



## T2 Master Customer Agreement

This Master Customer Agreement ("Agreement") is made by and between T2 Systems, Inc. ("T2C or T2 Systems") and City of Ocala, FL ("Customer") as of the Effective Date set forth below.

By signing this Agreement, the parties acknowledge to have read, understand and agrees to be bound by the terms and conditions of this Agreement.

1. **BACKGROUND.** The Agreement establishes the overall contractual framework and the applicable terms and conditions. Under the Agreement, Customer may acquire or license Products and procure Services by entering into an Addenda. The following Addenda will be entered into by Customer and T2 Systems or one of its Affiliates and each will be incorporated in this Agreement herein.

- **UPsafety Addendum**
- **T2 Collections Addendum**

In the event of any conflicts in the terms of the applicable Addenda and the Agreement, the terms of the Addenda shall control.

2. **DEFINITIONS.** In this Agreement:

- (a) **"Addenda"** or **"Addendum"** means each document referencing this Agreement which may include a Quote, Order Form or Statement of Work, executed by Customer and T2 Systems or one of its Affiliates under this Agreement to place orders for Products and/or Services.
- (b) **"Affiliate"** means, in respect of an entity, any entity which directly or indirectly controls, is controlled by, or is under common control with such entity. "Control" for purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interests of an entity.
- (c) **"Confidential Information"** means and includes any written or orally or visually disclosed information relating to the disclosing party's business identified as "confidential" or "proprietary" or which the receiving party should reasonably know is confidential or not generally known to the public, including, without limitation:
  - (i) all know-how, technology, Documentation and other proprietary information owned, licensed, used or developed by the disclosing party, including proprietary rights protected by trade secret and other intellectual property rights, and;
  - (ii) all information relating to the disclosing party's business, the source code for the Software, the Services, and to all other aspects of the disclosing party's structure, personnel, operations, financial matters, marketing, commercial strategies, customer lists, Customer Data, contractual records, correspondence, products, programs, devices, concepts, inventions, designs, methods, data, and items provided to the disclosing party by third parties subject to restrictions on use or disclosure.



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- (d) **"Customer Data"** means the data provided to T2 Systems by Customer and Customer's authorized end users who access or use Software as permitted in an Addendum.
- (e) **"Documentation"** means the documentation, help files, user manuals, handbooks and any other written or electronic material relating to the Products and Services provided by T2 Systems to its customers from time to time.
- (f) **"Effective Date"** means the latest of the dates on which this Agreement is executed by Customer and T2 Systems as indicated in the signature block at the end of these terms and conditions.
- (g) **"Hardware"** means the T2 Systems hardware sold and provided by T2 Systems to Customer under an Addendum.
- (h) **"Products"** means the T2 Systems products licensed or sold by T2 Systems to Customer under an Addendum including Software and Hardware.
- (i) **"Quote"** or **"Order Form"** means the quote provided by T2 Systems to Customer related to the ordering of Products and/or Services as set forth in the applicable Addendum. Unless otherwise stated in the Quote, each Quote is incorporated and made part of the applicable Addendum.
- (j) **"Representatives"** means, in respect of a party, the directors, officers, employees, agents and contractors of such party.
- (k) **"Services"** means the T2 Systems services provided by T2 Systems to Customer under an Addendum.
- (l) **"Software"** means the T2 Systems Software access to which is licensed by T2 Systems to Customer under an Addendum.

All other terms defined in this Agreement shall have the meanings ascribed thereto.

- 3. **TERM.** This Agreement shall commence on the Effective Date and remain in full force and effect until terminated in accordance with its terms.

#### 4. **FEES AND PAYMENT.**

- (a) Customer agrees to pay to T2 Systems the fees plus all applicable taxes as set forth in the applicable Addendum.
- (b) All fees are exclusive of all taxes, duties and levies of any kind, including any sales, use, excise, value-added and other applicable taxes, withholdings, and governmental charges (collectively, **"Taxes"**). Customer shall pay all applicable Taxes, other than taxes on T2 System's income. If T2 Systems pays any such amounts on behalf of Customer, Customer shall reimburse T2 Systems upon presentation of proof of payment.
- (c) If Customer claims an exemption from any such taxes, Customer shall provide to T2 Systems an appropriate exemption certificate. If Customer challenges the applicability of any tax, Customer shall nevertheless pay the same to T2 Systems and Customer may thereafter challenge the tax and seek a refund thereof. Customer agrees to indemnify and hold harmless T2 Systems from any cost, fee, penalty or expense (including counsel fees) in connection with any assertion by any taxing authority that T2 Systems has failed to collect and remit their sales or use tax on transactions hereunder or to pay any property taxes on the copies of the Software in Customer's possession but shall have no such obligation to T2 Systems with respect to any amount paid by Customer to T2 Systems and not remitted to the relevant taxing authority.

#### 5. **OWNERSHIP.**



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- (a) Customer agrees that the Software, Documentation and Services are proprietary products and services of T2 Systems and that all right, title and interest in and to the Software, Documentation and Services, including all associated intellectual property and other proprietary rights, are and shall at all times remain with T2 Systems and its third party licensors. The Software contains trade secret and proprietary information owned by T2 Systems or its third party licensors and is protected by copyright laws and international trade provisions and other applicable law. Customer must treat the Software like any other copyrighted material and Customer may not copy or distribute the Software or the Documentation, electronically or otherwise, for any purpose. Any Software provided under an Addendum will be licensed not sold to Customer.
- (b) Customer agrees that any copies made of the Documentation, any other T2 Systems Confidential Information and any other material obtained from T2 Systems shall preserve unaltered patent, trademark, copyright, proprietary or confidentiality notices contained therein.
- (c) Each party recognizes and acknowledges the great value of the goodwill associated with the name and trademarks of the other party, and the identification of the proprietary party's goods or services therewith. Each party agrees that it obtains no rights, title or interest of any kind in or to any of the trademarks, tradenames, logos, service marks or other markings belonging to the other party or its suppliers.

## **6. CONFIDENTIALITY.**

- (a) Each party agrees to hold all Confidential Information of the other party in strictest confidence, not to make use thereof other than for the performance of this Agreement, to disclose such Confidential Information only to its Representatives who are under an obligation of confidentiality with respect thereto and who require such information for the performance of their duties, and not to disclose such Confidential Information to any third parties, except with the disclosing party's prior written consent; provided, however, that the foregoing restrictions shall not apply to Confidential Information of the other party:
  - (i) that is now or hereafter in the public domain through no action or failure to act on the part of the receiving party or its Representatives;
  - (ii) that was received by or was available to the receiving party from a third party without any obligation of confidentiality to the disclosing party;
  - (iii) that is independently developed by or for the receiving party by persons who have not had access to the Confidential Information of the disclosing party; or
  - (iv) that is disclosed with the written consent of the disclosing party.
- (b) Each party may disclose the other party's Confidential Information pursuant to the requirement of a governmental agency or is required by operation of law, regulation or court order, provided that, whenever possible, prompt notice is given by the receiving party to the disclosing party prior to such disclosure so that the disclosing party may seek a protective order or other remedy.
- (c) Each party agrees to protect and safeguard Confidential Information of the other party from loss, theft, destruction and inadvertent disclosure using the same degree of care as it uses to protect its own Confidential Information, but in no event less than a reasonable standard of care.
- (d) Each party shall hold the other party's Confidential Information in trust for the other party and all right, title and interest in and to such Confidential Information shall remain with the disclosing party.
- (e) Upon termination of the Agreement or an applicable Addendum, or otherwise upon the request of a disclosing party, the receiving party will promptly destroy all full and partial copies of the disclosing party's Confidential Information in its possession or control, or in the event of termination of an



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Addendum such information provided under the applicable terminated Addendum, and certify such destruction in writing; provided, however, that the receiving party may retain one (1) copy for its internal archival purposes only, which copy shall remain subject to the obligations of confidentiality set out in this Section 6.

**7. PUBLIC RECORDS.** T2 Systems shall comply with all applicable provisions of the Florida Public Records Act, Chapter 119, Florida Statutes. Specifically, T2 Systems shall:

- (a) Keep and maintain public records required by the public agency to perform the service.
- (b) Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if Contractor does not transfer the records to the public agency.
- (d) Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of T2 Systems or keep and maintain public records required by the public agency to perform the service. If T2 Systems transfers all public records to the public agency upon completion of the contract, T2 Systems shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If T2 Systems keeps and maintains public records upon completion of the contract, T2 Systems shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.
- (e) **IF T2 SYSTEMS HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO T2 SYSTEMS' DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: CITY OF OCALA, OFFICE OF THE CITY CLERK; 352-629-8266; E-mail: [clerk@ocalafl.gov](mailto:clerk@ocalafl.gov); City Hall, 110 SE Watula Avenue, Ocala, FL 34471.**

**8. CUSTOMER DATA.**

- (a) Customer shall be solely responsible for, and shall hold T2 Systems, its third party suppliers, and their respective Representatives harmless from any loss, damage or liability arising in connection with Customer's inputs, selection and use of the Services, and all data (including Customer Data), reports, statements and other content transmitted, posted, received or created on the T2 System through Customer's account, even if transmitted, posted, received or created by a third party.
- (b) The Software may create and store databases of personal information of Customer end-users and data relating to Customer on the computer system on which the Software is accessed or installed. Customer agrees to take all steps which it deems are appropriate to provide adequate security for that information.
- (c) The parties acknowledge that at all times Customer will remain the owner of Customer Data. Except as otherwise set forth herein or in the applicable Addenda, T2 Systems shall not at any time use Customer Data or disclose Customer's Data to any third parties, except that T2 Systems may use Customer Data for the purpose of meeting its obligations under an Addendum and providing the Services, and may store, back-up and archive Customer Data. Customer represents and warrants



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that the Customer Data does not infringe or violate the intellectual property, proprietary or personal rights of any third party and Customer has the right to grant T2 Systems the right to use the Customer Data as set forth herein.

- (d) T2 Systems will comply with all applicable laws governing the collection, access, use, disclosure of Customer Data. All Customer Data which is submitted by Customer to T2 Systems pursuant to this Agreement will be safeguarded by T2 Systems to the same extent that T2 Systems safeguards data relating to its own business; provided, however, if Customer Data is publicly available, is already in T2 System's possession from a source other than Customer or otherwise known to it, or was rightfully obtained by T2 Systems from third parties, T2 Systems shall bear no responsibility for its disclosure, inadvertent or otherwise. T2 Systems has implemented and will maintain administrative, physical and technical safeguards to protect Customer Data from unauthorized access, acquisition or disclosure, destruction, alteration, accidental loss, misuse or damage that are no less rigorous than accepted industry practices. In the event of unauthorized access to Customer Data which has been verified by T2 Systems, T2 Systems shall promptly i) take action to stop the unauthorized access, and ii) notify Customer, provide Customer with relevant details of the unauthorized access and an explanation of steps that T2 Systems took or is taking to stop the unauthorized access. T2 shall promptly i) take action to stop the unauthorized access, ii) notify the City in writing within 72 hours upon becoming aware of any data breach or new vulnerability that may compromise the security or confidentiality of the Customer Data, and iii) the notification must include detailed information about the nature of the breach or vulnerability, the potential impact on the City's data and systems, and any remedial actions being taken or recommended by T2 to address the situation.
- (e) T2 Systems maintains Payment Card Industry (PCI) Level One compliance and upon request (no more than once annually), T2 Systems will provide Customer with a copy of its third-party audit certification demonstrating that appropriate information security standards to protect Customer Data are in place.

## **9. INDEMNITY.**

- (a) **T2 Systems Indemnification.** Subject to the limitation of liability set out in Section 11, T2 Systems shall indemnify, defend and hold harmless Customer, its officers, directors or employees ("Indemnitees") from and against any and all direct losses, damages, costs, expenses (including reasonable attorneys' fees), (collectively "Losses"), to the extent that such Losses arise directly from any act(s) of gross negligence or willful misconduct by T2 Systems or any of its Representatives, giving rise to an accident or other occurrence resulting in bodily injury or death, to any person(s) arising out of or related to: (i) claims for loss or damage to tangible property, and (ii) claims asserted by third parties for loss or damage to tangible property; except to the extent that such Losses were not caused by T2 Systems.
- (b) **Intellectual Property Indemnification.** Subject to the limitation of liability set out in Section 11, T2 Systems shall indemnify, defend (at its expense) and hold the Indemnitees harmless in respect of any Losses brought against or suffered by the Indemnitees arising out of or related to a determination by a court that the operation or use of any Software, or any part thereof, infringes any third party's copyright, trade mark or trade secret or any Hardware, or any part thereof, infringes any third-party's copyright, trademark or trade secret.

T2 System's obligations pursuant to this Section 8(b) shall not apply to any infringement caused by or resulting from Customer modifications or attempted modifications to any relevant system, or from Customer's failure to implement changes or updates furnished by T2 Systems to Customer during the term of this Agreement.

In the event that an injunction or order is obtained against the Customer's use of any Product or Software or if, in T2 System's opinion, any Product or Software is likely to become the subject of a



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claim of infringement or violation of any rights in connection with any rights as noted above, T2 Systems shall, at its expense:

- (i) procure for the Customer the right to continue using the affected Product or Software; or
- (ii) modify or replace the affected Product or Software so that such Product or Software becomes non-infringing.

If neither Section 8(b)(i) nor Section 8(b)(ii) are commercially practicable, remove the affected Product or Software from the Customer and refund to the Customer all amounts paid to T2 Systems by the Customer in respect of such Product, less a reasonable amount for depreciation. The remedies in and the indemnification rights of the Customer stated in this Section 8(b) are the exclusive remedies available to the Customer at law or in equity for indemnifiable claims.

- (c) **Customer Indemnification.** Customer agrees to indemnify, defend and hold T2 Systems and its Representatives harmless from and against any and all liabilities, obligations, damages, claims, suits, proceedings, costs, fees and expenses, including reasonable attorneys' fees and costs, arising out of the gross negligence or willful misconduct of Customer or any of its Affiliates, or breach of the Agreement by Customer, or any claim by Customer end user related to use of end user personally identifiable information.
- (d) **No Waiver of Sovereign Immunity.** Nothing herein is intended to waive sovereign immunity by the Customer to which sovereign immunity may be applicable, or of any rights or limits of liability existing under Florida Statute § 768.28. This term shall survive the termination of all performance or obligations under this Agreement and shall be fully binding until any proceeding brought under this Agreement is barred by any applicable statute of limitations.
- (e) **Defense.** If a party is alleged to be obligated to indemnify the other party hereunder, the party alleged to be obligated to provide indemnification shall have the right to appoint counsel of its own choice and in all other respects control any litigation and/or settlement thereof, provided, however, that any such settlement shall not bind the non-indemnifying party or obligate it to pay any monies without its express prior written consent. The indemnified party shall cooperate in the defense of any indemnified claim. If one party is notified of any potential or actual claim or liability against the other party or named in any suit or proceeding of any kind that could give rise to an indemnification claim under this Agreement or otherwise subject the other party to a suit, proceeding or claim (or threat thereof), the notified party shall immediately inform the other party.

## **10. INSURANCE.**

- (a) During the Term of this Agreement, T2 Systems shall maintain, at its own expense, insurance which it deems reasonable and necessary for its business and the performance of its obligations hereunder. T2 Systems will, upon reasonable advanced notice, provide Customer with a copy of its certificate(s) of insurance.
- (b) T2 Systems will maintain at its own expense the following insurance, with companies authorized to do insurance business in the any states where work is performed or eligible surplus lines insurers having an A.M. Best Rating of A-:VII or better, and in amounts not less than the following limits of coverage:
  - (i) **Workers' Compensation Insurance with statutory limits, and Employer's Liability Insurance with limits of not less than \$1,000,000:**

(A) Employers Liability - Each Accident	\$1,000,000
(B) Employers Liability - Each Employee	\$1,000,000
(C) Employers Liability - Policy Limit	\$1,000,000



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T2 Systems Workers' Compensation policy will include states appropriate for T2 Systems employees and operations.

(ii) Commercial General Liability Insurance with limits of not less than:

(A)	Each Occurrence Limit	\$1,000,000
(B)	Personal & Advertising Injury	\$1,000,000
(C)	General Aggregate	\$2,000,000
(D)	Products - Completed Operations Aggregate	\$2,000,000

T2 System's Commercial General Liability policy will be issued on a form that, subject to its terms, conditions and exclusions insures T2 System's liability for damages on account of bodily injury (including death), property damage, and personal and advertising injury.

(iii) Business Auto Liability Insurance covering, for liability purposes, all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 combined single limit of liability per accident for Bodily Injury and Property Damage;

(iv) Customer shall be named as an additional insured under each policy, except for Workers Compensation and hired and non-owned auto liability policies.

(c) The insurance coverage carried by T2 Systems as set forth herein shall not in any way expand T2 Systems liability or modify or affect the limitations of liability set forth in the Agreement or any Addenda.

#### **11. EXCLUSION OF WARRANTIES.**

- (a) EXCEPT AS EXPRESSLY PROVIDED IN THE ADDENDUM APPLICABLE TO THE PRODUCTS AND/OR SERVICES OR AS OTHERWISE EXPRESSLY CONFIRMED IN WRITING BY T2 SYSTEMS, THE PRODUCTS AND SERVICES ARE PROVIDED "AS IS" WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, T2 SYSTEMS AND ITS THIRD PARTY SUPPLIERS HEREBY DISCLAIM ALL OTHER REPRESENTATIONS, WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED, WHETHER ARISING UNDER STATUTE, FROM A COURSE OF DEALING, USAGE, CUSTOM OF THE TRADE OR OTHERWISE, REGARDING THE PRODUCTS OR SERVICES, THE DOCUMENTATION, OR ANY OTHER PRODUCTS OR SERVICES PROVIDED OR FAILED TO BE PROVIDED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, ACCESSIBILITY, PRIVACY OF FILES OR SECURITY.
- (b) T2 SYSTEMS DOES NOT WARRANT THAT ANY PRODUCTS OR SERVICES PROVIDED HEREUNDER WILL BE UNAFFECTED BY BUGS, VIRUSES, ERRORS OR OTHER PROGRAM LIMITATIONS, NOR DOES T2 SYSTEMS WARRANT THAT CUSTOMER'S USE THEREOF WILL BE UNINTERRUPTED, ERROR-FREE OR WILL MEET ALL OF THE CUSTOMER'S REQUIREMENTS. FURTHER, T2 SYSTEMS DOES NOT WARRANT THAT ANY SOFTWARE WILL OPERATE ON ANY PARTICULAR CONFIGURATION OF SOFTWARE, OPERATING SYSTEM OR COMPUTER SYSTEM. ANY HARDWARE PURCHASED FROM SOURCES OUTSIDE OF T2 SYSTEMS WILL BE THE SOLE RESPONSIBILITY OF THE CUSTOMER. T2 SYSTEMS WILL NOT BE RESPONSIBLE FOR THE FAILURE OF THE SOFTWARE TO PERFORM TO THE EXTENT THAT SUCH FAILURE TO PERFORM IS DUE TO THE FAILURE OF A THIRD PARTY FUNCTION, SUCH AS INTERNET AVAILABILITY REQUIRED FOR THE CONNECTION BETWEEN THE HARDWARE AND SOFTWARE OR THE WIRELESS NETWORK AVAILABILITY REQUIRED FOR THE T2 SYSTEMS SOFTWARE TO BE ABLE TO SEND AND RECEIVE DATA. IN NO EVENT SHALL T2 SYSTEMS BE LIABLE FOR THE FAILURE OF THE SOFTWARE TO PERFORM IF SUCH FAILURE ARISES DUE TO THE COMBINATION OF THE SOFTWARE WITH THIRD PARTY HARDWARE OR SOFTWARE. T2 SYSTEMS SHALL NOT COVER





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REPAIR, LABOR OR REPLACEMENT OF PARTS THAT ARE BY NATURE EXPENDABLE. IN ADDITION, IF APPLICABLE, THE WIRELESS DATA SERVICES ARE NOT GUARANTEED AGAINST EAVESDROPPERS, HACKERS, DENIAL OF SERVICE ATTACKS OR INTERCEPTORS AND NEITHER T2 SYSTEMS NOR THE UNDERLYING WIRELESS DATA SERVICES CARRIER CAN GUARANTEE THE PRIVACY OR SECURITY OF WIRELESS TRANSMISSIONS.

- (c) THIS LIMITED WARRANTY GIVES THE CUSTOMER SPECIFIC LEGAL RIGHTS. THE CUSTOMER MAY HAVE OTHER RIGHTS, WHICH VARY FROM LOCATION TO LOCATION, DEPENDING UPON THE APPLICABLE LAW OF SUCH LOCATION.

## **12. LIMITATION OF LIABILITY AND DAMAGES.**

- (a) TO THE MAXIMUM EXTENT PERMITTED BY LAW: EXCEPT FOR CLAIMS FOR DEATH OR BODILY INJURY, T2 SYSTEMS , ITS THIRD PARTY SUPPLIERS' AND THEIR RESPECTIVE REPRESENTATIVES' TOTAL AGGREGATE LIABILITY ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, AND/OR ANY PRODUCTS OR SERVICES DELIVERED OR FAILED TO BE DELIVERED UNDER THIS AGREEMENT, SHALL BE LIMITED TO THE ACTUAL DIRECT DAMAGES SUFFERED BY CUSTOMER, NOT TO EXCEED THE AMOUNT ACTUALLY PAID BY CUSTOMER FOR THE PRODUCT OR SERVICE GIVING RISE TO THE CLAIM DURING THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE CLAIM.
- (b) IN NO EVENT WILL T2 SYSTEMS OR ITS THIRD PARTY SUPPLIERS BE LIABLE IN ANY WAY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR AGGRAVATED DAMAGES OF ANY KIND WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF USE, DATA, INCOME, BUSINESS, PROFIT, GOODWILL, ANTICIPATED REVENUE, FAILURE TO REALIZE EXPECTED SAVINGS, OR OTHERWISE, HOWEVER CAUSED, WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY, STATUTORY RIGHTS OR ANY OTHER BASIS ARISING OUT OF CUSTOMER'S USE OF THE PRODUCTS, OR OTHERWISE ARISING PURSUANT TO THIS AGREEMENT.
- (c) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, DUE TO THE NATURE OF INTERNET AND WIRELESS TRANSMISSIONS, CUSTOMER AGREES THAT NEITHER T2 SYSTEMS NOR THE UNDERLYING WIRELESS DATA SERVICES CARRIER SHALL BE LIABLE FOR ANY LOSS, COSTS OR DAMAGES OF ANY KIND ARISING OUT OF OR IN CONNECTION WITH: ANY LACK OF PRIVACY OR SECURITY OF WIRELESS TRANSMISSIONS; SERVICES INTEROPERABILITY, ACCESS OR INTERCONNECTIONS WITH THE T2 SYSTEMS SERVICES; SERVICE DEFECTS, SERVICE LEVELS, DELAYS OR INTERRUPTIONS; ANY INTERRUPTION OR ERROR IN ROUTING OR COMPLETING CALLS OR OTHER TRANSMISSIONS; LOST OR ALTERED MESSAGES OR TRANSMISSIONS; OR UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S CONTENT, DATA, PROGRAMS CONFIDENTIAL INFORMATION OR SYSTEMS.
- (d) NO ACTION, REGARDLESS OF FORM, ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT BY CUSTOMER MORE THAN TWELVE (12) MONTHS AFTER THE FACTS GIVING RISE TO THE CAUSE OF ACTION HAVE OCCURRED, REGARDLESS OF WHETHER THOSE FACTS BY THAT TIME ARE KNOWN TO, OR OUGHT REASONABLY TO HAVE BEEN DISCOVERED BY, CUSTOMER.
- (e) THE FOREGOING LIMITATIONS SHALL APPLY REGARDLESS OF THE CAUSE OF ACTION, WHETHER ARISING UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND REGARDLESS OF WHETHER T2 SYSTEMS, ITS THIRD PARTY SUPPLIERS AND/OR THEIR REPRESENTATIVES KNEW, OR SHOULD HAVE KNOWN ABOUT THE POSSIBILITY OF SUCH DAMAGES.
- (f) CUSTOMER AGREES THAT THE LIMITATIONS OF LIABILITY SET FORTH ABOVE ARE FUNDAMENTAL ELEMENTS OF THIS AGREEMENT, WITHOUT WHICH T2 SYSTEMS WOULD NOT HAVE ENTERED INTO THIS AGREEMENT AND/OR AGREED TO PROVIDE THE PRODUCTS AND/OR SERVICES UNDER THE CURRENT TERMS (INCLUDING FEES).





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- (g) THIS SECTION SHALL APPLY TO ANY ACTION OR ARBITRATION HEREUNDER. BECAUSE THE LAWS OF SOME LOCATIONS DO NOT ALLOW THE LIMITATION AND/OR EXCLUSION OF LIABILITY, THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO ALL CUSTOMERS.

**13. TERMINATION.**

- (a) Each Addendum may be terminated according to its terms and the terms of this Agreement.
- (b) In the event that there are no Addenda in effect, either party may terminate this Agreement without cause by written notice to the other party, which termination shall be effective as of the last day of the calendar month following the month in which notice of termination is received.
- (c) Either party may terminate this Agreement or any Addendum if the other party breaches any of its representations or warranties, or any other material obligation under this Agreement or the applicable Addendum, and fails to remedy such breach with thirty (30) days of receipt of notice from the non-breaching party. T2 Systems shall also have the right to suspend performance of all or any of the Services under an Addendum, without liability, pending the rectification of any breach by Customer.
- (d) Either party may terminate this Agreement or any Addendum, immediately upon written notice, if the other party makes an assignment for the benefit of its creditors or becomes bankrupt or makes an application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or if a receiving order or receivership order is made against the other party, or any action whatsoever, legislative or otherwise be taken to effect the winding up, dissolution, suspension of operations or liquidation of the other party. Notwithstanding the foregoing, the Customer shall not be entitled to terminate this Agreement under this Section if T2 Systems, or its creditors, or some other party makes suitable provisions for the performance of its obligations hereunder.
- (e) Without limiting any other remedies available under this Agreement, at law or in equity, in the event of the termination of this Agreement or any applicable Addendum for any reason:
  - (i) T2 System's obligation to provide the affected Products and Services will terminate;
  - (ii) All unpaid amounts due in respect of the terminated Services up to and including the effective date of termination shall, at T2 System's option, become immediately due and payable;
  - (iii) Customer is not entitled to a refund for any affected Products and Services that are in process or not completed, including labor and any expenses T2 Systems may have incurred up to the effective date of termination;
  - (iv) Customer must destroy any copies of the Documentation in Customer's possession in any form and on any media, and certify to T2 Systems in writing that it has done so;
  - (v) Sections 4, 5, 6, 7, 8, 9, 10, 11, 12(e), and 13 shall survive the expiration or termination of this Agreement until such time as the parties may agree to the release of the obligations contained therein.
- (f) No Limitation of Remedies. Any termination of the Agreement shall not in any respect limit any of either party's rights or remedies either in law or in equity or relieve either party of any obligation incurred prior to the effective date of such termination.

**14. DISPUTE RESOLUTION.**

- (a) Dispute Resolution. In the event of any dispute arising out of this Agreement (including all Addenda), the parties shall use commercially reasonable efforts to negotiate a settlement in good faith satisfactory to both parties. If they do not reach a solution within a period of sixty (60) days



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(or such other longer period as the parties may agree), then either party may, on written notice to the other party, refer the dispute for settlement by arbitration before a single arbitrator in accordance with the rules of the American Arbitration Association. The costs of the arbitrator will be borne equally by the parties, but they will otherwise bear their respective costs incurred in connection with the arbitration. The parties shall select the arbitrator promptly and use commercially reasonable efforts to conduct the arbitration hearing no later than three (3) months after the arbitrator is selected. The arbitrator may not award punitive or exemplary damages against either party or any other relief in excess of the limitations set forth herein. The judgment and award of the arbitrator will be final and binding on each party. Judgment upon the award may be entered in the courts of record of the State of Florida in Marion County, or the United States District Court, Middle District of Florida, Ocala Division, or application may be made to such court for judicial acceptance of the award and/or an order of enforcement as the case may be.

- (b) **Injunctive Relief.** Each party acknowledges and agrees that a breach of the obligations under Section 5 ("Ownership") and Section 6 ("Confidentiality") may cause irreparable harm and significant injury to the affected party that would not be adequately compensated by an award of money damages and, in addition to any other remedy available at law or in equity, and notwithstanding the provisions of Section 13(a), the affected party will be entitled to seek temporary and permanent injunctive relief from the courts of record of the State of Florida in Marion County, or the United States District Court, Middle District of Florida, Ocala Division to prevent breaches hereunder, without showing or proving any actual or threatened damage.
- (c) **Choice of Law.** This Agreement and all Addenda are governed by the laws of the State of Florida.
- (d) **Jurisdiction and Venue.** The parties acknowledge that a majority of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Marion County, Florida. Any civil action or legal proceeding arising out of or relating to this Agreement shall be brought only in the courts of record of the State of Florida in Marion County or the United States District Court, Middle District of Florida, Ocala Division. Each party consents to the exclusive jurisdiction of such court in any such civil action or legal proceeding and waives any objection to the laying of venue of any such civil action or legal proceeding in such court and/or the right to bring an action or proceeding in any other court. Service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws, rules of procedures or local rules.

## 15. GENERAL PROVISIONS.

- (a) **Assignment.** T2 Systems may assign its rights and obligations under this Agreement. Customer may not assign or transfer any of its rights or obligations under this Agreement to any person without the express prior written consent of T2 Systems.
- (b) **Entire Agreement.** Customer acknowledges that this Agreement including all Addenda, SOW's, Quotes and other attachments referencing this Agreement, comprise the entire understanding and agreement between parties regarding the Products and Services to be provided hereunder and supersedes all prior written and oral agreements, purchase orders, proposals, representations, understandings, promises, descriptions or other communications between the parties regarding the same. If Customer submits an order form with contrary terms or conditions, such order form shall be considered only as confirmation of the order and shall in no way amend, prevail over, supplement, or supersede any of the provisions of this Agreement or any Addenda.
- (c) **Piggyback Cooperative Purchasing.** It is understood and agreed by Customer that a third party may purchase the goods and services specified herein in accordance with the terms and conditions of this Agreement for the purposes of piggyback purchasing. It is also mutually understood and agreed the third party will issue its own purchasing documents for the goods and services, be invoiced



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therefrom and make its own payments to T2 Systems in accordance with the terms of the contract established between the third party and T2 Systems. T2 Systems and the third party will agree separately on scope and pricing for the goods and services. Customer shall bear no responsibility or liability to any contractual agreement made between T2 Systems and any other third party.

- (d) Enurement. This Agreement shall be binding upon and enure to the benefit of T2 Systems, Customer and their respective successors and permitted assigns.
- (e) Force Majeure. Neither party shall be liable for delay or failure in performance (other than the making of payments) directly or indirectly resulting from acts beyond the control of such party, including, but not limited to acts of God, acts of war or terrorism, civil commotion, riot, fire, flood, pandemic or other disaster, acts of government, strike, work stoppages, lockout, power failures, inability to secure or delay in securing transportation, inability to obtain or delays in obtaining goods, materials, or qualified labor, or the inability to use or the failure of any third party telecommunications carrier or other services, which events or conditions prevent in whole or in part the performance by such party of its obligations hereunder or which renders the performance of such obligations so difficult or costly as to make performance commercially unreasonable. In such event, the party affected shall be excused from performance on a day-to-day basis to the extent of the delay, and the other party shall likewise be excused from the performance of its obligations on a day-to-day basis to the extent such party's obligations related to the performance are so delayed. Where an Event of Force Majeure occurs, the party who is delayed or fails to perform shall give prompt notice to the other party. In the event such inability to perform shall continue longer than sixty (60) Days, the party which has received or which was entitled to receive notice may terminate the Agreement by notice to the other party without further liability, expense, or cost of any kind. Force Majeure events do not include any failure as a result of political or social pressure, general economic or market factors, and/or fear of or threat of a Force Majeure Event or other circumstance.
- (f) Independent Contractors. The parties are independent contractors. Nothing herein shall be construed to create any legal partnership, joint venture, agency or any other relationship between the parties.
- (g) Notices. All communications and notices provided for herein shall be in writing and shall be deemed to have been given when delivered personally to the recipient, by email, or by registered or certified mail with return receipt requested, postage prepaid, and addressed to the Customer at the address appearing on the Addenda or Quote(s), as applicable, or at such other address as either party may designate by notice to the other. T2 Systems, from time to time may send general communications and/or notices to all its customers and such notices shall be deemed to have been given when delivered by email.
- (h) No Waiver. No delay or failure to take any action or exercise any rights under this Agreement shall constitute a waiver or consent unless expressly waived or consented to in writing. A waiver of any event does not apply to any other or subsequent event, even if in relation to the same subject-matter.
- (i) Publicity. Except as expressly agreed in writing, neither party shall issue any press release, or otherwise publicly identify the other as a customer or supplier, in any marketing materials or otherwise, without the express prior authorization of the other party.
- (j) Severability. If any provision contained in this Agreement is found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, it shall be deemed severed from this Agreement and the remaining provisions of this Agreement shall not be in any way affected or impaired thereby and shall continue in full force and effect.



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- (k) Amendment. This Agreement may be modified or amended only if the amendment is made in writing and is signed by both parties.
- (l) Counterparts. This Agreement and each Addenda may be executed by the parties in counterparts with the same effect as if they had signed the same document and all counterparts shall be construed together and shall constitute one and the same agreement. This Agreement and any Addenda may be executed by the parties and transmitted by electronic transmission, with the same effect as if the parties had delivered an executed original.
- (m) International. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or any Products or Services ordered or provided under this Agreement.
- (n) Compliance with Laws. Each party agrees to comply with all applicable federal, state, provincial and local laws, regulations, and orders in fulfilling its obligations under the Agreement, including as applicable laws relating to anticorruption of public officials and anti-bribery laws and regulations and the Federal Fair Debt Collection Practices Act.
- (o) Authorization. Both parties represent and warrant that they have the authority to bind their respective agency, institution, or company, and that they are authorized to sign this Agreement and any Addenda hereto.
- (p) Captions. The captions and section headings included in this Agreement and any Addenda are for convenience only and shall not affect the scope, intent, meaning or function of any provision of this Agreement or the applicable Addenda.

IN WITNESS WHEREOF, the parties have executed this Agreement by a duly authorized representative thereof.

**T2 SYSTEMS, INC.**

DocuSigned by:  
 Per: Jennifer Streetman  
 16BD728B8CA14CB...  
 Name: Jennifer Streetman  
 Title: SVP, Sales  
 Date: 7/3/2024

**City of Ocala, FL**

DocuSigned by:  
 Per: Peter Lee  
 5BB28E162F2BDC2...  
 Name: Peter Lee  
 Title: City Manager  
 Date: 7/3/2024

Approved as to form and legality:

DocuSigned by:  
William E. Sexton  
 B07DCFC4E86E429...  
 William E. Sexton  
 City Attorney



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## **Collection Services Addendum**

THIS COLLECTION SERVICES ADDENDUM GOVERNS THE PROVISION AND USE OF COLLECTION SERVICES PURCHASED BY CITY OF OCALA, FL ("**CUSTOMER**") FROM T2 SYSTEMS, INC. ("**T2 SYSTEMS**").

### **1. BACKGROUND.**

The parties have entered into a Master Customer Agreement ("**Agreement**"). This Addendum is incorporated into and subject to the terms of the Agreement and the terms of the Agreement are incorporated herein. To the extent of any conflict between the terms of this Addendum and the Agreement, the terms of the Addendum shall control. All terms defined in this Addendum shall have the meanings ascribed thereto. Capitalized terms used in this Addendum that are not otherwise defined in this Addendum have the meaning set forth in the Agreement.

Customer has authority pursuant to certain laws, ordinances and/or regulations to assess and collect fines and citations for violations of these laws, ordinances and/or regulations. T2 Systems is a duly licensed collection agency, and possesses the personnel, experience, expertise, and equipment to collect the fines and citations through an effective collection process and court action, if necessary. Customer and T2 Systems have mutually agreed that T2 Systems will assist in the collection of, or actually collect, certain unpaid fines and citations (the "**Accounts**") which Customer refers to T2 Systems from time to time during the Term of this Addendum.

### **2. REFERRED ACCOUNTS.**

- (a) Referred Accounts. Pursuant to the terms and conditions of this Addendum, Customer shall provide to T2 Systems, from time to time, those Accounts which Customer desires T2 Systems to assist in the collection of (or actually collect) on behalf of Customer. All Accounts submitted to, and accepted by, T2 Systems shall be referred to as "Referred Accounts."
- (b) Collection of Referred Accounts. T2 Systems agrees to undertake the collection of each Referred Account in accordance with the level of service selected by Customer which shall be described in more detail in a Statement of Work ("**SOW**") in the form attached hereto as Appendix A (collectively, the "Collection Services").
- (c) T2 Systems Collection Services. During the Term of this Addendum, T2 Systems agrees to employ such lawful means, methods, and procedures as in T2 System's judgment, discretion and experience, it believes will best effect the collection of the Referred Accounts. T2 Systems may use outside contractors or vendors to perform certain portions of the Collection Services and/or gather information about Referred Accounts and the obligors thereon.
- (d) Authority to Settle Referred Accounts. Customer hereby authorizes T2 Systems to collect, compromise, or settle each Referred Account. However, unless otherwise authorized by Customer in writing, any such settlement shall be in conformance with the minimum amounts as set forth on the applicable SOW related to the Referred Account in question.
- (e) Transfer of Accounts. All Accounts will be forwarded to T2 Systems using the systems and procedures designed by T2 Systems. Upon request of T2 Systems, Customer will provide certified copies or originals of violation notices, tickets, citations, assessment letters, and any other documents necessary for use by T2 System in collection of the Referred Accounts. T2 Systems agrees to keep all such documents confidential and to not use or disclose them (or the information contained therein) for any purpose other than the performance of the Collection Services.



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- (f) **Exclusivity of Collection Services.** Customer agrees that T2 Systems shall be the exclusive third-party collector of all Referred Accounts during the Term of this Addendum and during any applicable retention period set forth in Section 3. If Customer refers an Account to T2 Systems, which becomes a Referred Account, Customer may continue to exercise its collection efforts with respect to such Referred Account; provided, however, that T2 Systems shall be entitled to payment pursuant to the terms of this Addendum for all collections made against such Referred Account, irrespective of who makes such collection.
- (g) **Rejected and Returned Accounts.** T2 Systems may reject any Account or return any Referred Account to Customer at any time for any reason (or no reason) in its sole discretion. After an Account is rejected or a Referred Account is returned to Customer at T2 System's request, T2 Systems shall not be entitled to any additional fees with respect thereto. T2 Systems will return to Customer such Referred Accounts which it determines, in its sole judgment and discretion, to be uncollectible. If Customer wishes to remove a Referred Account from T2 Systems (the "Returned Accounts"), Customer will notify T2 Systems in writing at least ten (10) days in advance (the "Return Notice"). Section 3 shall govern the collection on any Returned Accounts. Within thirty (30) days of the expiration of the one (1) year period set forth in Section 3 for Returned Accounts, T2 Systems agrees to return each such Returned Account to Customer.

### **3. TERM AND TERMINATION.**

- (a) **Term.** The initial term of this Addendum is three (3) years. This Addendum will renew for additional one (1) year terms upon payment of the additional term's invoice unless written notice is provided to the other party at least sixty (60) days prior to the expiration of the then-current term. The initial term and any renewal terms are collectively referred to as the "Term."
- (b) **Termination.** Either party may terminate this Addendum if the other party fails to perform any obligation hereunder which failure is not cured within fifteen (15) days after notice from the other party, except that T2 Systems may terminate this Addendum immediately for Customer's failure to pay any amounts hereunder when due and payable. In the event T2 Systems elects to retain any Referred or Returned Account pursuant to the section below, the provisions of this Addendum applicable to such continuing collection efforts shall survive any termination or expiration of this Addendum until all rights and obligations hereunder are fully performed and/or satisfied with respect to such accounts.
- (c) **Retention of Referred Accounts.** Upon the expiration of this Addendum or earlier termination of this Addendum by T2 Systems due to a breach by Customer, T2 Systems shall have the right, at its sole discretion, to retain for collection, pursuant to the terms and conditions of this Addendum, any Referred Account upon which a partial payment has been made within the prior one (1) year period or which is subject to an agreed upon payment plan.

### **4. PAYMENT TERMS.**

- (a) **Collection fees.** During the term of this addendum and during any applicable retention period set forth in Section 3, T2 Systems shall be entitled to the fees, costs, and expenses set forth (in the SOW applicable referred account), regardless of whether collected by T2 Systems, Customer, or others.
- (b) **Payments to and from Customer.** Customer agrees that T2 Systems will deposit each check received from the Customer's end customer on behalf of the Customer. T2 Systems shall remit each payment it collects on a Referred Account to Customer, minus T2 System's fees and any other amounts owed to T2 System, on or before the twentieth (20th) day of each month following the month in which the amount was actually collected. Invoices may be submitted to Customer by Citation Collection Services, LLC, which is an Affiliate of T2 Systems, Inc.



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Customer shall remit, or cause to be remitted, all amounts owed T2 Systems under this Addendum, if any, within thirty (30) days of receipt of notice thereof from T2 Systems. A late fee of one percent (1%) per month shall be assessed on all past due amounts from Customer based upon the aggregate amount of all past due monies. T2 Systems shall also be entitled to reasonable attorney's fees and other costs of collection incurred in attempting to collect past due amounts from Customer.

- (c) Direct Payments. Customer agrees to immediately notify T2 Systems of any payments on a Referred Account made directly to Customer, and T2 Systems will be entitled to the fees specified in this Addendum as if T2 Systems had actually collected the Referred Account. Any such amounts may be deducted from Customer's next monthly payment from T2 Systems.

**5. MISCELLANEOUS.**

- (a) Inspection Rights. Customer, its auditors, or any governmental agency or other party authorized to supervise, regulate or audit Customer, may examine T2 System's records pertaining to the Referred Accounts during normal business hours and upon ten (10) days' advance written notice; or with less notice if required of Customer by any such agency or other party or by law.



**APPENDIX A**

# **Collections Statement of Work**

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The Statement of Work and any Exhibits or Attachments hereto shall be governed by the terms and conditions of the Collections Services Addendum signed between T2 Systems and City of Ocala, FL (AGENCY).

## SCOPE

This Statement of Work (SOW) outlines the deliverables to be completed for the successful project implementation and on-going services for City of Ocala, FL. Deliverables not addressed in this SOW are out-of-scope, and therefore not included.

T2 will provide the following activities through Citation Collection Services, LLC ('CCS') a wholly owned subsidiary of T2.

## Project Methodology

Each party shall designate a Project Manager who shall work together to facilitate an efficient delivery of the SOW. The T2 Project Manager will be responsible for project planning, scheduling, and issue/risk resolution.

The Agency's Project Manager will be responsible for identifying and coordinating Agency resources necessary to meet the project schedule.

T2 will assign a dedicated Business Analyst (BA) who is dedicated to the success of the project.

Time is of the essence and all parties must participate as required to meet the timeframe.

### **Project Schedule**

During the project kick-off meeting, the T2 Project Manager, with the Agency's Project Manager, will determine the project schedule.

### **Change Control**

Customers may request changes to this SOW or planned deliverables. Change requests may result in a change to the price, schedule and other terms and conditions contained herein.

### **Assumptions, Constraints, and Risks**

Much of the CCS work will be performed remotely. Any requirements for project resources to come onsite may result in additional consulting fees and related travel expenses.

Data integrity problems are a risk that, if encountered, can delay project timing. Data integrity issues are often the result of problems with consistency in the data and its usage.



## Collection Agency Collections

CCS will perform outbound collection procedures on individual debts including:

Third party, FDCPA (Fair Debt Collection Practices Act) compliant letter services and outbound/inbound collection call center services

State licensed

Experienced staff

Non-confrontational and professional approach that reflects positively on your organization

Skip Tracing – access to a database with personal information

Real time bankruptcy information to ensure that no FDCPA violation is committed when pursuing an individual who has petitioned for bankruptcy, verify the legitimacy of the bankruptcy status, and improve collection efficiency and results

## Agency Collection Services Details

CCS will assume responsibility for any citations the Agency identifies and escalates to a collection status for open citations aged up to 36 months and not in an appeal disposition.

- Ongoing citations will be aged 60 days delinquent (final criteria are determined by the Agency) and transferred to CCS for collections weekly.
- Fee for collections is 25%. This fee will be extended to the delinquent Payee, and the city will not pay fees.

Citations that meet the criteria of delinquent collections will be pursued using T2's collections process that may include the state debt set off programs if applicable.

CCS is authorized to collect on the citations' balance using collection best-practices. This can include additional letter notifications and outbound calling. These collection best-practices are already included in the fee quoted.

T2/CCS will provide a query to export the citation data to be escalated to CCS for collections. The Agency will generate this file weekly. In advance of generating this file, the data will be matched with current Registered Owner information.

CCS limits the number of citations that can have a fee waived per month. Six (6) citations per month can have their service fees waived.

In the event the Agency needs to recall a citation that has already been escalated for collection, the Agency will notify CCS via email at [ccsclientservices@t2systems.com](mailto:ccsclientservices@t2systems.com). Once the initial letter has been sent, the Agency can use one of their six (6) citation waivers per month to remove the service fee.



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CCS will send one (1) PL-95 collection letter per citation. Assuming the citation holder does not pay from the PL-95, CCS will begin collection best practice procedures.

CCS will provide a daily file of payments to import into the Agency's UP Safety database made through CCS. The file will contain the citation number, payment date and citation amount.

CCS will obtain from the Agency a daily payment import file of payments received at the Agency. It will contain the citation number, payment date and citation amount. It will be imported into the collection's software.

CCS will provide the Agency with a monthly reconciliation report on the 3<sup>rd</sup> Friday of each month. The report will provide statistics on citations collected, dollar amount collected, and associated fees. Also, an electronic check will be issued in the total amount collected, net of fees.

CCS will assess fees to the parker for insufficient funds. A flat \$20.00 fee would be assessed to the citation holder for insufficient funds. CCS will retain this fee for bank services.

CCS will provide a Project Manager responsible for project planning, scheduling, and status reporting. In addition, the Project Manager will act as the project's single point of contact with regards to change management and issue/risk control.

City of Ocala, FL

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

T2 Systems, Inc.

Signature: \_\_\_\_\_

Print Name: Christy Thomas

Title: Director, Citation Services

Date: \_\_\_\_\_



## **UPSAFETY SOFTWARE SUBSCRIPTION ADDENDUM**

THIS UPSAFETY SOFTWARE SUBSCRIPTION ADDENDUM ("ADDENDUM") GOVERNS THE PROVISION AND USE OF THE SOFTWARE SOLUTION AND SERVICES PURCHASED BY CITY OF OCALA, FL ("CUSTOMER") FROM T2 SYSTEMS, INC. ("T2 SYSTEMS").

The parties have entered into a Master Customer Agreement ("Agreement"). This Addendum is incorporated into and subject to the terms of the Agreement and the terms of the Agreement are incorporated herein. To the extent of any conflict between the terms of this Addendum and the Agreement, the terms of the Addendum shall control.

### **1 Definitions**

The following terms shall have their meanings defined below.

- a. "Customer Data" means any data, databases, information, trademarks, service marks, logos, files, images, text, files, records or other content that may be provided by or on behalf of Customer or its authorized users for use in conjunction with the Software or Services.
- b. "Documentation" means the T2 Systems user documentation provided to the Customer relating to the Software and Services.
- c. "Professional Services" means any additional technical, development or installation services in association with this Addendum, a description of which shall be set out in a Statement of Work, executed by T2 Systems and the Customer which is incorporated and referenced hereto.
- d. "SaaS Term" means the period during which the Services and access to the Software will be provided by T2 Systems to Customer, including the Initial Term and any Renewal Term(s).
- e. "Services" means the hosting, maintenance, support and other services provided by T2 Systems pursuant to this Addendum.
- f. "Software" means the "Citation Management Program" referring to the internet accessible management portal, Customer facing websites, and "Mobile Software" referring to the Android based data collection software.
- g. "T2 Systems Content" means any information, documentation or other materials provided to Customer by T2 Systems relating to the Software, including, without limitation, the Documentation.
- h. "Web Sites" means the web sites of T2 Systems, including the web sites that provide access to the Software.

All terms defined in this Addendum shall have the meanings ascribed thereto. Capitalized terms used in this Addendum that are not otherwise defined in this Addendum have the meaning set forth in the Agreement.

### **2 Appendices.**



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The Appendices below are hereby incorporated into and made a part of this Addendum. In interpreting this Addendum and resolving any ambiguities, the main body of this Addendum shall control over the Appendices. Each reference to T2 in the Appendices shall be deemed to mean T2 Systems, Inc.

Appendix A – Cost Proposal and Quote

Appendix B – Merchant Services Addendum for Sub-Merchants

Appendix C - Scope of Work (If applicable)

### **3 General Terms**

T2 Systems will provide services (the "Services") and license all software, including all web and LPR applications and related Documentation (the "Software"), necessary for Customer to operate a Citation Management Program ("CMP") to allow the Customer's parking enforcement officers to issue parking citations, accept payment for parking citations and perform citation adjudication tasks.

This Addendum (including the Quote and applicable SOW) and the Agreement constitute the entire agreement between the parties hereto with regard to the Software, Services, any technical support and supersedes all prior written and oral agreements, purchase orders, representations, understandings, promises, descriptions or other communications between the parties regarding the Addendum Services.

### **4 Term and Termination**

The ("Term") of the Addendum is effective from the date on which T2 Systems signs this Addendum (the "Effective Date") and will remain in effect for three (3) years ("Initial Term") from the date on which the Customer is trained and the Software is deployed to Customer (the "Training Date"). On the third anniversary of the Training Date, and on each annual anniversary date thereafter, this Addendum will renew for a one (1) year period upon the same terms and conditions upon payment of the renewal invoice ("Renewal Term"). If either the Customer or T2 Systems does not wish to renew this Addendum, or provide notice for early termination, a party must notify the other party in writing of its intention not to renew no later than sixty (60) days prior to the annual anniversary Training Date.

If Equipment and training costs have been paid in full, either party may terminate this Addendum for convenience with sixty (60) days' written notice, or terminate for cause in the event that a party provides written notice to the other party of a material breach and the breaching party fails to cure the breach within fifteen (15) days after receiving written notice of the breach from the non-breaching party.

In the event this Addendum is terminated for convenience, the terminating party will be responsible for providing all services and/or paying all fees described herein that are incurred before the date of termination. In the event the Customer terminates this Addendum for cause, T2 Systems shall not be entitled to receive any further payment after the termination date set forth in the notice.

In the event of a termination, with written notice from the Customer, T2 Systems shall supply a CSV file which contains all the Customers textual ticket and permit data (if applicable) at no cost. Any special requests for a different format will be scoped by T2 Systems with an estimate provided to the Customer on a time and material basis.

**Reengagement.** When a project does not stay on the agreed upon schedule as defined in a mutually agreed upon project plan because the Customer did not meet its deliverables, or if the Customer requests a new date after a committed date has been scheduled, the Customer will be responsible for the payment of:

- a. All Professional Services Fees completed to date.





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- b. All hard costs, including incurred travel and travel expenses.
- c. Any rebooking fees.
- d. A reengagement fee of twenty percent (20%) of the originally quoted Professional Services Fees.

A reengaged project will not begin until the above amounts are paid by the Customer. Any necessary rework (repeat of training, additional data samples, additional project management hours) would be billed at the reengaged project.

Upon written notice to T2 Systems, if the Customer does not reengage the project, this Addendum shall terminate in accordance with this Section.

## **5 CityCite™ Platform Component Terms**

T2 Systems will provide the Services as specified in Exhibit A: Agreement to Purchase with the following terms:

### **I. Physical Equipment**

T2 Systems will supply Equipment to Customer in the models and quantities set forth in Exhibit A: Agreement to Purchase, and under the T2 Systems limited warranty.

All Equipment provided by T2 Systems will be new and unused of the latest model available. Where any standard part or accessory of such Equipment is not described, it shall be understood that all Equipment and accessories that are provided standard with such Equipment shall be furnished.

Customer acknowledges that the title to the Equipment shall remain with T2 Systems until such Equipment has been paid for in full. Until Equipment has been paid in full, Customer agrees to exercise reasonable care of Equipment while in its possession.

Leased Equipment that becomes lost or stolen will be the sole responsibility of the Customer, and will be billed to the Customer at the then current price. If the exact Equipment is not available, T2 Systems will provide a similar unit that is compatible with solution at the then current price.

### **II. Data Plans**

T2 Systems will provide a data plan for each device requiring one, allowing unlimited data usage for the handheld devices covered by these plans, pursuant to the pricing in Exhibit A: Agreement to Purchase. T2 Systems expressly disclaims all warranties as to the network's reliability, fitness for a particular purpose or uptime.

### **III. Paper and Physical Consumables**

Paper, permits and other physical consumables will be provided in the configurations and quantities identified in Exhibit A: Agreement to Purchase. Additional paper can be purchased for the same terms for up to (1) year from Effective Date, after which paper can be purchased at T2 System's then current price list.

If Customer orders custom printer paper not quoted in Exhibit A: Agreement to Purchase, T2 Systems will provide a separate Agreement to Purchase to Customer detailing those costs.

### **IV. Public Citation Management Portal**

T2 Systems will provide an online payment portal and an interactive voice recognition (IVR) system through which patrons may view, pay and dispute outstanding parking citations, as well as view, purchase and apply for permits.



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**V. Automated Notice Generation, Owner Lookups & Collections**

T2 Systems will prepare all Delinquent Notices and Notice of Violations for outstanding tickets issued to vehicles bearing Florida plates and out-of-State plates (to the extent allowed by each State's DMV and T2 Systems existing integrations) to the last known registered owner(s). State agency approval will also be obtained where applicable with assistance from the Customer. Such notices shall comply with State rules and regulations in all material respects.

- a. **Collections.** Should the Customer request for a further collections process, Customer and T2 Systems will execute a separate addendum identifying the specific terms for referred collection accounts.

**VI. Custom Software Development**

Upon T2 Systems receiving a signed purchase order from Customer, T2 Systems may perform custom software development to customize the CityCite™, CodeCite™ or ForCite™ platforms to meet the Customer's needs. Work will be performed in accordance with an executed Statement of Work ("SOW"), and will be performed in a professional and workmanlike manner in accordance with recognized industry standards and other specifications as outlined in the project specific SOW. All custom software development is owned exclusively by T2 Systems.

**VII. Support & Issue Resolution**

T2 Systems will provide online, telephone and email support to Customer during the Term, providing live, direct T2 Systems product support from 8:00 a.m. to 5 p.m. EST, Monday through Friday, excluding nationally observed federal holidays. Additionally, voicemail will be made available 24/7 and a reply will be generated by T2 Systems initiating the support call within one (1) hour.

T2 Systems product support will assist Customers relating to, but not limited to:

- Recommendations for optimal use of CMP
- Problems with or questions pertaining to the operation of CMP
- Problems with interfaces between CMP & other systems
- Error messages from CMP
- Printing issues related to CMP Mobile Software
- Questions about CMP customizable reporting tool

**VIII. Shipping Costs**

Customer will be responsible all shipping costs to its facility incurred by T2 Systems for the shipment of paper, Equipment, permits and all other physical components required to operate the CMP.

**IX. Acceptance of Equipment**

Customer shall inspect or test Equipment upon receipt. Customer shall be deemed to have affected final acceptance of the Equipment at the earliest of: (a) the fifteenth (15th) day after the date of shipment, unless written notice is received by T2 Systems before such day; or, (b) the date when the Equipment is used or otherwise placed in commercial operation.

**X. Out of Scope Services and Change Order Requests**

Additional services or changes may be requested by the Customer must be submitted in writing by the Customer. T2 Systems will prepare a separate statement of work along with a detailed cost estimate to be approved in writing by the Customer prior to the implementation of any changes or additions.



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This includes, but is not limited to, requests for additional Equipment, installation of additional sessions, Customer requested software modifications and/ or relocation of Equipment.

## **6 Merchant Processing Framework**

In performing T2 System's obligations in connection with the maintenance of the Public Citation Management Portal ("PCMP"), T2 Systems will serve as the merchant of record for all PCMP transactions and will supply a payment gateway for all such transactions.

Except for chargeback fees and any other transaction exception fees from T2 System's merchant bank, T2 Systems will be responsible for all merchant processing costs associated with citation payments made online through the payment portal, including, without limitation, settlement fees, payment gateway fees, and interchange reimbursement fees. Chargeback fees from T2 System's merchant bank will be passed through directly to Customer with no markup.

T2 Systems will remit all fees and fines to Customer, less T2 System's per transaction fees, refunded transactions and associated fees, merchant processing fees and chargeback and refund fees as applicable based on the pricing set forth in the Quote.

- a. Payment Processing. Should the Customer request for payment processing, Customer and T2 Systems will execute a separate addendum identifying the specific terms for payment processing.

## **7 Fees**

Customer agrees to the fee schedule outlined in Exhibit A: Agreement to Purchase. Invoices will be submitted on a monthly basis, payable within thirty (30) days upon its receipt. Invoices may be submitted to Customer by United Public Safety, LLC, which is an Affiliate of T2 Systems, Inc.

Fees may increase after the initial term at every term renewal as set forth in the quote. If not defined in the quote, renewals may increase by an amount not to exceed five percent (5%) per year.

## **8 Payment**

Payment for Software Licensing, Data Plans and CiteGuardPlus™ warranties are invoiced one (1) year in advance. Payment for purchased Equipment and CiteGuard™ warranties are due prior to installation. If Equipment and other upfront costs have been amortized over a three (3) year term, the lump sum payment outlined in Exhibit A: Agreement to Purchase will be invoiced one (1) year in advance.

Payments for any Revenue Share, Owner Lookups, Data Entry, Automated Notices and Call Center Support, as applicable, are invoiced monthly on an as-used basis pursuant to Exhibit A: Agreement to Purchase or other Exhibits.

T2 Systems shall keep accurate records of all Services performed under this Addendum and shall submit such information to the Customer with each invoice.

## **9 Web-Based License**

T2 Systems grants to Customer, and Customer accepts, a nontransferable, nonexclusive license and right to access the Citation Management Program via the Internet, and to the Mobile Software through mobile devices on which T2 Systems has installed its software. Customer agrees to use the Software and the



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Documentation only as authorized in this Addendum, for its own internal purpose and operations, during the SaaS Term. Customer acknowledges that its access to and use of the back end Citation Management Program Software will be web-based only. The Citation Management Program will be hosted by T2 Systems and accessed and used by Customer through the use of the Internet and Customer's computers, while Mobile Software will be installed on Customer mobile devices exclusively by T2 Systems.

## **10 T2 Systems Limitations**

The maximum number of Customer's employees, contractors, volunteers, and other agents that are simultaneously accessing or using the Software at any given time shall not exceed the number of users specified in Exhibit A: Agreement to Purchase. Customer's use of the Software may not exceed the number of users specified without the express written agreement of T2 Systems.

## **11 Permitted Uses**

Subject to T2 System's database permissions and limitations, users shall be permitted access to the T2 Systems CityCite® products for the following uses (but only such uses) as described below:

By users as permitted and authorized by Customer within the terms and features of this Addendum:

- a. Issuance & Management of Citations, Tickets & Permits
- b. Customization & Management of Settings, Rules, Reporting and User Permissions
- c. Customization & Management of Public Citation Management Portal

The permitted uses described herein shall only be permitted during the SaaS Term. Customer agrees that upon expiration or termination of the SaaS Term, all rights granted to Customer shall immediately terminate. T2 Systems Customer shall certify in writing to T2 Systems that all copies of T2 Systems Content in any form, including partial copies, and shall erase all computer, electronic, or other storage devices have been destroyed.

## **12 Upgrades**

T2 Systems will install upgrades/releases of the Software which are generally made available to its other subscribers, including patches and/or fixes, as they are made available, at no charge during the SaaS Term.

## **13 Customer Responsibilities**

Customer is responsible for administering security within the T2 Systems applications (e.g., the granting of rights to a user for a specific form in the application), including maintaining the secrecy and protection of all usernames and passwords provided to Customer. Customer is responsible for maintaining its user desktops and other devices and providing users network and internet access to the Software. Customer is also responsible for ensuring that its users comply with these terms and conditions with respect to use of the Software and Services. Customer shall provide secure connectivity to the Internet for its location(s) for purposes of providing adequate access to Software hosted at the Customers hosting site.

T2 Systems shall not be responsible for the reliability or continued availability of the communications lines, or the corresponding security configurations, used by Customer in accessing the Software via the Internet. Customer shall provide adequate industry "best practice" standards to ensure reasonable security for integration between applications at the Customer site and Software hosted by T2 Systems. Customer shall



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provide accurate input information in the manner T2 Systems in connection with the Software and Services. Customer shall advise T2 Systems of any changes to Customer's operations, banking relationships, Primary Contact, or other information that would require a change in the support, operation, or configuration of the hosted Software. Customer shall configure necessary user accounts via the administrator account provided by T2 Systems. Customer shall be responsible for ensuring that any Customer Data is accurate, not corrupt in any way, and does not contain any viruses.

Customer shall be solely responsible for, and shall hold T2 Systems, its third party suppliers, and their respective Representatives harmless from any loss, damage or liability arising in connection with Customer's inputs, selection and use of the Services, and all data (including Customer Data), reports, statements and other content transmitted, posted, received or created on the T2 Systems system through Customer's account, even if transmitted, posted, received or created by a third party

#### **14 Other Restrictions**

Use of the Software and Services is restricted to use by the specific licensing entity only, and only for Customer's internal business purposes. Customer may not use the Software or Services for the benefit of any third parties or provide service bureau or other access or use of the Software or Services to third parties. Customer may not, directly or indirectly, sublicense, assign, transfer, sell, rent, lend, lease or otherwise provide the Software, Services (or any portion thereof, including without limitation any capacity) or the User Documentation, or any portions thereof, to any third party, and shall be deemed a material breach. Customer may not reverse engineer, disassemble, decompile or make any attempt to ascertain, derive or obtain the source code for the Software. Customer shall not use the Software for any commercial purpose beyond the functionality for which the Software is intended. Customer hereby agrees, represents and warrants to T2 Systems that Customer will not access or use the Software or the Web Sites for any purpose that is unlawful or prohibited by these terms and conditions.

Customer will not use the Software, Services or T2 Systems CityCite, CodeCite and ForCite cloud product to take any actions that (i) infringe on any third party's copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; (ii) violate any applicable law, statute, ordinance or regulation (including those regarding export control); (iii) are defamatory, trade libelous, threatening, harassing, or obscene; (iv) constitute unauthorized entry to any machine accessible via the network; (v) create or build any derivative works from any information, content, software, products or services obtained from or otherwise connected to T2 System's Software or Web Sites, including appending such information or content to Customer's internal database for distribution to multiple nonprofits as a donor database product or service; or (vi) distribute, transfer or resell the results of Customer's use of the Software, Services or Web Sites.

Customer shall not interfere with or disrupt network users, services or equipment with the intent to cause an excessive or disproportionate load on T2 System's or its suppliers' infrastructure by means of (but not limited to) distribution of unsolicited bulk emails or chain letters, viruses, Trojan horses, worms, or other similar harmful or deleterious programming routines. Customer further agrees to cooperate with T2 Systems in causing any unauthorized use (including but not limited to co-branding, framing or hyper-linking) and to immediately cease.

#### **15 Location, Audio, Image and Video Services**

Customer acknowledges and consents to the automated and manual creation and/or collection of Location-



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Based, Audio, Image, and/or Video Services information in the Software and/or device through interaction between the devices where the Software is installed, T2 System's servers, and third party applications and systems. T2 Systems will use commercially reasonable efforts to ensure the accuracy of Location-Based, Audio, Image, and/or Video Services; however, T2 Systems assumes no liability or responsibility in the event of inaccuracies in such information. While T2 Systems uses commercially reasonable efforts to safeguard such information, T2 Systems assumes no liability or responsibility for losses resulting from illegal or fraudulent access to Location-Based, Audio, Image, and/or Video Services related information. T2 Systems also reserves the right to make such information available to auditors, police and other governmental agencies as permitted or required by law.

## 16 Software Modifications

Customer shall not make any modifications to the Software. Any modifications that Customer makes to the Software will void any warranty obligations contained in this Addendum and T2 Systems in its sole discretion, may terminate this Addendum.

## 17 Warranties

**T2 Systems Limited Warranty.** Each party warrants that (i) it has the right and power to enter into these Terms and Conditions, and (ii) it will comply with all applicable laws and regulations. T2 Systems warrants that the Services will be performed in a professional and workmanlike manner in accordance with recognized industry standards and other specifications as outlined in this Addendum.

**Exclusive Remedies.** If, during the warranty period the Software fails to comply with the specifications, T2 System's entire liability and Customer's exclusive remedy will be either to (a) repair or replacement of the Software, or (b) if in T2 System's opinion such repair or replacement is not possible, termination of the SaaS Term and a refund of the Subscription Fees paid for the Software of the current annual Term. This limited warranty is void if failure of the Software has resulted from accident, abuse, misuse or negligence of any kind in the use, handling or operation of the Software, including any use not consistent with the Documentation or T2 Systems training. T2 System's entire liability and Customer's exclusive remedy for any breach of warranty with respect to the Services as described above shall be T2 Systems re-performing the Services performed.



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## **Appendix A:**

### **Cost Proposal / Quote**





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## APPENDIX B: MERCHANT SERVICES ADDENDUM FOR SUB-MERCHANTS

This MERCHANT SERVICES ADDENDUM FOR SUB-MERCHANTS ("Agreement") is made with City of Ocala, FL ("Sub-merchant") in connection with the agreement between Sub-merchant and T2 Systems, Inc. ("T2"). T2's designated financial institution ("Bank") and payment processor ("Processor") that T2 has contracted with to support the Services and are members of the Associations providing sponsorship services in connection with this Agreement, will provide Sub-merchant with certain payment processing services ("Services") in accordance with the terms of this Agreement. In consideration of Sub-merchant's receipt of credit or debit card funded payments, and participation in programs affiliated with MasterCard International Inc. ("MasterCard"), VISA U.S.A. Inc. ("VISA"), Discover ("Discover"), American Express ("Amex") and certain similar entities (collectively, "Associations"), Sub-merchant is required to comply with the Operating Regulations (defined below) as they pertain to applicable credit and debit card payments. In addition, if Sub-merchant meets certain requirements under the Operating Regulations or an Association or the Operating Regulations otherwise require, Sub-merchant may be required to enter into a direct relationship with an entity that is a member of the Associations. By executing this Agreement, Sub-merchant has fulfilled such requirement. However, Processor understands that Sub-merchant may have contracted with T2 to obtain certain processing services and that T2 may have agreed to be responsible to Sub-merchant for all or part of Sub-merchant's obligations contained herein. Bank and Processor may be changed at any time without prior notice.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises contained herein, the parties agree as follows:

**1. Certain Sub-merchant Responsibilities.** Sub-merchant agrees to comply, and to cause third parties acting as Sub-merchant's agent ("Agents") to comply, with the Association's and other payment network's by-laws, operating regulations and/or all other rules, policies and procedures, including but not limited to the Payment Card Industry Data Security Standard, the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations or payment networks (collectively "Operating Regulations"). Sub-merchant may review the VISA, MasterCard, Discover and Amex websites for a copy of the Visa, MasterCard, American Express and Discover regulations. Sub-merchant also agrees to comply with all applicable state, federal, and local laws, rules, and regulations ("Laws"). Without limiting the foregoing, Sub-merchant agrees that it will fully comply with any and all anti-money laundering laws and regulations, including but not limited to the Bank Secrecy Act, the US Treasury's Office of Foreign Assets Control (OFAC) and the Federal Trade Commission. For purposes of this section, Agents include, but are not limited to, Sub-merchant's software providers and/or equipment providers. T2 may suspend or terminate the Services at any time if Sub-Merchant is not eligible under Law or Operating Regulations to use the Services, and T2 reserves the right to establish certain limits on Sub-Merchant's processing volume at any time in its reasonable discretion

If appropriately indicated in Sub-merchant's agreement with T2, Sub-merchant may be a limited-acceptance merchant, which means that Sub-merchant has elected to accept only certain Visa and MasterCard card types (i.e., consumer credit, consumer debit, and commercial cards) and must display appropriate signage to indicate the same. Processor has no obligation other than those expressly provided under the Operating Regulations and applicable law as they may relate to limited acceptance. Sub-merchant, and not Processor, will be solely responsible for the implementation of its decision for limited acceptance, including but not limited to policing the card type(s) accepted at the point of sale.

Sub-merchant shall only complete sales transactions produced as the direct result of bona fide sales made by Sub-merchant to cardholders, and is expressly prohibited from presenting sales transactions which are produced as a result of sales made by any person or entity other than Sub-merchant, or for any purposes related to any illegal or prohibited activity, including but not limited to money-laundering or financing of terrorist activities.



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Sub-merchant may set a minimum transaction amount to accept a card that provides access to a credit account, under the following conditions: i) the minimum transaction amount does not differentiate between card issuers; ii) the minimum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand; and iii) the minimum transaction amount does not exceed ten dollars (or any higher amount established by the Federal Reserve). Sub-merchant may set a maximum transaction amount to accept a card that provides access to a credit account, under the following conditions: Sub-merchant is a i) department, agency or instrumentality of the U.S. government; ii) corporation owned or controlled by the U.S. government; or iii) Sub-merchant whose primary business is reflected by one of the following MCCs: 8220, 8244, 8249 –Schools, Trade or Vocational; and the maximum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand.

**2. Sub-merchant Prohibitions.** Sub-merchant must not (i) require a cardholder to complete a postcard or similar device that includes the cardholder's account number, card expiration date, signature, or any other card account data in plain view when mailed; (ii) add any tax to transactions, unless applicable law expressly requires that a Sub-merchant impose a tax (any tax amount, if allowed, must be included in the transaction amount and not collected separately); (iii) request or use an account number for any purpose other than as payment for its goods or services; (iv) disburse funds in the form of travelers checks if the sole purpose is to allow the cardholder to make a cash purchase of goods or services from Sub-merchant; (v) disburse funds in the form of cash unless Sub-merchant is dispensing funds in the form of travelers checks, TravelMoney cards, or foreign currency (in such case, the transaction amount is limited to the value of the travelers checks, TravelMoney cards, or foreign currency, plus any commission or fee charged by the Sub-merchant), or Sub-merchant is participating in a cash back service; (vi) submit any transaction receipt for a transaction that was previously charged back to the Processor and subsequently returned to Sub-merchant, irrespective of cardholder approval; (vii) accept a Visa consumer credit card or commercial Visa product issued by a U.S. issuer to collect or refinance an existing debt; (viii) accept a card to collect or refinance an existing debt that has been deemed uncollectable; or (ix) submit a transaction that represents collection of a dishonored check. Sub-merchant further agrees that, under no circumstance, will Sub-merchant store cardholder data in violation of the Laws or the Operating Regulations including but not limited to the storage of track-2 data. Neither Sub-merchant nor its Agent shall retain or store magnetic-stripe data subsequent to the authorization of a sales transaction.

**3. Settlement.** Upon receipt of Sub-merchant's sales data for card transactions, Processor will process Sub-merchant's sales data to facilitate the funds transfer between the various Associations and Sub-merchant. After Processor receives credit for such sales data, subject to the terms set forth herein, Processor will fund Sub-merchant, either directly to the Sub-merchant -Owned Designated Account or through T2 to an account designated by T2 ("T2Designated Account"), at Processor's discretion, for such card transactions. Sub-merchant agrees that the deposit of funds to the T2 Designated Account, if applicable, shall discharge Processor of its settlement obligation to Sub-merchant, and that any dispute regarding the receipt or amount of settlement shall be between T2 and Sub-merchant. Processor will debit the T2Designated Account for funds owed to Processor as a result of the Services provided hereunder, provided that Processor may also debit Sub-merchant's designated demand deposit account ("Sub-merchant -Owned Designated Account") upon receipt of such account information from Sub-merchant or T2, or if Processor deposits settlement funds into the Sub-merchant -Owned Designated Account. Further, if a cardholder disputes a transaction, if a transaction is charged back for any reason, or if Processor reasonably believes a transaction is unauthorized or otherwise unacceptable, the amount of such transaction may be charged back and debited from Sub-merchant or T2.

**4. Term and Termination.** This Agreement shall be binding upon Sub-merchant's execution. The term of this Agreement shall begin, and the terms of the Agreement shall be deemed accepted and binding upon Processor, on the date Processor accepts this Agreement by issuing a merchant identification number, and shall be coterminous with T2's agreement with Sub-merchant.

Notwithstanding the foregoing, Processor may immediately cease providing Services and/or terminate this Agreement without notice if (i) Sub-merchant or T2 fails to pay any amount to Processor when due, (ii) in Processor's



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opinion, provision of a service to Sub-merchant or T2 may be a violation of the Operating Regulations or any Laws, (iii) Processor believes that Sub-merchant has violated or is likely to violate the Operating Regulations or the Laws, (iv) Processor determines Sub-merchant poses a financial or regulatory risk to Processor or an Association, (v) Processor's agreement with T2 terminates, (vi) any Association deregisters T2, (vii) Processor ceases to be a member of the Associations or fails to have the required licenses, or (viii) Processor is required to do so by any of the Associations.

**5. Indemnification.** Sub-Merchant agrees to indemnify, defend, and hold T2 and its directors, officers, employees, affiliates, and Agents harmless from and against any and all proceedings, losses, costs, expenses, claims, demands, damages, and liabilities (including attorneys' fees and costs, and collections costs) resulting from or otherwise arising out of (i) Sub-Merchant's or its directors', officers', employees', affiliates', and Agents' use of the Services or acts or omissions in connection with the Services; (ii) any infiltration, hack, breach, or access violation of Sub-Merchant's systems, including any access to Card, Cardholder, or transaction data; and (iii) Sub-Merchant's or its directors', officers', employees', affiliates', and Agents' breach of this Agreement or violation of Law or the Operating Regulations. This indemnification will survive the termination of this Agreement.

**6. No Waiver of Sovereign Immunity.** Nothing herein is intended to waive sovereign immunity by the Sub-Merchant to which sovereign immunity may be applicable, or of any rights or limits of liability existing under Florida Statute § 768.28. This term shall survive the termination of all performance or obligations under this Agreement and shall be fully binding until any proceeding brought under this Agreement is barred by any applicable statute of limitations.

**7. Limits of Liability.** Sub-merchant agrees to provide Processor, via communication with T2, with written notice of any alleged breach by Processor of this Agreement, which notice will specifically detail such alleged breach, within thirty (30) days of the date on which the alleged breach first occurred. Failure to so provide notice shall be deemed an acceptance by Sub-merchant and a waiver of any and all rights to dispute such breach.

EXCEPT FOR THOSE EXPRESS WARRANTIES MADE IN THIS AGREEMENT, PROCESSOR DISCLAIMS ALL WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Sub-merchant's sole and exclusive remedy for any and all claims against Processor arising out of or in any way related to the transactions contemplated herein shall be termination of this Agreement. In the event that Sub-merchant has any claim arising in connection with the Services, rights, and/or obligations defined in this Agreement, Sub-merchant shall proceed against T2 and not against Processor, unless otherwise specifically set forth in the Operating Regulations. In no event Processor shall have any liability to Sub-merchant with respect to this Agreement or the Services. Sub-merchant acknowledges Processor is only providing this Agreement to assist in T2's processing relationship with Sub-merchant, that Processor is not liable for any action or failure to act by T2, and that Processor shall have no liability whatsoever in connection with any products or services provided to Sub-merchant by T2. If T2 is unable to provide its services to Sub-merchant in connection with this Agreement and Processor elects to provide those services directly, Sub-merchant acknowledges and agrees that the provisions of this Agreement will no longer apply and the terms of Processor's then current Bank Card Merchant Agreement, which would be provided to Sub-merchant, will govern Processor's relationship with Sub-merchant. If T2 subsequently provides its services to Sub-merchant in connection with this Agreement, Processor will cease to provide such services after receipt of notice from T2 and this Agreement will govern Processor's relationship with Sub-merchant.

**8. Miscellaneous.** This Agreement may not be assigned by Sub-merchant without the prior written consent of Processor. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, transferees and assignees. This Agreement is for the benefit of, and may be enforced only by, Processor and Sub-merchant and is not for the benefit of, and may not be enforced by, any other party. Processor may amend this Agreement upon notice to Sub-merchant in accordance with Processor's standard operating procedure. If any provision of this Agreement is determined to be illegal or invalid, such illegality or invalidity of that provision will not



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affect any of the remaining provisions and this Agreement will be construed as if such provision is not contained in the Agreement "Bank" as used in this Agreement shall mean a member of VISA, MasterCard and/or Discover, as applicable, that provides sponsorship services in connection with this Agreement. The Bank is a party to this Agreement. The Bank may be changed, and its rights and obligations assigned to another party by Processor at any time without notice to Sub-merchant.



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**EXHIBIT 1 – ADDITIONAL SUPPLEMENTAL TERMS**

**1. Transaction Processing and Reporting.** Subject to the terms of this Agreement, T2 or Processor will initiate payment to Sub-Merchant of the total face amount of each transaction less any fees or other amounts T2 or Processor are authorized to deduct or withhold under this Agreement. The deposit of transaction funds to the Sub-merchant -Owned Designated Account discharges T2 and Processor of any settlement obligation to Sub-Merchant. Sub-Merchant agrees that T2 and Processor have no obligation to settle funds that are the proceeds of a purported transaction that violates Law. Unless otherwise agreed to in writing by the parties, Sub-Merchant shall electronically deliver to T2 or Processor (as agreed among the parties) all transaction records at least every business day. The preparation and delivery of transaction records shall constitute an endorsement by Sub-Merchant of each transaction, and Sub-Merchant authorizes T2 or Processor to place Sub-Merchant's endorsement on any transaction at any time. T2 or Processor shall provide transaction information and reports to Sub-Merchant on a daily basis or as otherwise agreed by the parties. Sub-Merchant agrees to review all such information and reports. Sub-Merchant agrees that its failure to report any errors in such information and reports or to notify T2 that Sub-Merchant has not received any amounts owed to Sub-Merchant within thirty (30) business days from the date the report or invoice is made available to Sub-Merchant or that receipt of such funds was due to occur shall constitute Sub-Merchant's acceptance of the same.

**2. Third Party Assessments.** Notwithstanding any other provision of this Agreement, Sub-Merchant shall be responsible for all fees, fines, assessments, penalties, loss allocations, or other amounts imposed or assessed to Sub-Merchant, T2, Processor or Bank in connection with this Agreement by the Associations or other third parties to the extent that such amounts are not the direct result of the gross negligence or willful misconduct of T2, Processor, or Bank, as applicable. In the event that Processor or any third party assesses T2 a cost of funds associated with a circumstance where Processor, for whatever reason, advances settlement or any amounts and/or delays the assessment of any fees, Sub-Merchant shall be fully responsible for any portion of such assessment that is attributable to the Services for Sub-Merchant.

**3. T2 Fees.** Sub-Merchant agrees to pay T2 the fees, expenses, and all other amounts set forth in this Agreement ("**Fees**"), which is referenced and incorporated in the Quote. All amounts owed under this Agreement, are due when invoiced or as otherwise directed. Any such amounts not paid when due shall be charged interest at 1% per month but in no event more than the highest rate permitted by Law. Unless otherwise mutually agreed in writing by the parties, T2 agrees not to change any of its Fees for one (1) year after the Effective Date. Notwithstanding the foregoing, Sub-Merchant is responsible for payment of any changes or increases in Fees by Processor, Bank, the Associations, or other third parties ("**Pass Through Fees**"). In the event that T2 exercises its right to increase any Fees under this Section (exclusive of any changes in Pass Through Fees), T2 will provide Sub-Merchant thirty (30) days' advance written notice. An increase of T2 Fees will be based on the annual transaction volume tiers, which will be no greater than five cents (\$0.05) per transaction. Review of the annual transaction volume tiers will take place upon the anniversary of each Term of the Effective Date of this Agreement. If Sub-Merchant does not agree to any such increases in Fees during this notice period, Sub-Merchant may terminate this Agreement with thirty (30) days' written notice to T2, during which period T2 shall continue to charge the existing Fees during the termination and wind-down period. T2, Processor, and Bank may refuse to provide the Services in the event any of the parties have not been paid by Sub-Merchant for the Services contemplated herein.

**4. Right of Offset.** Sub-Merchant has no right of offset regarding any amounts Sub-Merchant may owe T2. T2 may setoff any amounts owed by Sub-Merchant under this Agreement against (i) any amounts, including transactions, which T2 would otherwise deposit to the Sub-merchant -Owned Designated Account; (ii) any other amounts T2 may owe Sub-Merchant under this Agreement; or (iii) against any property of Sub-Merchant in the possession or control of T2. This right of offset covers, but is not limited to, chargebacks, disputes, fees, or any amounts Sub-Merchant owes T2 under this Agreement. Sub-Merchant is responsible for any costs T2 incurs in connection with collection, in addition to any amounts owed, including attorneys' fees and expenses, collection agency fees, and any applicable interest on unpaid amounts.

**Certificate Of Completion**

Envelope Id: 4790357B9C764891B44580812247686E

Status: Completed

Subject: SIGNATURE - Master Services Agreement UPSafety and Collections (GRM/240693)

Source Envelope:

Document Pages: 34

Signatures: 3

Certificate Pages: 5

Initials: 0

AutoNav: Enabled

Envelope Stamping: Enabled

Time Zone: (UTC-05:00) Eastern Time (US &amp; Canada)

Envelope Originator:

Patricia Lewis

110 SE Watula Avenue

City Hall, Third Floor

Ocala, FL 34471

plewis@ocalafl.org

IP Address: 216.255.240.104

**Record Tracking**

Status: Original

6/28/2024 2:57:23 PM

Security Appliance Status: Connected

Storage Appliance Status: Connected

Holder: Patricia Lewis

plewis@ocalafl.org

Pool: StateLocal

Pool: City of Ocala - Procurement &amp; Contracting

Location: DocuSign

Location: DocuSign

**Signer Events**

William E. Sexton

wsexton@ocalafl.org

City Attorney

City of Ocala

Security Level: Email, Account Authentication  
(None)**Signature**

DocuSigned by:

  
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Signature Adoption: Pre-selected Style

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Signed: 7/3/2024 9:32:42 AM

**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

Peter Lee

plee@ocalafl.org

City Manager

City of Ocala

Security Level: Email, Account Authentication  
(None)

DocuSigned by:

  
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Signature Adoption: Pre-selected Style

Using IP Address: 104.28.92.153

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Viewed: 7/3/2024 9:42:34 AM

Signed: 7/3/2024 9:42:53 AM

**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

Jennifer Streetman

jennifer.streetman@t2systems.com

Security Level: Email, Account Authentication  
(None)

DocuSigned by:

  
16BD728B8CA14CB...

Signature Adoption: Pre-selected Style

Using IP Address: 104.28.32.198

Signed using mobile

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Viewed: 7/3/2024 9:52:27 AM

Signed: 7/3/2024 1:02:09 PM

**Electronic Record and Signature Disclosure:**

Accepted: 7/3/2024 9:52:27 AM

ID: a944d6f2-8224-4d6b-ba41-3013b7d86dbd

**In Person Signer Events****Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp**

Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/28/2024 3:01:27 PM
Certified Delivered	Security Checked	7/3/2024 9:52:27 AM
Signing Complete	Security Checked	7/3/2024 1:02:09 PM
Completed	Security Checked	7/3/2024 1:02:09 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		



## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, City of Ocala - Procurement & Contracting (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact City of Ocala - Procurement & Contracting:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [contracts@ocalafl.org](mailto:contracts@ocalafl.org)

### **To advise City of Ocala - Procurement & Contracting of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [contracts@ocalafl.org](mailto:contracts@ocalafl.org) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from City of Ocala - Procurement & Contracting**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [contracts@ocalafl.org](mailto:contracts@ocalafl.org) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with City of Ocala - Procurement & Contracting**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [contracts@ocalafl.org](mailto:contracts@ocalafl.org) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Ocala - Procurement & Contracting as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Ocala - Procurement & Contracting during the course of your relationship with City of Ocala - Procurement & Contracting.