# **PROFESSIONAL SERVICES AGREEMENT**

This master Professional Services Agreement ("AGREEMENT") is made as of the

Effective Date specified at the end of this agreement by and between BLACKBAUD,

INC. ("BLACKBAUD") a South Carolina corporation having a principal place of

business at 2000 Daniel Island Drive, Charleston SC 29492 and <<customername>>

("CLIENT"), having a place of business at <<customeraddress>>. Collectively

Blackbaud and Client shall be known as the "PARTIES".

The Parties agree as follows:

1. SERVICES PROVIDED BY BLACKBAUD. Blackbaud shall provide Client certain

services ("SERVICES") specified in a properly executed Scope of Work ("SOW") to

be incorporated herein and made a part hereof. Each SOW shall incorporate the

terms and provisions of this Agreement. To the extent an SOW provides additional

and/or conflicting terms to this Agreement, the terms of the SOW shall prevail.

All Blackbaud subcontractors under an SOW, if any, shall be bound to perform all

obligations under this Agreement as if they were being performed by Blackbaud.

2. CLIENT DUTIES. (a) Client shall perform such duties and tasks designated in

an SOW to facilitate Blackbaud's performance of the Services outlined thereunder

and provide Blackbaud with reasonable and necessary access to Client's

facilities during Client's normal business hours and otherwise as reasonably

requested by Blackbaud in order to facilitate Blackbaud's performance of the

Services outlined in each SOW. (b) Client shall not contract for related

services with any current or former Blackbaud employees or subcontractors for a

period of six (6) months from the date agreement or employment relationship with

Blackbaud terminated. Failure to comply with this provision may at Blackbaud's

sole discretion result in (i) removal of all existing consultant resources from

Client sites and/or (ii) the immediate termination of this Agreement and

Blackbaud's obligation to provide any further Services.

3. FEES, EXPENSES, & PAYMENT. For all Services performed under an SOW or other

request for Services that references this Agreement, Client shall: (i) pay

Blackbaud in accordance with each SOW or at the then current Blackbaud standard

rates, whichever are applicable; (ii) reimburse Blackbaud for all reasonable and

necessary travel and living expenses Blackbaud incurs performing such Services,

provided such expenses are incurred in compliance with Blackbaud's travel and

expense policy, and provided further that such expenses are incurred pursuant to

an applicable SOW or other request for Services by Client; and (iii) pay

Blackbaud upon receipt of each invoice. All payments pursuant to this Agreement

are non-refundable. Unless Client provides Blackbaud with a valid tax exemption

or direct pay certificate upon execution of this Agreement, Client is

responsible for all taxes, duties, and customs fees which may be assessed on the

amounts paid for Services performed hereunder, excluding taxes based on

Blackbaud's income or payroll. Blackbaud reserves the right to invoice Client

the lesser of twelve percent (12%) annual interest or the highest interest rate

allowable under applicable laws for any outstanding, undisputed invoice not paid

within thirty (30) days after receipt. Blackbaud invoices shall describe the

following: (i) the time period for which work and expenses are billed; (ii) the

quantity of work performed; (iii) the hourly rates charged, if applicable; (iv)

travel and living expenses by type and amount; and (v) totals.

4. INSURANCE. Blackbaud shall maintain statutory minimum Worker's Compensation

and Employer's Liability Insurance as required by the laws of any state or

country in which Services are performed.

5. CONFIDENTIAL INFORMATION.

5.1 DEFINITION. The term "CONFIDENTIAL INFORMATION" shall mean: (i) any and all

information which is disclosed by either party ("OWNER") to the other

("RECIPIENT") verbally, electronically, visually, or in a written or other

tangible form which is either identified or should be reasonably understood to

be confidential or proprietary; and (ii) the terms, including without

limitation, the pricing, of this Agreement and any proposals or other documents

that preceded this Agreement. Confidential Information may include, but not be

limited to, trade secrets, computer programs, software, documentation, formulas,

data, inventions, techniques, marketing plans, strategies, forecasts, client

lists, employee information, financial information, confidential information

concerning Owner's business or organization, as Owner has conducted it or as

Owner may conduct it in the future. In addition, Confidential Information may

include information concerning any of Owner's past, current, or possible future

products or methods, including information about Owner's research, development,

engineering, purchasing, manufacturing, accounting, marketing, selling, leasing,

and/or software (including third party software).

5.2 TREATMENT OF CONFIDENTIAL INFORMATION. Owner's Confidential Information

shall be treated as strictly confidential by Recipient and shall not be

disclosed by Recipient to any third party except to those third parties

operating under non-disclosure provisions no less restrictive than in this

Section and who have a justified business "need to know". Client shall protect

the deliverables resulting from Services with the same degree of care. This

Agreement imposes no obligation upon the Parties with respect to Confidential

Information which either party can establish by legally sufficient evidence: (a)

was in the possession of, or was rightfully known by the Recipient without an

obligation to maintain its confidentiality prior to receipt from Owner; (b) is

or becomes generally known to the public without violation of this Agreement;

(c) is obtained by Recipient in good faith from a third party having the right

to disclose it without an obligation of confidentiality; (d) is independently

developed by Recipient without the participation of individuals who have had

access to the Confidential Information; or (e) is required to be disclosed by

court order or applicable law, provided notice is promptly given to the Owner

and provided further that diligent efforts are undertaken to limit disclosure.

5.3 CONFIDENTIALITY AND DISCLOSURE OF PATIENT INFORMATION. Healthcare Clients

Only: Blackbaud does not expect to have access to confidential individually

identifiable health information ("IIHI"), as that term is used in the Health

Insurance Portability and Accountability Act ("HIPAA") in connection with its

fundraising database analytical services. Because Blackbaud does have many

healthcare clients and may inadvertently receive IIHI, it is Blackbaud's policy

that it will: (i) treat all donor information in compliance with all applicable

federal and state laws; and (ii) implement and use any and all reasonable means

and appropriate safeguards to prevent the use or disclosure of IIHI and will

immediately notify Client of any unauthorized use or disclosure of IIHI.

5.4 RIGHTS AND DUTIES. The Recipient shall not obtain, by virtue of this

Agreement, any rights, title, or interest in any Confidential Information of the

Owner. Within fifteen (15) days after termination of this Agreement, each party

shall certify in writing to the other that all copies of Confidential

Information in any form, including partial copies, have been destroyed,

returned, or used solely as the Owner so directs.

5.5 SURVIVABILITY. The terms of this Section 5 shall survive termination of

this Agreement. If the Parties have executed a separate agreement that contains

confidentiality terms prior to or contemporaneously with this Agreement, those

separate confidentiality terms shall remain in full force to the extent they do

not conflict.

6. INDEMNITY.

6.1 PATENT AND COPYRIGHT INDEMNITY. Blackbaud shall indemnify and defend Client

against any claims that the Work Product (defined below) delivered to Client

pursuant to an SOW infringes any United States or Canadian patent or copyright,

provided that Blackbaud is given prompt notice of such claim and is given

information, reasonable assistance, and the sole authority to defend or settle

said claim. In the defense or settlement of any claim, provided the associated

software license agreement between the Parties has not been terminated,

Blackbaud shall, in its reasonable judgment and at its option and expense: (i)

obtain for Client the right to continue using the Work Product; (ii) replace or

modify the Work Product so that it becomes non-infringing while giving

equivalent performance; or (iii) if Blackbaud cannot obtain the remedies in (i)

or (ii), as its sole obligation, terminate the license for the infringing Work

Product and return only the Services fees paid by Client for such Work Product.

Blackbaud shall have no liability to indemnify and defend Client to the extent

(i) the alleged infringement is based on infringing information, data, software,

applications, services, or programs created or furnished by or on behalf of

Client (ii) the alleged infringement is the result of a modification made by

anyone other than Blackbaud; or (iii) Client uses the Work Product other than in

accordance with this Agreement, any delivered documentation under an SOW, or the

underlying software license to use such Work Product.

6.2 INDEMNITY. Each party ("INDEMNIFYING PARTY") shall indemnify and hold the

other party ("INDEMNIFIED PARTY") harmless against any third party claim,

including costs and reasonable attorney's fees, in which the Indemnified Party

is named as a result of the grossly negligent or intentional acts or failure to

act by the Indemnifying Party, its employees or agents, while performing its

obligations hereunder, which result in death, personal injury, or tangible

property damage. This indemnification obligation is contingent upon the

Indemnified Party providing the Indemnifying Party with prompt written notice of

such claim, information, all reasonable assistance in the defense of such

action, and sole authority to defend or settle such claim.

6.3 SURVIVAL. The terms of this Section 6 shall survive termination of this

Agreement.

7. WARRANTIES AND REPRESENTATIONS. Each party warrants that it has the right

and power to enter into this Agreement and an authorized representative has

executed this Agreement. Blackbaud warrants that the Services will be performed

in a professional and workmanlike manner in accordance with recognized industry

standards. To the extent Services provided by Blackbaud are advisory, no

specific result is assured or guaranteed. BLACKBAUD EXPRESSLY DISCLAIMS ALL

OTHER REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY (BY

ANY TERRITORY OR JURISDICTION) TO THE EXTENT PERMITTED BY LAW, AND FURTHER

BLACKBAUD EXPRESSLY EXCLUDES ANY WARRANTY OF NON-INFRINGEMENT, TITLE, FITNESS

FOR A PARTICULAR PURPOSE, OR MERCHANTABILITY TO THE EXTENT PERMITTED BY LAW.

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8. LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVIDED IN SECTION

6, BLACKBAUD'S MAXIMUM LIABILITY FOR ANY ACTION ARISING UNDER THIS AGREEMENT,

REGARDLESS OF THE FORM OF ACTION AND WHETHER IN TORT OR CONTRACT, SHALL BE

LIMITED TO THE AMOUNT OF SERVICES FEES PAID BY CLIENT FOR THE SERVICES FROM

WHICH THE CLAIM AROSE. IN NO EVENT SHALL BLACKBAUD BE LIABLE FOR INDIRECT,

SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING WITHOUT

LIMITATION, LOST DATA OR LOST PROFITS, HOWEVER ARISING, EVEN IF CLIENT HAS BEEN

ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE PARTIES AGREE TO THE ALLOCATION

OF RISK SET FORTH HEREIN.

9. RIGHTS TO WORK PRODUCT. Any expression or result of Blackbaud's Services,

or the work, findings, analyses, conclusions, opinions, recommendations, ideas,

techniques, know-how, designs, programs, tools, applications, interfaces,

enhancements, software, and other technical information (collectively "WORK

PRODUCT") created by Blackbaud in the course of performing the Services

hereunder are the property of Blackbaud and are licensed to Client, without

further license fees, pursuant to the Blackbaud software license(s) to which the

consultation Services pertain, provided, however, to the extent such Work

Product provided to Client by Blackbaud contains Client's Confidential

Information, Client shall retain title to such Confidential Information. Client

shall have no right to sublicense, transfer, assign, convey or permit any third

party to use or copy any Work Product.

10. MAINTENANCE OF DEVELOPMENT WORK. Standard maintenance and support services

offered by Blackbaud do not cover any customized software or new development

created under an SOW. If available, maintenance and support may be addressed

under a separate services agreement.

11. INDEPENDENT CONTRACTOR STATUS. Blackbaud performs this Agreement as an

independent contractor, not as an employee of Client. Nothing in this Agreement

is intended to construe the existence of a partnership, joint venture, or agency

relationship between Client and Blackbaud.

12. NOTICE. All notices or other communications referenced under this Agreement

shall be made in writing and sent to the address designated above, designated in

a specific SOW, or designated from time to time in writing by the Parties. All

notices shall be deemed given to the other party if delivered receipt confirmed

using one of the following methods: registered or certified first class mail,

postage prepaid; recognized courier delivery; or electronic mail.

13.1 TERMINATION OF PROFESSIONAL SERVICE. Unless otherwise agreed to, either

party may terminate this Agreement or any SOW at any time by giving the other

party written notice of termination. If this Agreement or an SOW is terminated

by the Client, Client shall pay Blackbaud for all work performed and for all

expenses incurred prior to the effective date of termination. Client shall also

pay a termination fee equal to 25% of the total amount contracted for the

professional service under the applicable SOW. If Client provides less than six

(6) business days advance notice of an SOW termination for which professional

services have been scheduled, the termination fee payable as set forth above

shall be equal to 100% of the scheduled service as set forth in the SOW.

13.2 POSTPONEMENT OF PROFESSIONAL SERVICE. No penalty will be assessed if Client

postpones a scheduled professional service at least 20 business days or more

before the start of the scheduled professional service. If Client postpones a

scheduled professional service at least six (6) but less than twenty (20)

business days before the start of the scheduled professional service, a penalty

of 25% of the amount of the scheduled professional service may be assessed. If

Client postpones a scheduled professional service less than six (6) business

days before the start of the scheduled professional service, a penalty up to

100% of the scheduled service may be assessed.

14. WAIVER. No modification to this Agreement nor any failure or delay in

enforcing any term, exercising any option, or requiring performance shall be

binding or construed as a waiver unless agreed to in writing by both parties.

15. FORCE MAJEURE. Except for Client's obligation to pay Blackbaud, neither

party shall be liable for any failure to perform its obligations under this

Agreement or any SOW if prevented from doing so by a cause or causes beyond its

control, including without limitation, acts of God or public enemy, failure of

suppliers to perform, fire, floods, storms, earthquakes, riots, strikes, war,

and restraints of government.

16. SEPARATE AGREEMENTS. All Services provided herein are acquired separately

from any software licenses agreed to between the Parties. Specifically, Client

may acquire software licenses without acquiring consulting services. Client

understands and agrees that this Agreement and any SOW is a separate and

independent contractual obligation from any schedule relating to software

licenses. Client shall not withhold payments that are due and payable under this

Agreement because of the status of any software licenses or schedules, nor shall

Client withhold payments that are due and payable relating to software licenses

or schedules because of the status of work performed hereunder. In addition, the

ability to provide such services are not exclusive or specific to Blackbaud and

are commercially available from a variety of third party service providers.

17. DISPUTE RESOLUTION. Any disputes or claims under this Agreement or its

breach shall be submitted to and resolved exclusively by arbitration conducted

in accordance with American Arbitration Association rules. One arbitrator

appointed under such rules shall conduct arbitration. Arbitration shall be in

Charleston, S.C., and the laws of South Carolina shall be applied. Any decision

in arbitration shall be final and binding upon the parties. Judgment may be

entered thereon in any court of competent jurisdiction. Notwithstanding the

above, Blackbaud may sue in any court for infringement of its proprietary or

intellectual property rights.

18. GENERAL. This Agreement shall be governed by the laws of the State of South

Carolina, excluding choice of law principles. Except as otherwise specifically

stated herein, remedies shall be cumulative and there shall be no obligation to

exercise a particular remedy. If any provision of this Agreement is held to be

unenforceable, the other provisions shall nevertheless remain in full force and

effect. This Agreement and the SOW(s) constitute the entire understanding

between the Parties with respect to the subject matter herein and may only be

amended or modified by a writing signed by a duly authorized representative of

each party. This Agreement may be executed by facsimile. This Agreement replaces

and supersedes any prior verbal or written understandings, communications, and

representations between the Parties regarding the subject matter contained

herein. No purchase order or other ordering document that purports to modify or

supplement the printed text of this Agreement or any Exhibit shall add to or

vary the terms of this Agreement or Exhibit. All such proposed variations,

edits, or additions (whether submitted by Blackbaud or Client) to this Agreement

or to an SOW, are objected to and deemed material unless otherwise mutually

agreed to in writing.

19. SPECIAL TERMS AND CONDITIONS PERTAINING TO DATA RESEARCH SERVICES. Client

will be licensed to utilize its updated master file database, without

restriction, once the Services are delivered by Blackbaud, with the

understanding that the data provided is from proprietary sources and may be

utilized for Client's internal purposes only.

1. Client represents and warrants that (i) it has all right and authority

necessary to enter into and perform this Agreement; (ii) it owns all rights in

and to data provided to Blackbaud for use in and in connection with the

Services; (iii) Blackbaud's use of such materials in and in connection with the

Services will not violate the rights of any third party.

2. If Email Append Services are part of this Order, Terms and Conditions on

Attachments A and A-1 affixed hereto shall apply.

The Parties hereby agree to all of the above terms and have executed this

Agreement by a duly authorized officer or officer representative.

EFFECTIVE DATE:

ACCEPTED BY: BLACKBAUD, INC.

ACCEPTED BY: [CUSTOMERNAME]

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Authorized Signature Authorized Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ANTHONY J. POWELL, CFRE - DIRECTOR,

Printed Name and Title CONSULTING SERVICES

Printed Name and Title