute. Although the *FDCPA* applies to consumers, most *Forwarding Attorneys'* standard operating procedures adhere to *FDCPA* requirements, even for commercial matters that do not fall under the purview of the *FDCPA*. Thus, after *Client* authorizes *Company* to forward an *Account*, *Client* should expect to receive *Forwarding Attorney's* legal recommendation in forty-five (45) days.

If *Forwarding Attorney* recommends that *Client* file a lawsuit, *Forwarding Attorney* will directly request from *Client* the necessary costs, affidavits and additional or amended documentation to initiate legal proceedings, as well as instructions to return the required items directly to *Forwarding Attorney*.

When *Client* authorizes a lawsuit, mediation, arbitration, counterclaim, or similar formal legal procedure ("*Formal Legal Proceeding*"), or any other expense, *Client* will advance the necessary costs. The costs *Forwarding Attorney* requests from *Client* will serve as a litigation fund

and will cover court costs, filing fees, service of process and Sheriff's fees, garnishment costs, the retention of *Forwarding Attorney* and all other reasonable costs required for obtaining and enforcing a judgment. The size of the litigation fund will vary depending upon *Forwarding Attorney's* requirements, the jurisdiction of the legal proceedings and the type and dollar size of the *Account*.

Neither *Company* nor *Forwarding Attorney* may initiate any *Formal Legal Proceeding*, or incur any expense for any *Formal Legal Proceeding*, without *Client's* prior authorization. If *Client* requests, and *Company* agrees to, advance approved legal costs to a *Forwarding Attorney* on *Client's* behalf, *Client* will send *Company* an invoice for the advanced costs in accordance with Section 15 of these *Terms and Conditions* and *Client* agrees to immediately reimburse *Company* for the advanced costs.

Forwarding Attorney shall represent *Client* directly, invoice legal costs to *Client* directly, and charge *Forwarding Attorney's* fee to *Client* directly, although *Forwarding Attorney* may deduct its' fee from the monies collected and tender the net difference to *Company*.

Client acknowledges that all aspects of a *Formal Legal Proceeding* could not be anticipated in advance. Accordingly, if *Client* approves a *Formal Legal Proceeding*, *Client* agrees to be responsible for all financial and logistical requirements of the *Formal Legal Proceeding*, regardless of whether the requirements were disclosed to *Client* by *Forwarding Attorney* or *Company*. *Forwarding Attorney* or *Company* may infer that *Client* consented to a *Formal Legal Proceeding* from *Client's* payment of costs to *Forwarding Attorney* or to *Company*.

Client will provide *Forwarding Attorney* with witness support when required during a *Formal Legal Proceeding*. *Forwarding Attorney* and *Company* will work closely with *Client* to prepare for trial should it be necessary. If *Client* obtains a judgment, *Forwarding Attorney* will utilize all post-judgment execution remedies at their disposal.

After a *Formal Legal Proceeding* concludes, *Forwarding Attorney* will provide an accounting of all outlaid court costs to *Company* and to *Client*.

If a counterclaim is filed, *Forwarding Attorney* will immediately notify *Company* and *Client* of the counterclaim and will disclose *Forwarding Attorney's* hourly rate to defend the counterclaim. *Forwarding Attorney's* hourly rate to defend the counterclaim is separate, distinct and in addition to the outlaid costs for the *Formal Legal*

Proceeding and *Company's* compensation as set forth in Section 13 of these *Terms and Conditions*.

10. Free Demand Letter Series. At *Client's* request, and at no charge to *Client*, *Company* will send *Client's* customers a maximum of three (3) final demand letters, covering a maximum period of thirty (30) days, on commercial files that exceed three hundred dollars (\$300.00).

Client shall choose the desired free demand period: 10-Day, 20-Day, or 30-Days. Every 10-days, on *Company* Letterhead, *Company* will mail a demand letter to *Client's* customer that instructs the customer to directly communicate and directly pay *Client*.

Company will send *Client's* customer three (3) demand letters if *Client* chooses a 30-Day period, two (2) letters if *Client* chooses a 20-Day period, and one (1) letter if *Client* chooses a 10-Day period. The language within each demand letter becomes more stringent as the series progresses. If *Client* does not specify the period for a given file, then the default period will be ten (10) days.

If payment is made to *Client* during the free demand period and *Client* provides written notification of the payment amount received to *Company* by email to freedemand@afm-usa.com, then *Company* will not charge *Client* for the monies paid and reported.

Conversely, if *Client* does not receive payment during the free demand period or if *Client* receives payment during the free demand period and fails to notify *Company* of the received payment before the free demand period ends, then the *Account's* remaining balance automatically transfers into *Company's* Attorney Intervention Collection *Services* described in Section 7 of these *Terms and Conditions* and *Company's* Compensation as set forth in Section 13 of these *Terms and Conditions*.

11. Credit Granting. *Company* partners with Experian to provide *Client* with the analytical tools necessary to manage business risk by minimizing losses and, therefore, maximizing profits. Any credit granting *Services* *Company* provides to *Company* are outside the scope of *Services* described within these *Terms and Conditions* and shall be set forth in a separate and distinct signed agreement between the *Parties*, which shall not be effective until executed by both *Parties* hereto.

12. Early-Out. *Company* provides early-out programs, also known as a first-party outsource, whereby *Company* would contact *Client's* customers, as the *Client* company, to ensure *Client's* customers' understand their payment terms and timely pay their invoices to *Client*. Any early-out *Services* *Company* provides to *Client* are outside the scope of

Services described within these *Terms and Conditions* and shall be set forth in a separate and distinct signed agreement between the *Parties*, which shall not be effective until executed by both *Parties* hereto.

13. Compensation. *Client* and *Company* agree that *Company's* fees for *Services* shall be contingent upon any monies collected on or after the *Account Placement Date* in accordance with this Section of these *Terms and Conditions* and with *Company's Published Rate Schedule*. *Client* shall pay to *Company* the fees, and shall reimburse *Company* for any disbursements, in accordance with the terms set forth in this Section of these *Terms and Conditions*.

(a) **Monies Collected Clarified.** For calculating *Company's* compensation, the gross amount collected on or after the *Account Placement Date* includes all principal balance monies, accrued interest, collection costs, attorney's fees, court costs, other costs, penalties of any kind, disbursements and any other sums recovered from an *Account*, which is collected or recovered by or on behalf of the *Client*, regardless of whom secured such monies or where the monies were sent, whether pursuant to any agreement between *Client* and *Obligor*, or pursuant to any court order or appropriate statute, or otherwise.

(b) **Disbursement Reimbursement.** *Client* shall reimburse *Company* for any disbursements on *Accounts*. A common example arises when *Client* requests and *Company* agrees to advance approved legal costs to a *Forwarding Attorney*. After *Company* sends the required costs to *Forwarding Attorney*, *Company* will record the disbursement and send *Client* an invoice for the advanced costs in accordance with Section 9 and Section 15 of these *Terms and Conditions*.

(c) **Standard Contingency Fee Rates.** *Company's* rates for *Services* are as follows:

- **Commercial Accounts:**
 - **25%** of any monies collected when oldest unpaid invoice is less than 1-year-old at *Account Placement Date*
 - **50%** of any monies collected when any of the following is known at *Account Placement Date*:
 - oldest unpaid invoice is greater than 1-year-old from *Account Placement Date*
 - balance less than \$300
 - 2nd placements
 - International
 - Judgments

- **Consumer Accounts:**
 - **35%** of any monies collected when oldest unpaid invoice is less than 1-year-old at *Account Placement Date*
 - **50%** of any monies collected when any of the following is known at *Account Placement Date*:
 - oldest unpaid invoice is greater than 1-year-old at *Account Placement Date*
 - balance less than \$500
- **Legal Forwarding:**
 - **35%** of any monies collected on *Accounts* greater than \$7,500.00
 - **50%** of any monies collected on all other *Account* forwardings
 - Note, legal forwarding rates also include *Forwarding Attorneys* contingency fee rates. *Forwarding Attorneys* require upfront legal costs and defend countersuits on an hourly basis.

(d) **Atypical Fee Scenarios.** *Client* agrees that if *Client* offsets or forgives any portion of an *Account* balance in exchange for *Obligor* or any third-party releasing any claim or counterclaim or for any other valuable consideration or for any other reason or if *Client* cancels, terminates, or withdraws an *Account*, *Client* is responsible to pay *Company* the following compensation in the following situations when they arise on or after the *Account Placement Date*:

(d) (i) Merchandise Returns – ten percent (10.00%) of the original invoice amount for any goods, products, or merchandise returns or of the resale amount *Client* realizes, whichever is less, when *Client* provides a credit to *Obligor* in exchange for the returned goods, products, or merchandise, regardless of whether *Obligor* returns the goods, products, or merchandise to *Company* or to *Client*;

(d) (ii) Liquidated Damages Balance Reduction – ten percent (10.00%) of the amount *Client* agrees to waive, with a minimum fee of one-hundred dollars (\$100.00) and a maximum fee of five-hundred dollars (\$500.00), in lieu of future business relations with *Obligor*;

(d) (iii) Trade Exchange Balance Reduction – ten percent (10.00%) of the amount *Client* credits in exchange for the nonmonetary benefit *Client* receives from a trade agreement with *Obligor* or a third-party acting on *Obligor's* behalf;

(d) (iv) Free Demand Letter Series Payment – ten percent (10.00%) of the monies secured before, or within two (2) days after, the expiration of the free demand period when *Client* does not notify *Company* of the monies collected until after the expiration of the free demand period;

(d) (v) Discovered Payment – ten percent (10.00%) of the monies paid prior to *Company's* involvement, but learned by *Client* after the *Account Placement Date*, regardless of whether *Company Services* prompted *Client* to learn of the payment received prior to the *Account Placement Date*;

(d) (vi) Erroneous Placement or *Account Cancellation* – ten percent (10.00%) of the principal balance due *Client* from *Obligor* on the *Account Placement Date* when *Client* cancels an *Account* after the *Account Placement Date*, regardless of the reason for such cancellation, including, but not limited to, *Client's* desire to use *Client's* own counsel; and

(d) (vii) Withdrawals Pending Settlement – ten percent (10.00%) of the amount of the settlement offer procured from *Obligor* by *Company*, *Client*, or any agent retained to act as collection agent for *Client* and then *Client* subsequently withdraws the *Account* from *Company*, regardless of whether *Client* accepts or rejects the procured settlement offer and regardless of whether *Client* ultimately secures monies on such *Account*.

14. Trust Account and Remittances. *Company* shall hold all monies collected on *Accounts* in *Company's* non-interest-bearing trust account, in trust, for *Client*. *Company* shall not commingle any monies collected on *Accounts* with *Company's* general funds. *Client* authorizes *Company* and any *Forwarding Attorney* retained to act as collection agent for *Client* to endorse for deposit in a trust account all payments recovered on *Client's* behalf. After payment clears, *Company* and any *Forwarding Attorney* retained to act as collection agent for *Client* shall deduct their fees and remit the NET balance to *Client*. *Company* may use any payments collected on *Accounts* to offset any fees owed by *Client* to *Company*. When *Client* elects per-transaction billing, *Company* agrees to remit payments collected on *Accounts* to *Client* fourteen (14) – twenty-one (21) days after *Company* secures payment on an *Account*. However, when *Client* elects monthly billing, *Company* agrees to remit payments collected on *Accounts* to *Client* on or before the fifteenth (15th) day of the month subsequent to the month *Company* secures payment on an *Account*.

15. Invoicing. On or after the *Account Placement Date*, *Client* shall use commercially reasonable efforts to promptly report to *Company* any *Account* communications or payments *Obligors* make directly to *Client*, goods *Obligors* return to *Client*, and any credits *Client* grants to *Obligor*. Upon receipt of such notification or after *Company* advances legal costs for *Client*, *Company* will update *Company's* file and invoice *Client* for *Company* fees. *Company* will invoice *Client* on either a per-transaction or a monthly-basis, depending upon *Client's* billing frequency election. *Company* invoices are due upon receipt. If *Company* invoices are outstanding for more than thirty (30) days, *Client* agrees to be bound for the unpaid monies from *Company* invoices together with accrued finance fees of one and a half percent (1.50%) per month. Further, if *Company* engages an attorney to collect the monies due, *Client* agrees to be responsible for collection costs and attorney fees of twenty-five percent (25.00%) of the sum total of *Company's* invoices plus accrued finance fees. *Client* acknowledges and agrees that *Client* is not required to continue providing *Services* in the event of a failure to pay on a timely basis for *Services* rendered as required. *Client* further agrees that in the event *Company* stops *Services* as a result of *Client's* failure to pay on a timely basis, *Company* will not be liable to *Client* for any damages that occur as a result of *Company* ceasing to render *Services*.

16. Intellectual Property Rights. *Client* acknowledges that *Company* owns all intellectual property rights, title, and interest to all information provided or developed throughout the duration of *Company Services*. Any use of this material, other than for the stated purposes in these *Terms and Conditions* is not authorized. In addition, *Client* shall not alter or remove any of *Company's* trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of *Company's* goods, marketing material, or advertising media, and shall not in any way alter any of *Company's* products. *Client* shall promptly notify *Company* in writing of any infringement of *Company's* intellectual property by third-parties of which *Client* becomes aware. Neither *Party* shall acquire any right, title, or interest in or to the other *Party's* code, data, business process, or other information to which such *Party* may have access during active and ongoing *Services*. All such code, data, business process and other information shall be solely and exclusively the property of the originating *Party*.

17. Indemnification. *Client* and *Company* shall indemnify and hold the other *Party* harmless from any and all loss, cost, damage, claims, liability or injury, including, without

limitation, Forwarding Attorney's retainer, fees and expenses, (collectively, "Damages") incurred in connection with any claim, demand or lawsuit against *Company* or *Client* or any notice requiring *Client* or *Company* to respond to a subpoena, document or information request or other legal requirement ("Action"), in each such case arising from or related to *Services* provided by *Company* or *Services* received by *Client*, regardless of whether *Company Services* were performed by *Company* or by an agent hired by *Company* on the *Client's* behalf, or related to the facts of the *Account* received by *Company*, except to the extent that *Company's* or *Client's* gross negligence, willful misconduct or intentional violation of an applicable law or government agency regulation was the proximate cause of the *Damages*. Upon receipt of service for any such *Action*, *Company* or *Client* shall notify the other *Party* in writing of such *Action*. Any failure to promptly give such notice, shall not diminish *Client's* or *Company's* liability to the other *Party* except to the extent that such delay caused harm to *Client's* or *Company's* ability to defend the other *Party*. The *Party* seeking indemnification ("*Indemnitee*") will cooperate with the other *Party* ("*Indemnitor*") at the *Indemnitor's* sole cost and expense. The *Indemnitor* will immediately take control of the defense and investigation of such *Action* and will employ counsel of its choice to handle and defend the same, at the *Indemnitor's* sole cost and expense. The *Indemnitee's* failure to perform any obligations under this Section 17 will not relieve the *Indemnitor* of its obligations except to the extent that the *Indemnitor* can demonstrate that it has been materially prejudiced as a result of such failure. The *Indemnitee* may participate in and observe the proceedings at its own cost and expense with counsel of its own choosing.

18. Limitation of Liability. Neither *Party* is liable to the other for consequential, incidental, indirect, punitive, or special damages incurred by such *Party* or its affiliates, including commercial loss and lost profits, however caused and regardless of legal theory or foreseeability, directly or indirectly arising under these *Terms and Conditions*. Other than as expressly provided in these *Terms and Conditions*, *Company* makes no representations or warranties of any kind, express or implied, including any warranties of merchantability or fitness for a particular use, which are expressly disclaimed. In no event shall *Company's* liability under these *Terms and Conditions* exceed the amount of fees actually paid to *Company* during the ninety (90) day period immediately preceding the alleged claim and/or termination of these *Terms and Conditions*.

19. Force Majeure. Neither *Party* will be liable or responsible to the other *Party*, nor deemed to have defaulted under or breached these *Terms and Conditions*, for any failure or delay in fulfilling or performing any term of these *Terms and Conditions*, when and to the extent of such failure or delay is caused by circumstances beyond its control, including, but not limited to, acts of God, flood, fire, explosion, war, terrorism, invasion, riot, other civil unrest, embargoes or blockades in effect on or after the *Account Placement Date*.

20. Notice. Any notice, request, demand, or other communication permitted or required hereunder to *Company* shall be in writing to the postal mail or electronic mail ("email") address listed below, or to any other address given by any *Party* in writing to the other *Party* and shall be effective upon delivery if personally hand delivered or sent via nationally recognized overnight courier or via certified mail, return receipt requested, postage prepaid. Notices given by email, facsimile or other electronic means shall be effective at the time notice is sent.

Notice to *Client*: *Client's* postal mail and email address provided on *Company's Placement Form*, or within the email signature of the *Client* representative who placed, assigned, or referred the applicable *Accounts* to *Company* shall be used for notice to *Client*.

Notice to *Company*:

Postal – American Financial Management, Inc.
Attn: Chief Executive Officer
5500 Pearl St., Suite 250
Rosemont, IL 60018

Email – arosen@afm-usa.com

21. Independent Contractor. *Company* hereby declares and agrees that it is engaged in an independent business and will perform its obligations under these *Terms and Conditions* as an independent contractor and not as an employee, agent, joint venture, or partner of *Client* for purposes of any federal, state, or local income, employment, or other taxes, insurance, or employee benefit purposes. *Company* does not have the authority to bind *Client* or incur any debts or liabilities in the name of or on behalf of *Client* unless *Client* provides *Company* with express written authorization to do so.

22. Change Management. Any work requested by the *Client* that is outside the scope of *Services* listed within these *Terms and Conditions*, or any changes to any item within these *Terms and Conditions* requested by the *Client*, shall be set forth in a separate and distinct statement of

work and shall not be effective until executed by both *Parties* hereto.

23. Governing Law. These *Terms and Conditions* will be construed, governed and enforced in accordance with the laws of the State of Illinois, without regard to any conflicts of laws provision. The *Parties* submit and consent to the exclusive jurisdiction of any state or federal court located within Cook County, Illinois.

24. Complete Defense. It is understood and agreed by the *Parties* that these *Terms and Conditions* may be pleaded as a complete defense to any action or proceeding hereinafter instituted by the *Parties* with respect to *Company's* collection *Services*.

25. Severability. If any term, provision, covenant, or condition of these *Terms and Conditions* is held to be invalid, void, or otherwise unenforceable, the remaining provisions of these *Terms and Conditions* shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

26. Successors and Assigns. All provisions of these *Terms and Conditions* are binding upon, inure to the benefit of and are enforceable by or against the *Parties* and their respective heirs, executors, administrators, or other legal representatives and permitted successors and assigns. Neither these *Terms and Conditions* nor any rights or

interests in these *Terms and Conditions* is assignable or transferable without written permission of the other *Party*.

27. Waiver, Failure or Delay. Any waiver of any provision of these *Terms and Conditions* and any consent to any departure from the terms of any provision of these *Terms and Conditions* is to be effective only in the specific instance and for the specific purpose for which given and shall be in writing and signed by an officer of the waiving *Party*. No failure on the part of any *Party* to exercise, and no delay in exercising, any right, power, or privilege hereunder operates as a waiver thereof; nor does any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power, or privilege.

28. Captions. Captions contained in these *Terms and Conditions* have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of these *Terms and Conditions* or the intent of any provision hereof.

29. Entire Agreement. These *Terms and Conditions* constitutes the entire agreement between the *Parties* with respect to *Services* and supersedes all prior agreements, letters of intent, understandings, negotiations, and discussions of the *Parties*, whether oral or written.

[END OF TERMS AND CONDITIONS]