VERMONT SYSTEMS

SERVICES AGREEMENT

This Services Agreement is entered into on [_____] ("Effective Date") by and between **RECTRAC, LLC d/b/a VERMONT SYSTEMS**, a Delaware limited liability company having its principal address at 12 Market Place, Essex Junction, VT 05452 ("VS," "Licensor," "we," "our," or "us") and the customer identified in Section 1 below ("Customer," "Licensee," "you" or "your") (each a "Party," and, collectively, the "Parties"). This Services Agreement, including all attachments, schedules, exhibits or Addenda referenced herein, shall collectively comprise the "Agreement" between you and us. Terms not defined below shall have the meanings as set forth in Section 1 of the Terms of Service.

1. CUSTOMER INFORMATION		
Customer Name (Legal Entity)	**Doing Business As (if applicable)**	
City of Crossville, TN		
Office Address		
837 Industrial Boulevard Crossville, TN 38555		
Business Address (if business is located somewhere other than the office address)		
Customer's General Contact (for all matters under the Agreement)	**General Contact Phone**	**General Contact Email**
Ethan Medley	931-456-6632	Ethan.Medley@CrossvilleTN.gov
Customer's Billing Contact (for billing matters under the Agreement)	**Billing Contact Phone**	**Billing Contact Email**
VS Sales Executive	**VS Sales Executive Phone**	**VS Sales Executive Email**
Dylan Greer	802-255-2151	DylanG@vermontsystems.com

2. TERM OPTIONS

Initial Term: 36 months. The Initial Term will commence on the contract execution date and will end 36 consecutive months later. This does not apply to the COLT increase. It is specifically agreed that this contract shall not be effective until duly signed by an authorized representative of the City of Crossville and after approval of the Crossville City Commission.

Renewal Term(s): The City of Crossville has the option to renew for additional twelve (12) month terms upon written notification. **The City of Crossville does not agree to automatic renewal provisions. MIDTERM CANCELATIONS WILL NOT BE ACCEPTED.**

Software Maintenance and Support fees are billed annually and will be based on the **effective date** of this Agreement. CUSTOMER also has the option of choosing a billing cycle that aligns with their fiscal year beginning: [__DATE__]*
Customer MUST enter a date if using this option. The invoice may be prorated if the contract's effective date and maintenance cycle start date are more than a month apart

3. SERVICES & FEES

Services and Fees are set forth in Quote No.QUO-18048-F1R8G5 All Fees will be due 30 days following invoice receipt.

3.a TAX EXEMPTION. The customer needs to mark the appropriate box.

☐ **YES**	Yes, we are exempt. <u>If yes, please provide a certificate or other documentation.</u>
☐ **NO**	No, we are not exempt.

4. PAYMENT SERVICES

X	**Included**	Customer is selecting VS to provide Payment Services and will enter into a separate Sub-Merchant Agreement with us, as the payment facilitator.
☐	**Not Included**	Customer will be handling its own payment processing and payment services on its own or through another third-party payment services provider. We consider these services to be Third-Party Services for which we are not responsible or liable.

5. HOSTING

☐	**Customer Is Hosting Its Own Data**	Customer is choosing to host its own data locally, on its own servers. VS is not liable for loss of Customer Data or any liability resulting from Customer's decision to host its own data.
X	**VS Is Hosting Customer Data**	VS is hosting Customer Data on VS-controlled servers. Terms relate to Data Hosting will apply.

6. TERMS OF SERVICE

Customer has received, understands and agrees to the VS <u>Terms of Service</u>.

7. PRIVACY & SECURITY

Customer has received, understands and agrees to the VS <u>Privacy Statement</u>.

8. ADDITIONAL ADDENDA

The following Addenda are included and made part of this Agreement:

- Terms of Service
- Service Level Agreement (Software)

- PayTrac Addendum
- Quote No. QUO-18048-F1R8G5

Customer has read, understands and agrees to the terms of the Agreement as set forth herein on this _____day of _____, 2025 ("Effective Date").

Customer:	Vermont Systems:
City of Crossville, TN	**RecTrac, LLC d/b/a Vermont Systems**
By:_____(Print Name) Its:_____(Title) Date:	By: Patrick Hayden Its: President Date:

TERMS OF SERVICE

1) **DEFINITIONS.** Capitalized terms used but not otherwise defined in these Terms of Service will have the meaning ascribed to such terms in the Services Agreement or other applicable Addenda.

> **"Addendum"** or **"Addenda"** means a document added to the Agreement containing new or supplemental terms.

> **"Agreement"** means the Services Agreement and any attachments, schedules or exhibits referenced therein, which could include the Order Schedule, Privacy Policy, Terms of Service, Service Level Agreement, Statement of Work, Sub-Merchant Agreement, or any later-signed Addenda.

> **"Billing Period"** means the period of time covered by a single recurring dues fee for Services. Recurring fees will be based on contract execution date. Unless otherwise noted, a Billing Period will be billed in advance and will cover a period of one (1) year.

> **"Cardholder Data"** is a subset of Customer Data and generally includes a Patron's name, billing address, credit card number, expiration date and CVV code.

> **"Confidential Information"** means any and all information disclosed by either party to the other which is marked "confidential" or "proprietary" or which the recipient knows or has reason to know is regarded by the disclosing party as such, including information disclosed orally. "Confidential Information" does not include any information that the receiving party can demonstrate by its written records: (a) was known to it prior to its disclosure hereunder by the disclosing party; (b) is or becomes known through no wrongful act of the receiving party; (c) has been rightfully received from a third party authorized to make such a disclosure; (d) is independently developed by the receiving party; (e) has been approved for release with the disclosing party's prior written authorization; or (f) has been disclosed by court order or as otherwise required by law, provided that the party required to disclose the information provides prompt advance notice to enable the other party to seek a protective order or otherwise prevent such disclosure. All parties understand and agree that the City of Crossville is subject to the Tennessee Open Records Act and that all contracts are subject to being produced under said act.

> **"Customer"** is a VS customer. The Customer is the individual, business entity, non-profit, military branch, or municipality contracting with us to receive Services as more specifically identified in the Services Agreement. Customer may also be referred to in the Agreement as "you," "your" or "Licensee."

> **"Customer Data"** is the content, information or data which you, your End Users and/or your Patrons enter into the Software associated with our Services. Customer Data may include Patron Data, among other types of data.

> **"Effective Date"** shall have the meaning as set forth in the Services Agreement.

> **"End Users"** are your authorized users of the Software associated with our Services. Those licenses associated with a Customer's concurrent End Users will be listed in the Order Schedule.

> **"Fees"** mean any and all fees associated with the use of our Services, including (but not limited to) Software Fees, Hosting Fees, Support Fees, any fees associated with our Payment Services, and/or any fees associated with Professional Services, as well as any other fees or charges permitted by the Agreement. Fees may be recurring, non-recurring, or one-time, as more specifically described in the Order Schedule. One–time fees

(hardware, training on-site, etc.) will be billed on an as-used basis

"Fully Executed" means when all parties have signed the agreements.

"Hardware" means the computer equipment, point-of-sale terminals, or other technical hardware distributed by us or by a reseller on our behalf. Hardware may contain firmware or software.

"Hosting Fees" mean the fees associated with the hosting of Customer Data on our VS-controlled servers and systems.

"Initial Term" is the initial term for Services, as described in the Services Agreement.

"Intellectual Property Rights" means all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

"Negative Accrual" occurs where the total liabilities associated with your account exceed the total available funds in the account during a given remit cycle.

"Order Schedule" means the schedule in the Agreement which itemizes and describes the Services we are willing to provide to you and any specific fees you are agreeing to pay us for such Services. Quotes and Annual Maintenance Invoices are considered the "order schedule."

"Patron(s)" mean(s) the individuals who purchase your products and/or services and who otherwise interact with the Software associated with our Services. Patrons are your customers, clients or members.

"Patron Data" means information about Patrons entered into the Software by you, your End Users or your Patrons. Patron Data may include (but is not limited to) personally identifiable information and/or Cardholder Data.

"Payment Services" means the payment and billing-related services that we may provide to you under the Agreement. Payment Services may be described in the Order Schedule or in a separate Addendum, and your receipt of Payment Services requires that you enter into a separate Sub-merchant Agreement with us.

"Professional Services" are any professional services provided outside of our initial unconfigured install of the Software associated with our Services. Professional services may include consulting, custom development work, implementation, supplemental or onsite training, remote training, or projects which generally fall outside the scope of the Agreement. Unless otherwise agreed, Professional Services will be documented under a separate Statement of Work and signed by the Parties.

"Services" mean any and all of those products and/or services offered by us to you under the Agreement. Services may include products or services related to software, hosting, hardware, implementation, support, training and/or payments. A specific itemization of Services can be found in the Order Schedule.

"Services Agreement" means the contract between you and us for Services. The Services Agreement, together

with any attachments, schedules or exhibits referenced therein, is broadly referred to as the "Agreement" between you and us.

"Software" means our proprietary technology software and any and all associated modules, websites, third party integrations and/or mobile applications (if applicable).

"Software Fees" mean those fees associated with your access to and use of our Software or any component thereof. Software Fees are charged annually unless otherwise agreed upon and as specifically described in the Order Schedule.

"Splash Page" means the main landing page for WebTrac. The Splash Page will have buttons, images, and links to other areas within WebTrac. It's the starting page from which a customer will navigate to all other programs, available activities, classes, etc.

"Sub-Merchant Agreement" means our Sub- Merchant Application and Agreement and Payment Service Terms and Conditions, which govern the terms and conditions under which we are willing to provide our Payment Services.

"Support Fees" mean those fees associated with our Support Desk, which enables customer support through live channels like phone and chat. We may charge Support Fees monthly or annually or as more specifically described in the Order Schedule.

"Renewal Term" means the period which immediately follows the expiration of the Initial Term, as described in the Services Agreement.

"Team" includes VS's employees, officers, directors, owners, attorneys, affiliates or representatives.

"Term" means the term for Services and includes both the Initial Term and any Renewal Terms, as applicable.

"VS" means RecTrac, LLC d/b/a Vermont Systems and its subsidiaries, successors and assigns. VS's business address is 12 Market Place, Essex Junction, VT 05452. VS may also be referred to in the Agreement as "Licensor," "we," "our," or "us."

2) **ACCEPTANCE.**
You accept the terms of the Agreement when you (a) sign a hardcopy of the Services Agreement; and/or (c) access the Services or otherwise accept the benefits of Services. You expressly acknowledge that the person accepting the Agreement on your behalf has the proper legal authority to bind you as the Customer.

3) **GRANT OF RIGHTS.**
a) **Grant of Rights by VS.** Upon the Effective Date, and subject to your timely payment of Fees and remaining in compliance with the Agreement, we grant to you a limited term, worldwide, non- exclusive, non-transferrable, non-assignable license to access and use our Services, including the Software, during the Term solely for the lawful operation of your business. The licensed rights described herein shall be limited to End Users authorized by you to access and use the Software, and your Patrons who have a legitimate right to access and use your products and/or services. The licensed rights conferred herein do not constitute a sale and do not convey to you or any third party any right of ownership in or to our Services, including the Software, or any of our Intellectual Property Rights. Upon termination of the Agreement for any reason, any rights granted by us to you will

automatically and without notice terminate. The method and means of providing the Services shall be under our exclusive control, management and supervision, although we will try to give your specific requests due consideration. Any rights not specifically granted under the Agreement are expressly reserved.

b) **Grant of Rights by Customer.** Upon the Effective Date, and subject to our remaining in compliance with the Agreement, you grant to us a limited term, worldwide, non-exclusive license to access and use your Customer Data (including any Patron Data, as applicable) to deliver, monitor and maintain the Services in accordance with the Agreement. Any rights not specifically granted under the Agreement are expressly reserved.

c) **Excess Use.** We will provide you with the number of authorized End User licenses as set forth in the Order Schedule to access and use the Software. You shall have access to functionalities in the Software that can generate reports indicating the number of authorized End Users accessing the Software at any given time. In the event that the number of concurrent End Users exceeds the number of allocated licenses described in the Order Schedule ("Excess Use"), we will notify you by email about such Excess Use and, if you do not reduce the Excess Use within 30 days of such notice, you will be required to pay for any Excess Use with additional licenses, which shall be described in a new invoice and which will automatically update the Order Schedule.

d) **Prohibited Use.** You shall not use our Services in violation of the law, whether local, state or federal (including but not limited to the CAN-SPAM Act, the Telephone Consumer Protection Act, the Do-Not-Call Implementation Act, the Americans with Disabilities Act, or any consumer protection statute); to intentionally bypass a security mechanism in the System(s); to reverse-engineer the System(s), or any component thereof, regardless of the reason why; in a way that adversely impacts the availability, reliability or stability of the System(s), or any component thereof; to intentionally transmit material using the System(s) which contains viruses, Trojan horses, worms or some other harmful computer program; to send unsolicited advertising, marketing or promotional materials, whether by email or text, without the recipient's legally-valid consent; to commit fraud; to transmit material that infringes on the intellectual property right of others; to transmit material that is harassing, discriminatory, defamatory, vulgar, pornographic, or harmful to others; or in violation of this Agreement. Violation of this Prohibited Use policy may result in immediate suspension or discontinuation of Services, or legal action, which could result in civil damages or criminal punishment.

4) **TERM; TERMINATION.**
   a) **Term.** You will be obligated to the Term as described in the Services Agreement,
   b) **Termination for Cause.** Prior to expiration of the Initial Term, either you or we may terminate the Agreement for cause (a) upon 30 days written notice to the other party of a material breach if such breach remains uncured at the expiration of such period; (b) if the other party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors; or (c) if the other party dissolves or ceases to do business in the ordinary course Suppose our termination of the Agreement is for cause. In that case, you shall remain liable for any Fees covering the remainder of the term, as applicable, after the effective date of such termination. Termination for cause will not preclude the non-breaching party from exercising any other rights or remedies permitted by law.
   c) **Termination for Convenience (Without Cause).** Either Party may terminate without cause after the initial term has ended. Please provide a 90-day advance written *notice of intent to cancel* before the end of the annual maintenance cycle date, and services will cease per the annual maintenance date. **MIDTERM CANCELATIONS WILL NOT BE ACCEPTED.**
   d) **Termination Notice.** For termination to be considered effective, you must send your termination notice via email to AccountsReceivable@vermontsystems.com or by writing to:

   Vermont Systems, Inc. at 12 Market Place, Essex Junction, VT 05452.
   WE WILL NOT ACCEPT TERMINATION NOTICES OR REQUEST VIA PHONE CALL OR PHONE MESSAGES. ALL TERMINATION NOTICES MUST BE IN WRITING.

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5) FEES; PAYMENT TERMS.

   a) **Payment of Fees**. You agree to pay us all Fees permitted by the Agreement. Fees for specific Services are described in the Order Schedule and will be billed annually, or as you and we may decide. All Fees are based on Services provided, not on your actual usage. Except as permitted by the Agreement, all Fees paid are non-refundable.

   b) **Fee Commencement**. Upon the contract's execution, the initial invoice for the software subscription and hosting will be issued, **and payment will be due**. Contracts are considered fully executed when both parties have signed.

   c) **Due Date; Late Fees; Interest**. Payment is due within 30 days from the date you receive our invoice (the "Due Date"), then we may charge you a late fee up to 5% of the total invoice. All payments are due in U.S. dollars. Unpaid balances owed to us will accrue interest at the rate of 1.5% per month.

   d) **Error Reporting.** Please report any errors that you see on an invoice immediately. If you do not dispute a charge within 30 days after receiving it, you will be considered to have accepted the charge. Invoices are sent to the contact person on file. YOU ARE RESPONSIBLE FOR KEEPING ALL CONTACT INFORMATION CURRENT.

   e) **COLT Increase**. After the FIRST TWELVE (12) MONTHS of the initial Term, all Fees shall be subject to a cost of living and technology ("COLT") enhancement increase not to exceed five percent (5%) or the aggregate change in the CPI (Consumer Price Index). VS reserves the right to apply the COLT enhancement to any fees after the FIRST TWELVE (12) MONTHS of the initial term. -

   f) **Breach for Non-Payment of Fees.** Payment not made within 30 days of the Due Date will result in an automatic breach of the Agreement and start the clock on a 20-day period in which to cure. If payment is still not received by the 51st day after the scheduled Due Date, we reserve the right to suspend Services until all outstanding Fees are paid. Continued non-payment of Fees more than 60 days after the Due Date will result in a default under the Agreement and will be considered seriously delinquent. In the event of default, all payments otherwise due to us under the Agreement will be will be considered due and payable by you immediately, as of the date of default. We shall have no obligation to release any of your Customer Data until all outstanding Fees are paid in full. WE RESERVE THE RIGHT TO TAKE LEGAL ACTION ON ALL SERIOUSLY DELINQUENT ACCOUNTS.

   g) **Taxes.** If you are a tax-exempt organization, then this provision does not apply. We have no obligation to pay your taxes under any circumstances. Taxes may include value-added tax (VAT), a goods and service tax (GST), a sales tax, or use or withholding taxes assessed by a local, state, federal, provincial or foreign government entity (collectively, "Taxes"). Please make sure that you have taken appropriate steps to pay your Taxes.

   h) We are obligated to comply with all valid tax liens or levies associated with your business. If we must pay Taxes on your behalf, you agree to indemnify us for any such payments within 30 days from your receipt of a special tax-related invoice.

6) MODIFICATIONS.

   a) **Changing the Order Schedule**. You may add or remove Services during the Term at any time provided that we agree to such changes. We reserve the right to change our fees and/or introduce new charges at any time with at least 30 days prior notice to you, which notice may be provided by email. Regardless of whether our discussion with you about changes in Services occurred verbally or in writing, we will document any Service changes in an updated invoice which we will send to you for review. If you disagree with the Service change, as reflected in the invoice, please notify us immediately. If you pay the updated invoice, accept the benefits of any added Services, or fail to object to the updated invoice within 14 days after you receive it, we will consider you to have accepted the changes, which will be considered a valid modification of any Order Schedule then in place (which will, in turn, update the Agreement automatically). If the City does not agree to the increased payments, as described in this section, then the City shall have the right to terminate the agreement with a thirty (30) day written notice. No additional compensation shall be due should this occur.

   b) **Other Changes to the Agreement**. Except as otherwise described in this Section, no modification of the Agreement will be binding unless in writing and manually signed by an authorized representative of the parties.

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7) **CUSTOMER DATA.**
   a) **Customer Data Generally**. You represent and warrant that you own or have appropriate rights to all of your Customer Data. You shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or rights to use of all Customer Data (including Patron Data, as applicable). Except as specifically provided for in the Agreement, we shall not be responsible or liable for the deletion, correction, destruction, damage, loss or failure to store any of your Customer Data.
   b) **Open Database Connectivity (ODBC):** VS will support establishing an ODBC connection in environments where allowed (such as VS Premium Cloud Hosting). The database schema can be printed running the "RecTrac Dictionary Listing" report from within the RecTrac application. Current entity relationship diagrams are also available (can be accessed via VS FTP site). No other ODBC support services will be provided by VS, such as but not limited to development assistance and development troubleshooting.
   c) **Hosting Obligations**. Hosting of Customer Data on VS-controlled servers and systems does not come standard with all Agreements; Customers must specifically contract for hosting services and pay all associated Hosting Fees. IF VS CUSTOMER DOES NOT SELECT VS's HOSTING SERVICES, AND INSTEAD CHOOSE TO HOST CUSTOMER DATA ON ITS OWN SYSTEMS AND SERVICES, THEN WE MAKE NO WARRANTIES AND DISCLAIM ALL LIABILITY ASSOCIATED WITH SUCH CUSTOMER DATA OR CUSTOMER'S OWN HOSTING ACTIVITIES, INCLUDING (BUT NOT LIMITED TO) INCIDENTS RESULTING IN DATA BREACH, MISAPPROPRIATION OF CUSTOMER DATA, VIOLATIONS OF PRIVACY RIGHTS, AND/OR ANY OTHER SITUATION RESULTING IN DAMAGES OR MONETARY LOSS ARISING OUT OF OR RELATING TO THE HOSTING OR STORAGE OF CUSTOMER DATA.

8) **SPLASH PAGE**. Except for the template we provide, We disclaim all liability with respect to the WebTrac splash page including (but not limited to) compliance with Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1194, the Americans with Disabilities Act, or any other applicable federal or state laws or regulations relating to accessibility for persons with disabilities.

9) **HARDWARE**. We shall have no obligation to provide you with the Hardware necessary to access our Services or use our Software. Any Hardware used must comply with our minimum system requirements. If we choose to provide you with Hardware, a description of such Hardware and pricing will be described in your Order Schedule. In the absence of specified pricing, we may provide you with Hardware at our then-current market rates. Full payment for Hardware and any related third-party software is due following delivery. The verification process must be completed so that all payments can be made within 30 days of delivery. Any VS-supplied Hardware will include warranties from the manufacturer or distributor, as applicable, for a specific period. We offer no warranties on Hardware.

10) **INSTALLATION; TRAINING**. We will provide an initial unconfigured install of the Software as part of the Fees you pay for Services. Subsequent installations or software configuration will be subject to additional charges on a "time and materials" basis at our standard rates. Based upon on a mutually agreed implementation plan, we will provide training and setup services at our standard rates (plus expenses - if any are incurred). Implementation and Training may be performed remotely or on-site. We also offer access to online training materials, including user reference manuals, installation planning guides, report listings, "FasTrac" how-to videos, online help, and a sample training database with tutorials. You may request follow-up or additional trainings at our then-current hourly rates, and subject to scheduling availability. Unless we agree otherwise, any additional training will occur online (remote). You may request on-site training at our then- current day rates, subject to scheduling availability. For on-site training, you will be responsible for all VS expenses associated with travel, lodging, meals and other necessary expenses associated to the project. If scheduled training is cancelled with less than three (3) weeks' notice, you will be responsible for any travel expense losses, plus an additional rescheduling/cancellation fee of 10% of the price per scheduled block of time/minimum $125.00. On-site and/or remote training booked over a weekend or holiday may be subject to additional charges.

11) CUSTOMER SUPPORT.

    a)   All Customers in good standing will receive online support and access to a VS support documentation library. Online support includes access to an online knowledge database, support videos accessible through the VS website, e-learning content and the ability to participate at no additional cost in periodic live webinars offered from time to time by VS. The VS support documentation library is accessible through the VS website and includes access to user reference manuals, installation planning guides, report listings, online help, and a sample training database with tutorials. Customers can print any number of copies needed to train staff and manage their business operation. Customers can access support channels online, 24 hours a day, 7 days a week. VS's standard support services are included with Customer's payment of Software Fees.
Additionally, our customers will receive access to our award-winning "Support Desk," includes phone and chat support with a live VS support agent.
Customers receiving support shall be responsible for paying Support Fees as described in the Order Schedule. The Support Desk is open for call-in phone support five (5) days a week, Monday through Friday, 8 am ET to 8 pm ET; real-time chat support is available five (5) days a week, Monday through Friday, 8 am ET to 5 pm ET. Support includes online portal case creation, email assistance and call-back services, and Customer ability to partake in remote-in live support services via Zoom, Microsoft Teams or Beyond Trust when applicable.

    b)   **Customer Support Not Provided.** We do not provide the following customer support services as part of the Agreement: (a) Usage of after-hours emergency support, 8 pm ET to 8 am ET, Monday through Friday, and Saturday, Sunday and holidays, 24 hours, 7 days a week; (b) travel and out-of- pocket expenses for installation and on-site training services; (c) telephone support related to computer hardware, operating systems, networking, reinstallation and configuration of application software (including VIC), point-of-sale hardware, and access control hardware; (d) telephone support and/or training as a substitute for on-site training or classroom training; (e) VS application software WAN access configuration; (f) customized discovery, custom programming, development, and maintenance; (g) interfaces to export or import data from or to other application software databases; and (h) extended dedicated support to implement or change certain functions, such as switching from cash to accrual accounting or customizing WebTrac splash page; **(i) performing periodic VS software updates if database is on-premises; (j) purchase installation or configuration of SSL certificates for on-premises configurations;** and (k) data entry or database management. VS may provide some of these Services under a separate engagement, the terms of which should be agreed upon and documented in a signed Statement of Work.

    c)   **Remote Access Authorization.** We will provide you with ongoing support for the proper functioning of our Services, including the Software, which we may provide or make available through remote access to your technology systems. Remote Access will be made available if needed upon request. By using our Services, or accessing our Software, you expressly authorize us to access your technology systems remotely, if needed, for the limited purpose of providing you with any support relevant to our Services. You shall be solely liability for the cost, interoperability, proper functioning, and security of any remote access facilities or methods used by you, and we shall not be deemed to be in violation of our obligations to you, nor in breach of the Agreement, as the result of our inability to remotely access your technology systems. We agree to use commercially reasonable efforts to comply with any of your published security-related protocols when remotely accessing your technology systems.

12) PAYMENT SERVICES. To be eligible for Payment Services, you must complete our Sub-Merchant Application and submit it to VS Company underwriting for approval. Once accepted, your Sub-Merchant Application will convert to a Sub- Merchant Agreement, inclusive of the Sub-Merchant Application and Agreement (SMAA) and our Payment

Service Terms and Conditions, which shall be considered part of the Agreement.

13) **PROFESSIONAL SERVICES.** We reserve the right to provide you with an estimate of fees for Professional Services based on the approximate number of hours we think will be reasonably required to complete an engagement, multiplied by a fixed hourly rate. If we underestimate the fees for Professional Services based on work actually performed, you will be responsible for any cost overruns at the same hourly rate. We will invoice you separately for cost overruns. To help you track and plan for any cost overruns, we will track our actual Professional Service hours and, upon written request, provide you with a weekly time report. Any specific details of an engagement for Professional Services should be described in a Statement of Work and signed by the parties. Any fees for Professional Services will be considered part of the Fees owed under the Agreement.

14) **CUSTOM DEVELOPMENT**. While we welcome any suggestions or comments you might have about how we can improve our products and services, we do not custom develop our Services (including the Software) to suit the business needs of any particular client. We will consider all suggested improvements to the Services, and, as we determine, will incorporate any approved items to our development roadmap. If there is a feature or functionality that you would like to see added to our Services, and you would like the project completed on a certain timeline, you can make a custom development request and, based on our staffing and other considerations, we will scope the project and provide you with a written quote which you can accept or reject. Custom development work will be considered a separate engagement for Professional Services and will be billed outside of the Agreement. Custom development work shall not be considered work-for-hire. We will own and control any product outcome of the engagement and we reserve the right to incorporate any new feature or functionality into our larger product or service offerings.

15) **OWNERSHIP RIGHTS.**
   a) What Belongs to VS. We reserve all title and interest to our Intellectual Property Rights. We alone own our Intellectual Property Rights, in addition to any suggestions, ideas, enhancement requests, feedback, recommendations, or other information provided by you or any other party relating to our Services. In addition, we retain all rights, title and interest in and to our Software and any splash page designs that we may create and/or maintain on your behalf and license to you. The Vermont Systems™, VS™ and VS Payments™ names and logos are registered trademarks of Vermont Systems and no right or license is granted to use them without our express written permission.
   b) What Belongs to Customer. With the exception of Patron Data (which remains the property of individual Patrons), you reserve all rights, title and interest to your Customer Data. You own all rights, title and interest to Customer trademarks, service marks and other intellectual property. We reserve the right to withhold, remove and/or discard your Customer Data without notice for any breach, including without limitation, your non-payment of Fees.

16) **CONFIDENTIALITY.** A party (the "Receiving Party") shall not disclose the disclosing party's (the "Disclosing Party") Confidential Information to any person or entity, except to the Receiving Party's employees who have a need to know the Confidential Information for the Receiving Party to exercise its rights or perform its obligations under the Agreement. Notwithstanding the foregoing, each party may disclose Confidential Information to the limited extent required (a) in order to comply with the order of a court or other governmental body, or as otherwise necessary to comply with applicable law, provided that the party making the disclosure pursuant to the order shall first have given written notice to the other party and made a reasonable effort to obtain a protective order; or (b) to establish a party's rights under this Agreement, including to make required court filings. Each Party's obligations of non-disclosure with regard to Confidential Information are effective as of the Effective Date and will expire one year after the termination of the Agreement; provided, however, with respect to any Confidential Information that constitutes a trade secret (as determined under applicable law), such obligations of non-disclosure will survive the termination

protection under applicable law. All parties agree that the City of Crossville is subject to the Tennessee Open Records Act and that the City shall be required to respond to all open records and provide all information that is set forth in said act.

17) **PROTECTION OF EDUCATIONAL INFORMATION**. We understand and acknowledge that in the performance of our Services, we may have access to private and confidential information regarding students, parents, guardians, faculty, donors, employees, staff, alumni (collectively, "Educational Information") that may be covered by the federal Family Educational Rights and Privacy Act ("FERPA"), or similar state laws. We will not disclose, copy, or modify any Educational Information without your prior written consent, or unless otherwise required by law. We will notify you if we become aware of a possible unauthorized disclosure or use of Educational Information.

18) **CLIENT RESPONSIBILITY**. You shall be responsible for all liabilities arising out of your acts and omissions including any use of Vermont System's Software, products, and Hosting Services.

19) **LIMITED WARRANTIES**. We represent and warrant that (a) we own the appropriate rights to license and/or sublicense our Services (including the Software); (b) the Services (including the Software) will conform with any then-available published specifications; (c) to the best of our knowledge, our Software is free of any viruses, Trojan horses, malware, spyware, ransomware or other harmful code; and (d) that there have been no violations of copyrights or patent rights in connection with the Services (including the Software) offered. We do not warrant that the Services (including the Software) will be entirely free from defect or error. EXCEPT AS SPECIFICALLY STATED HEREIN, THE SERVICES (INCLUDING THE SOFTWARE) ARE BEING PROVIDED ON AN "AS IS" BASIS, WITHOUT WARRANTY OF ANY KIND. EACH PARTY HEREBY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED. No advice or information, whether written or oral, obtained from us, or any member of our Team, will create any warranty not expressly made. If you are a California resident, you waive California Civil Code § 1542, which says: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

20) **LIMITATIONS OF LIABILITY.**
    a) **EXCLUSIVE REMEDY.** YOUR EXCLUSIVE REMEDY FOR ANY FAILURE OF OUR OBLIGATIONS UNDER THE AGREEMENT SHALL BE YOUR RIGHT TO TERMINATE THE AGREEMENT FOR CAUSE AND WITHOUT PENALTY, AND ANY CREDITS WHICH MAY BE DUE UNDER AN APPLICABLE SERVICE LEVEL AGREEMENT (IF A SERVICE LEVEL AGREEMENT IS OFFERED AS PART OF THE AGREEMENT).
    b) **EXCLUDED DAMAGES.**
        1. a. Exclusion of Consequential and Similar Damages. Except as required by law, neither Party will be liable for any indirect, incidental, special, punitive or consequential damages, including without limitation lost profits, loss of business, loss of data or business interruption, whether in contract, tort (including negligence) or otherwise.
        2. b. Cap on Liability. Notwithstanding anything to the contrary, Contractor's total liability under this Agreement will not exceed the total annual fees paid to Contractor by Municipality under this Agreement.
        3. c. Sovereign Immunity and Municipal Ordinance. Nothing in this Agreement waives or limits Municipality's sovereign immunity or its protections under the Tennessee Governmental Tort Liability Act (T.C.A. §§ 29-20-201 et seq.) or Crossville Municipal Code § 1-111 (Limitation of Municipal Liability). All rights, defenses and limits available to Municipality under such statutes and ordinance remain fully reserved.

    c) **TIME LIMITATION.** YOU FURTHER AGREE THAT ANY CLAIM WHICH YOU MAY HAVE AGAINST US MUST BE FILED WITHIN ONE (1) YEAR AFTER SUCH CLAIM AROSE, OTHERWISE THE CLAIM SHALL BE PERMANENTLY BARRED.
    d) **MATERIALITY.** THE LIMITATIONS IN THIS SECTION ARE A MATERIAL BASIS OF THE BARGAIN, AND THE TERMS OF THE AGREEMENT WOULD BE DIFFERENT WITHOUT SUCH LIMITATIONS. THE LIMITATIONS IN THIS SECTION ARE INTENDED TO APPLY WITHOUT REGARD TO WHETHER OTHER PROVISIONS OF THE AGREEMENT HAVE BEEN BREACHED OR HAVE PROVEN INEFFECTIVE. MULTIPLE CLAIMS WILL NOT ENLARGE ANY DAMAGES CAP DESCRIBED HEREIN.

21) **RESERVED.**

22) **DISPUTE RESOLUTION.** Many concerns can be resolved by calling us at (877) 883-8757. If a dispute cannot be resolved informally, this Dispute Resolution provision explains how claims (whether by you against us, or by us against you) will be resolved.
   a) **Definition**. "Claim" means any current or future claim, dispute or controversy relating in any way to our Agreement. Claim includes (a) initial claims, counterclaims, cross-claims and third-party claims; (b) claims based upon contract, tort, fraud, statute, regulation, common law and equity; and(c) claims by or against any third party using or providing any product, service or benefit in connection with our Agreement or the Software.
   b) **Claim Notice**. Before beginning a lawsuit, mediation or arbitration, you and we agree to send a notice (a "Claim Notice") to each party against whom a Claim is asserted. The Claim Notice will give you and us a chance to resolve our dispute informally or in mediation. The Claim Notice must describe the Claim and state the specific relief demanded. Notice to you may be sent to your current mailing address or email address on file. You must provide your name, address and phone number in your Claim Notice. Your Claim Notice must be sent to Vermont Systems, Inc., ATTN: Legal, 12 Market Place, Essex Junction, VT 05452.
   c) **Mediation.** Before beginning mediation, you or we must first send a Claim Notice. Within 30 days after sending or receiving a Claim Notice, you or we may submit the Claim for mediation. Mediation fees will be split equally, and the location for mediation shall be mutually decided between you and us. All mediation-related communications are confidential, inadmissible in court and not subject to discovery. All applicable statutes of limitations will be tolled until termination of the mediation. Either you or we may terminate the mediation at any time. The submission or failure to submit a Claim to mediation will not affect your or our rights to elect arbitration.

23) **NOTICES; GOVERNING LAW; JURISDICTION.**
   a) **General.** Whom you are contracting with under this Agreement, whom you should direct notices to under this Agreement, what law will apply in any lawsuit arising out of this Agreement, and which court can adjudicate any such lawsuit to this Agreement are as follows:

Whom you are contracting with:	RecTrac, LLC d/b/a Vermont Systems
Notices to be sent to:	12 Market Place Essex Junction, VT 05452 legal@vermontsystems.com
Governing law is:	Tennessee
Courts having exclusive jurisdiction are:	Chancery Court for Cumberland County, Tennessee

b) **Manner of Giving Notice**. Except as otherwise specified in this Agreement, all notices, permissions and approvals hereunder shall be in writing and shall be deemed to have been given upon (a) personal delivery; (b) the second business day after mailing; (c) the second business day after sending by confirmed facsimile; or (d) the first business day after sending by email (provided email shall not be sufficient for notices of termination or an indemnifiable claim). Notices to you shall be addressed to the designated contact person identified in the Services Agreement at the email address or physical address listed.

c) **Agreement to Governing Law and Jurisdiction**. Each party agrees to the applicable governing law above without regard to choice or conflicts of law rules, and to the exclusive jurisdiction of the applicable courts above.

d) **Waiver of Jury Trial**. Each party hereby waives any right to a jury trial in connection with any action or litigation in any way arising out of or related to this Agreement.

24) **GENERAL PROVISIONS.**

a) **Privacy Rights**. You are required to comply with our Privacy Statement, which may be revised from time to time, and which is expressly incorporated into the Agreement.

b) **Minimum System Requirements / Interoperability**. It is your responsibility to ensure your computer systems, internet connections, IT infrastructure, peripherals, systems, servers, mobile devices and/or workstations comply with the minimum system requirements necessary to receive our Services. We shall not be responsible for any internet speed or connectivity issues at your location, or other problems related to your technology equipment, including third-party internet service or your IT infrastructure. You shall be required to comply with our technical specifications.

c) **Reference**. You agree that, within 30 days of the Effective Date, we may issue a new business press release about our business association and post your logo and a brief description of your business on our website.

d) **Independent Contractor Relationship**. Our legal relationship with you is that of an independent contractor. The Agreement does not form a partnership, franchise, joint venture, employment, agency and/or fiduciary relationship between you and us.

e) **Non-Discrimination Endorsement**. We shall not discriminate in our employment practices and will render all Services under the Agreement without regard to race, color, religion, sex, sexual orientation, age, national origin, veteran's status, political affiliation, or disabilities. Specifically, we will abide by the requirements of Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, the Vietnam Era Veteran's Readjustment Assistance Act of 1974; Title IX of the Education Amendments of 1972, and the Fair Housing Act of 1968, as amended.

f) **Export Controls**. The Services and any derivatives thereof may be subject to export laws and regulations of the United States and other jurisdictions. Each party represents that it is not named on the United States

government's denied- party list. Additionally, you shall not permit End Users to access or use the Subscription Services while located in a United States embargoed country (currently Cuba, Iran, North Korea, Sudan, Syria or Crimea), or in violation of any United States export law or regulation.

g) **Anti-Bribery.** You agree that neither your employees, agents or representatives have received or been offered any illegal or improper bribe, kickback, gift, or thing of value from us, or any member of our Team, in connection with the Agreement. If you learn of any violation of the above restrictions, you agree to promptly notify us.

h) **Legal Advice.** All Professional Services and other information provided to you in the normal course of our business relationship should be considered for informational purposes only and is not to be taken as legal advice. You are advised to speak with your own independent counsel about all matters of a legal nature.

i) **Waiver; Cumulative Remedies**. No failure or delay by either party in exercising any rights under the Agreement shall constitute a waiver of that right. Other than as expressly stated herein, the remedies provided in the Agreement are in addition to, and not exclusive, of any other remedies of a party at law or in equity.

j) **Assignment.** Neither party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party (not to be unreasonably withheld). Notwithstanding the foregoing, we may assign this Agreement in its entirety without your consent, to our affiliates or in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of our assets not involving one of your direct competitors. Subject to the foregoing, the Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

k) **Force Majeure**. Neither party shall not be in default under any provision of the Agreement or be liable for any delay, failure of performance, or interruption in Services (including the Software) resulting, directly or indirectly, from causes beyond our reasonable control, including but not limited to any of the following: earthquake, lightning or other acts of God; fire or explosion; electrical faults; vandalism; cable cut; water; hurricanes; fire; flooding; severe weather conditions; actions of governmental or military authorities; national emergency; insurrection, riots or war; terrorism or civil disturbance; strikes, lock-outs, work stoppages or other labor difficulties; supplier failure; shortage; or telecommunication or other internet provider failure.

l) **Survivability**. Even if you terminate the Agreement with us, the following sections of the Agreement will still apply: Terms of Service Section (Hosting Obligations); (Confidentiality);(Protection of Educational Information); Limited Warranties); (Limitations of Liabilities); (Client Responsibilities); (Dispute Resolution); (Notice; Governing Law; Jurisdiction); (Legal Advice);(Force Majeure); and (Entire Agreement; Priority of Documents).

m) **Severability.** The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of the other provisions of the Agreement, which provisions will remain in full force and effect. If any provision of this Agreement shall be deemed unenforceable by reason of its extent, duration, scope or otherwise, then the parties contemplate that the court making such determination will alter such provisions so that it is enforced and will enforce it in its altered form for all purposes contemplated by the Agreement.

n) **Headings**. The bolded headings contained in the Agreement are for convenience of reference only, shall not be deemed to be a part of the Agreement and shall not be referred to in connection with the construction or interpretation of the Agreement.

o) **Construction.** For purposes of the Agreement, wherever the context requires, the singular shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter gender, and vice versa; and "and" shall include "or," and vice versa. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of the Agreement.

p) **Entire Agreement; Priority of Documents.** The Agreement (including these Terms of Service) and any additional terms or Addenda, as applicable, make up the entire Agreement and supersede all prior agreements, representations, and understandings. All additional terms and/or Addenda will be considered incorporated into the Agreement when you agree to them. If there is an actual conflict or direct inconsistency between any of the attachments, schedules or exhibits referenced in the Services Agreement, then the following shall be the prioritization of documents that should be deemed to control and govern: first, any later-signed Addenda or Statement of Work (as applicable); then the Services Agreement; then the Service Level Agreement (as applicable); then the Terms of Service; then the Privacy Policy.

q) **Electronic Signature.** The Agreement may be executed in any number of counterparts, each of which when executed shall be deemed an original, but such counterparts together shall constitute one and the same instrument. Delivery of executed counterparts by email, PDF, or other electronic delivery method shall be effective as delivery. Electronic signatures, including any click-sign process, will be deemed as original

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r) **Consent to Do Business Electronically**. By signing the Services Agreement, you consent to do business electronically, which means that you agree that all VS agreements and policies, including amendments thereto and documents referenced therein, as well as any notices, instructions, or any other communications regarding transactions and your agreements with VS may be presented, delivered, stored, retrieved, and transmitted electronically. You must keep us informed of any change in your electronic or mailing address or other contact information.   All agreements that are executed by the City of Crossville shall be done manually and not electronically.

25) HOSTING SERVICES

a) **HOSTING SERVICES.** Customer is adding VS's **Hosting Services** to the suite of products and services that it is receiving from VS, as reflected in the Order Schedule.

[X] Customer is getting **Standard** Hosting **VS STANDARD HOSTING SERVICE - SLA.** VS Standard Hosting Service Level Agreement (SLA) can be found here: VS Standard Hosting Service SLA which may be revised from time to time, and which are expressly incorporated into the Agreement.	[ ] Customer is getting **Premium** Hosting **VS PREMIUM HOSTING SERVICE - SLA.** VS Premium Hosting Service Level Agreement (SLA) can be found here: VS Premium Hosting Service SLA which may be revised from time to time, and which are expressly incorporated into the Agreement.

b) **HOSTING OBLIGATIONS.** If Customer chooses us for Hosting Services, and we actually store Customer Data on a VS- controlled system or service, then, in addition to those terms and conditions described in our Privacy Policy, and provided Customer remains current in its payment of Hosting Fees and otherwise compliant with the Agreement, then we make the following limited representations and warranties with respect to our hosting services: we will, at all times during the Term of the Agreement: (a) maintain a comprehensive data security program which includes reasonable and appropriate technical, organizational and security measures against the destruction, loss, unauthorized access or alteration of Customer Data (including Patron Data, as applicable) which measures will be no less rigorous than the accepted security standards for similarly situated companies in the industry; and (b) provide our Hosting Services in a good and workmanlike manner; and (c) offer Hosting Services which, to the best of our knowledge, comply with applicable local, state or federal laws. The limited representations and warranties described herein shall be subject to any other limitations of liability described by the Agreement.

c) **PAYMENT TERMS**. Payment Terms as listed in the Vermont Systems Terms of Service apply to Hosting Services, including the COLT increase.

d) **BREACH FOR NON-PAYMENT OF FEES.** Breach for Non-Payment clause as listed in the Vermont Systems Terms of Service applies to Hosting Services.

e) **PROHIBITED USE.** The Prohibited Use clause as listed in the Vermont Systems Terms of Service applies to Hosting Services.

f) **OWNERSHIP RIGHTS.** The Ownership Rights clause as listed in the Vermont Systems Terms of Service applies to Hosting Services.

g) **LIMITED WARRANTIES.** Limited Warranties Clause as listed in the Vermont Systems Terms of Service applies to Hosting Services.

SERVICE LEVEL AGREEMENT (SUPPORT)

At Vermont Systems, we highly value our customers and are dedicated to delivering top-quality support services to ensure the seamless operation of your software systems. Our Service Level Agreement (SLA) defines the level of support you can anticipate from us, specifying our response times, issue resolution procedures, and overall support quality. With our proficient team of software professionals and unwavering commitment to customer satisfaction, you can rely on us to meet all your software support requirements with competence.

Terms not specifically described in this Service Level Agreement for Support ("Support SLA") shall have the meanings as set forth in Section 1 of the Terms of Service or elsewhere in the Agreement.

1. **ELIGIBILITY.** This Support SLA shall apply only to Customers receiving Vermont Systems' Support Desk, including "live" support channels by phone or chat. To be eligible for the Support SLA, Customers must be current in their payment of Fees to Vermont Systems and must remain compliant with the terms and conditions of the Agreement.

2. **CASE PRIORITIES.** To provide high-quality support and to effectively assign resources to incoming cases, the following four types of case priorities have been identified:

    *Final determination of priority will be agreed upon by the case contact(s) and Vermont Systems.

Priority 1	Critical	Critical business impact occurs on a production system preventing business operations. End Users and Patrons are prevented from working within the Software with no workarounds. Examples include: Software crashes or goes off-line; functionality critical to business operation not available; data breach or loss of Customer Data.
Priority 2	Major	Significant business impact occurs on a production system severely impacting business operation. End Users and Patrons are impacted by the issue but may still be able to work in a limited capacity within the Software. Examples include significant performance degradation; functionalities important to business operation not available; loss of Software functionality has an escalating impact on business operations.
Priority 3	Medium	Minor business impact occurs on a production system that causes a partial or non-critical loss of functionality in the Software. A limited number of End Users and/or Patrons are affected.
Priority 4	Low	Issues occurring on a non-production system in the Software. Examples include: a question, comment, or enhancement.

3. **RESPONSE TIMES.** VS will respond and escalate support issues in accordance with the table below. All days referenced below are business days.

	Priority 1 (within)	Priority 2 (within)	Priority 3 (within)	Priority 4 (within)
Initial Response	1 hour	4 hours	24 hours	48 hours
Escalation Stage	VS will escalate within the operations team. Operations will engage development resources as needed. Notification will be made to Operations leadership for issue awareness. Communication cadence on specific cases will be defined by the case contact(s) and Vermont Systems on a case-by-case scenario.			

4. **CUSTOMER REPORTING CHANNELS; PROCESS.** Support Desk Customers experiencing support issues must report customer support concerns through VS's established support channels, including:

   a) **Customer Support Portal**: accessed by going to support.vermontsystems.com available (24/7)

   b) **Chat Support:** available through the support portal – Monday through Friday, 8 AM – 5 PM

   c) **Email:** support@vermontsystems.com

   d) **Customer support line:** 877-883-8757, leave voicemail, (monitored during business hours only). 8AM - 8PM eastern time, Monday - Friday.

   • **After-Hours Emergency Support:** Leave voicemail at 802-490-1911 — receive VS Support response within 15 minutes. (After hours emergency support fees apply)

   All issues or questions reported to support are tracked with a support case that contains at a minimum the Customer account name, contact person, software product and version, module and/or menu selection, detailed description of the issue, and any other pertinent information. Case statuses are viewable on the VS support portal. Each case is stored in a queue and the first available support representative will be assigned to the next case issue based on priority. While reviewing the case issue, the assigned support person will contact the Customer, if additional information is needed. The VS support person will either resolve the issue or advise Customer regarding the status and the course of action being taken to resolve it. All correspondence and actions associated with a case are tracked in the support database. If the issue needs to be escalated to a development resource, Customer will be informed. While issues escalated to development will be scheduled for resolution, they may not be resolved immediately depending on the nature and complexity of the issue. Customer may view the development status at any time.

5. **Open Database Connectivity (ODBC):** VS will support establishing an ODBC connection in environments where allowed (such as VS Premium Cloud Hosting). The database schema can be printed running the "RecTrac Dictionary Listing" report from within the RecTrac application. Current entity relationship diagrams are also available (can be accessed via VS FTP site). No other ODBC support services will be provided by VS, such as but not limited to development assistance and development troubleshooting.

PAYTRAC PAYMENT SERVICES ADDENDUM

This PayTrac Payment Services Addendum ("Addendum") between RecTrac, LLC d/b/a Vermont Systems ("VS") and **City of Crossville, TN** ("Customer") is intended to be included and made part of the Services Agreement, inclusive of all relevant attachments, schedules, exhibits and/or Addenda (collectively, "Agreement") previously or simultaneously executed between the Parties by adding to the Agreement the terms and conditions listed below.

1 **TERM.** The term of this Addendum will commence on the date executed by the Customer and will run coterminous with the primary Vermont Systems Serviced Agreement ___(date of related Agreement if applicable).

2 **PAYMENT SERVICES.** Customer is adding VS PayTrac Payment Services to the suite of products and services it is receiving from VS (as reflected in the Order Schedule) at the rates described in the attached Schedule A. VS will provide Customer with Payment Services pursuant to a separately executed Sub-Merchant Agreement, inclusive of **Customer's Sub-Merchant Application and Agreement ("SMAA")** and **VS's Terms of Service** and **PayTrac Payment Service Terms & Conditions**, each of which shall be incorporated by reference into the Agreement.

3 **SOFTWARE UPDATES.** To maintain the highest level of security for payment processing, the Customer agrees to operate on the most recent release of the software within 30 days of its general release. Extended delays to update the software may impact the ability to safely process transactions and VS reserves the right to disable processing until the software is updated.

4 **MISCELLANEOUS.** Except as expressly revised in this Addendum, the Agreement will remain in full force and effect. If there is any conflict or inconsistencies between this Addendum and the Agreement, VS Terms of Service will control. VS's acceptance may be evidenced by its fulfillment of the Agreement which this Addendum revises.

AGREED TO AND ACCEPTED BY:

Customer:	Vermont Systems:
City of Crossville, TN	**RecTrac, LLC d/b/a Vermont Systems**
By: _____ (Print Name) Its:_____ (Title) Date:	By: Patrick Hayden Its: President Date:

PAYTRAC PAYMENT SERVICE TERMS AND CONDITIONS

1) **SUB-MERCHANT AGREEMENT.** These PayTrac Payment Service Terms and Conditions govern the terms and conditions under which we, as a payment facilitator, will agree to provide you, as a sub-merchant, with certain payment-related services. For purposes of this Sub-Merchant Agreement, the sub-merchant identified in the Sub-Merchant Application and Agreement ("**SMAA**") will be identified as "**you**, "**your**," or "**Sub-Merchant**." These Payment Terms and Conditions, together with your completed and approved SMAA, will form a binding "**Sub-Merchant Agreement**" between you and the payment facilitator identified in the SMAA ("**we**," "**us**," "**our**," or "**Payment Facilitator**"). If you are receiving Payment Services (defined below) from us, then your Sub-Merchant Agreement will become part of your overall Agreement with us, which Agreement includes, in addition to the Sub-Merchant Agreement, our Terms of Service, Privacy Policy and other referenced exhibits, schedules or addenda. Terms not defined herein shall have the meanings as set forth in Section 1 of the Terms of Service.

2) **PAYMENT SERVICES.** Provided you satisfy the underwriting criteria for receipt of Payment Services and remain in compliance with the Agreement, we will agree to provide you with the payment services as described in the Agreement (collectively, "**Payment Services**"). In exchange for Payment Services, you agree to pay us the rates, fees and other charges described in the Agreement (collectively, "**Fees**"). Besides us, there are other third parties involved in the facilitation and processing of Payment Services; these third parties include banks (i.e., acquiring bank, sponsor bank), the major card networks/associations such as Visa, Mastercard, Discover and American Express (collectively, "**Card Brands**" unless referred to individually by name), and our designated payment processor ("**Processor**"). Each of these parties serve an important function in the facilitation, processing and settling of transactions associated with your business. By designating us as your agent for payment facilitation services, and remaining in compliance with the terms of the Agreement (including payment of all of our Fees), you will receive the right to accept payments from customers, clients and/or members (collectively, "**End Users**") through validly issued bankcards ("**cards**") associated with the Card Brands, and/or, if approved, through automated clearing house transactions ("**ACH**") regulated by the National Automated Clearing House Association ("**NACHA**"). We will only provide you with Payment Services for transactions run on active, non-defaulted End User agreements properly delivered to us through the appropriate system in accordance with the Agreement's terms and conditions including, without limitation, this Sub- Merchant Agreement.

3) **APPLICATION PROCESS; UNDERWRITING; APPROVAL FOR PAYMENT SERVICES.** Completion of the SMAA and submission through our standard underwriting process shall be a pre-requisite and pre-condition to your receipt of Payment Services. If you fail to meet our then-current underwriting requirements, or the then-current underwriting requirements of our Processor (as applicable), you shall not be allowed to receive Payment Services. Federal regulations such as the USA Patriot Act or FinCEN require financial institutions (i.e., banks) to verify the identity of persons seeking to open a depository account. Our Processor, in turn, requires that we submit certain information about each sub-merchant through underwriting prior to such sub-merchant's receipt of payment services. Information that we may request includes, but is not limited to, basic sub- merchant information such as entity name, business address, tax number, date of formation, years in business; transaction information, processing volumes, payment types accepted, address of business locations where payments may be accepted; and information about who owns and controls the sub-merchant. It shall be your sole responsibility to provide us with all required information, to ensure the accuracy and completeness of the information provided, to provide us with timely and accurate updates if your information changes, and to make the required acknowledgements and authorizations related to Payment Services as described in the Sub-Merchant Agreement. We (and our Processor, as applicable) will base underwriting decision on the information provided. If, after approval, we discover that certain information provided in the SMAA was false, incomplete, misleading or inaccurate, as determined by us or our Processor, we reserve the right to suspend or terminate Payment Services immediately at our discretion. If you pass underwriting and your application is approved, then your SMAA will automatically convert to a Sub-Merchant Agreement which incorporates these Payment Terms & Conditions (and other documents forming the Agreement) by reference. Underwriting approval and conversion of your application to a Sub-Merchant Agreement may occur without notice to you. Your failure to notify us of changes to your business may be considered a material breach of the Sub-Merchant Agreement.

    a) **For Private Sector Entities Only:** You expressly authorize us to make business credit inquiries , if applicable, personal credit inquiries (including, without limitation, credit report inquiries into your Control Owner or Authorized Contact), identity-verification inquiries, transaction-verification inquiries and any other inquiry or background check that we consider reasonably necessary as related to our provision of the Payment Services. You further agree to provide us with any information or documentation requested by the Processor, the Card Brands and/or the bank(s).

4) **DESIGNATION AS LIMITED PAYMENTS AGENT.** By entering into this Sub-Merchant Agreement, you are appointing us as your limited payments agent for the sole purpose of receiving, holding and settling payments made to you for your goods and services as validly entered in and through our system or platform. We will settle payments that are actually received by us to you, less any amounts owed to us, including fees and other obligations, and subject to the terms and conditions of the Agreement, including this Sub-Merchant Agreement. You agree that a payment received by us on your behalf satisfies an End User's (i.e., a payor's) obligation to make payment to you, . If we do not settle the payment to you, you will only have recourse against us and not the End User, as payment is deemed made by an End User to you upon constructive or actual receipt of funds by us. We will process transactions in accordance with your written instructions, the agreement(s) in place with us or End Users, and applicable law, rules or regulations.

5) **DESIGNATED ACCOUNT.** You will be required to provide and maintain a business bank account with a U.S.-chartered bank (your "**Designated Account**," or, if you have more than one account, your "**Designated Accounts**"). Each sub-merchant entity must have its own Designated Account and the name on the Designated Account must match the sub-merchant's legal entity name or registered doing-business-as name. All remits or other deposits to you as associated with Payment Services will be made into your Designated Account(s).

6) **PROHIBITED ACTIVITIES PER MAJOR CARD BRANDS.** In receiving Payment Services, you shall not, through yourself or a third party: (a) submit any transaction to us that was previously charged back and subsequently returned to you, irrespective of cardholder approval; (b) knowingly submit any transaction that is illegal or that you should have known was illegal (you acknowledge that such transaction must be legal in both your and the cardholder's jurisdiction); (c) submit a transaction that you know, or should have known, is either fraudulent or not authorized by the cardholder; (d) 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, nor request a Card Verification Value 2 ("**CVV2**") for a card-present transaction, nor retain or store any portion of the magnetic-stripe data subsequent to the authorization of a sales transaction, nor any other data prohibited by the Card Brands operating regulations or this Sub-Merchant Agreement, including CVV2; (e) add a surcharge to transactions except as expressly permitted by, and in full compliance with, the Card Brands operating regulations; (f) charge a minimum or maximum amount for a transaction unless expressly authorized by, and in full compliance with, the Card Brands operating regulations;(g) disburse funds in the form of cash unless you are participating in full compliance with a program supported by a Card Brand for such cash disbursements and in full compliance with the Card Brand's operating regulations; (h) submit a transaction that does not result from an act between you and a cardholder; (i) accept a card issued by a U.S. issuer to collect or refinance an existing debt, unless expressly authorized by, and in full compliance with, Card Brand operating regulations; (j) request or use a card account number for any purpose other than as payment for your goods or services; (k) add any tax to transactions, unless applicable law expressly requires that you are permitted to impose a tax (in such event, any tax amount, if allowed, must be included in the transaction amount and not collected separately); (l) process transactions for, receive payments on behalf of, or redirect payments to a third party (unless required by law); (m) copy, modify, adapt, translate, reverse engineer, decompile, or disassemble, in any way, any portion of the Payment Services; (n) interfere with or violate any other of our services or End User's right to privacy or other rights, or harvest or collect personally identifiable information about End Users without their express consent, including using any robot, spider, site search or retrieval application, or other manual or automatic device or process to retrieve, index, or data-mine; (o) defame, abuse, harass, stalk, threaten, or otherwise violate the legal rights of others; (p) transmit or otherwise make available in connection with the Payment Services any virus, worm, trojan horse, time bomb, web bug, spyware, or any other computer code, file, or program that may or is intended to damage or hijack the operation of any hardware, software, or telecommunications equipment, or any other actually or potentially harmful, disruptive, or invasive code or component; (q) interfere with or disrupt the operation of the Payment Services, or the servers or networks that host the Payment Services or make them available, or violate any requirements, procedures, policies, or regulations of such servers or networks; (r) sell, license, or exploit for any commercial purposes any use of or access to the Payment Services other than as permitted by us; (s) forward any data generated from the Payment Services without our prior written consent; (t) sublicense any or all of the Payment Services to any third party; and/or (u) transfer or assign your account password or credentials, even temporarily, to a third party. We reserve the right to monitor you and your End User's use of the Payment Services to ensure compliance with the Agreement including, without limitation, this Sub-Merchant Agreement and applicable law. If we determine that you are not in compliance with the Sub-Merchant Agreement, we reserve the right to take appropriate remedial action including, without limitation, suspending or terminating Payment Services, or suspending or terminating your access to the system or platform. In receiving Payment Services, you further acknowledge, represent and warrant that you will not **KNOWINGLY** make Payment Services available to (i) any person who appears of the U.S. Department of Treasury Office of Foreign Assets Control Specially Designated Nationals list; (ii) any person who is less than 18 years of age; (iii) who is not domiciled in the U.S.

7) **SUB-MERCHANT REPRESENTATIONS.** You represent and warrant that (a) you are at least 18 years of age; (b) if an individual account, you are a sole proprietorship validly existing in the United States, Canada, or its territories, and if an entity, that the entity was validly formed, registered and is in good standing in at least one of the fifty United States, Canada, or its territories; (c) you have never been placed on the MasterCard MATCH system or the Combined Terminated Merchant File, and if so, you have disclosed this to us; and (d) all transactions are bona fide and no transaction involves the use of a Card for any purpose other than the purchase of goods or services from you.

8) **CLIENT RESPONSIBILITY.** You shall be responsible for all liabilities arising out of your acts and omissions including any use of Vermont System's Software, products, or **Payment Services.**

9) **END USERS.** We are not a party to any contract or business relationship that you may have with End Users, and we shall have no obligations or liability under any such agreement or business relationship. You are solely responsible for your own products and services and for the content and legality of your own contracting documents with End Users. You will be required to obtain an End User's prior written consent for **RECURRING TRANSACTIONS**. In obtaining such consent, End Users should be made aware of the product or service they are purchasing, the frequency of charges, the length of the contract's term, and clear notice about how to properly cancel the recurring charges.

10) **REGULATORY STATUS.** In providing Payment Services to you, we are your designated agent for certain payment facilitation services, as integrated with our proprietary technologies, but always acting at your direction in accordance with the contracts that have been entered into including, without limitation, the Sub-Merchant Agreement. We are not a bank, money transmitter or other money services business. The Payment Services that we offer and the payment transactions that we help to facilitate involve the use of our own proprietary technologies and the efforts of third parties such as banks, the Card Brands, and our Processor.

11) **TERM; TERMINATION OF PAYMENT SERVICES.** The term of this Sub-Merchant Agreement will run concurrently with the Term as described in your Agreement. Either Party shall have the right to terminate this Sub-Merchant Agreement at any time for cause, and shall have no liability to you for any such termination. Upon termination, the defaulting party shall immediately cease using the Payment Services. We shall have the right to remove your Designated Account information upon termination of the Sub- Merchant Agreement, and we shall also have the right, at our choosing, to retain copies of such information for up to five (5) years at our cost. This Sub-Merchant Agreement shall terminate immediately if a bank, the Card Brands or our Processor require us to terminate the Sub-Merchant Agreement. Upon termination of Payment Services for any reason, you shall remain liable for any and all outstanding Fees owed.

12) **TAXES.** It is your sole responsibility to determine what, if any, taxes apply to the sale of your products and services, or the payments you receive in connection with your use of our Payment Services ("**Taxes**"). It is solely your responsibility to assess, collect, report, or remit the correct tax to the proper taxing authority. We are not obligated to, nor will we determine whether Taxes apply, or calculate, collect, report, or remit any Taxes to any tax authority arising from any transaction. You acknowledge that we will satisfy all IRS reporting requirements as required by law, including providing the IRS with an information return on your card transactions and third-party network transactions. We will also comply with any lawful orders, garnishments or tax levies associated with your account. This provision shall be read in conjunction with, and not in conflict of, any tax-related provision in the Terms of Service.

13) **CARD BRAND RULES.** If you accept cards issued by any of the major Card Brands, then in addition to these Payment Terms and Conditions, you will also be obligated to comply with Card Brand rules and regulations, the terms of which are incorporated by reference herein. The operating regulations for each of the major Card Brands can be accessed at the links below:

   a) **VISA:** usa.visa.com/merchants/operations/op_regulations.html

   b) **Mastercard:** https://www.mastercard.us/en-us/business/overview/support/rules.html

   c) **American Express:** www.americanexpress.com\merchantopguide

   d) **Discover:** https://www.discovernetwork.com/en-us/faq

   e) For transactions involving **ACH**, a copy of the NACHA operating rules and guidelines are available at www.achrulesonline.org.

   Nothing in this Sub-Merchant Agreement shall be read or construed to interfere with or lessen the right of the Processor, the bank(s), or the Card Brands to terminate this Sub-Merchant Agreement; and, if this occurs, such termination shall not be considered a material breach of the Agreement by us. In the event of a conflict between this Sub-Merchant Agreement and the Card Brand's operating regulations, the Card Brand operating regulations will control. With respect to the Card Brand operating regulations, you acknowledge and agree that: (a) you will be responsible for the actions of your employees and agents; (b) you will comply with all applicable laws and regulations and all applicable parts of the operating regulations, including those parts regarding the ownership and use of Card Brand marks; (c) you will notify us, as your payment facilitator, of any third-party that will have access to Cardholder Data; (d) you will comply with, and will contractually require your suppliers and agents to comply with, the provisions of the Cardholder Information Security Program (CISP) and PCI DSS, or other security program as required by a Card Brand and demonstrate compliance with these security obligations; and (e) Card Brands may conduct, or direct another party to conduct, an audit of you at any time, and you must comply in all material respects with such audit until its completion.

14) **AMERICAN EXPRESS OPT-BLUE PROGRAM.** The following provision only applies if you are participating in the American Express Opt-Blue Program, as controlled by the American Express Opt-Blue Program operating regulations. As a participant in the American Express Opt-Blue Program: (a) you must comply with, and accept American Express cards in accordance with the terms of this Sub-Merchant Agreement and the American Express Merchant Operating Guide, as such terms may be amended from time to time; (b) you acknowledge that the American Express Merchant Operating Guide is incorporated by reference into this Sub-Merchant Agreement and is available online here: https://icm.aexp-static.com/content/dam/gms/en_us/optblue/us-mog.pdf (c) you expressly authorize us to submit transactions to, and receive settlement from, American Express on your behalf; (d) you expressly consent to our collection and disclosure of transaction

data, Sub-Merchant Data, and other information about you to American Express, and to American Express using such information to perform its responsibilities in connection with the American Express Program, promote the American Express network, perform analytics and create reports, and for any other lawful business purposes, including commercial marketing communication purposes within the parameters of the program agreement, and important transactional or relationship communications from American Express.

In addition, you acknowledge and agree that: (i) you may opt-out from receiving future commercial marketing communications from American Express; (ii) you may be converted from the American Express Program to a direct card acceptance relationship with American Express if and when you become a high CV merchant in accordance with Section 10.5, "High CV Merchant Conversions," and upon conversion, you will be bound by American Express' then-current Card Acceptance Agreement and American Express will set pricing and other fees payable by you for card acceptance; (iii) American Express may use information obtained in the SMAA at the time of setup to screen, communicate and/or monitor you in connection with card marketing and administrative purposes; (iv) you shall not assign to any third party any payments due to you under your respective End User Agreement, and further agree that all indebtedness arising from charges will be for bona fide sales of goods and services (or both) at your establishments and free of liens, claims, and encumbrances other than ordinary sales taxes, provided, however, that you may sell and assign future transaction receivables to us, our affiliated entities and/or any other cash advance funding sources who partner with us or our affiliated entities without consent of American Express; (v) American Express is a third-party beneficiary to this Sub-Agreement and retains all rights, but not obligations, in the Sub-Merchant Agreement that will fully provide American Express with the ability to enforce the terms of the Payment Facilitator's Sub-Merchant Agreement against you; (vi) you may opt out of accepting cards at any time without directly or indirectly affecting your rights to accept other payment products; (vii) we may terminate your right to accept cards if you breach any of the provisions in this Section or the American Express Merchant Operating Guide; (viii) we have the right to immediately terminate the Sub-Merchant Agreement for cause, for fraudulent or other activity, or upon American Express' request; (ix) your refund policies for purchases on a card must be at least as favorable as your refund policy for purchases on any other payment products, and you further agree that the refund policy be disclosed to cardmembers at the time of purchase and in compliance with applicable law; (x) you are prohibited against billing or collecting from any cardmember for any purchase or payment on the card unless chargeback has been exercised, you have fully paid for such charge, and you otherwise have the right to do so; (xi) you must comply with applicable laws, rules and regulations relating to the conduct of your business, including the DSR and PCI DSS, each as described in Chapter 15, "Data Security;" (xii) you will report all instances of a data Incident immediately to us after discovery of the incident; (xiii) you will cease all use of, and remove American Express' licensed marks from your website and wherever else they are displayed upon termination of this Sub-Merchant Agreement or your participation in the Program; (xiv) you will ensure data quality and agree that transaction data and customer information will be processed promptly, accurately and completely, and will comply with the American Express technical specifications; and (xv) you are solely responsible for being aware of and adhering to privacy and data protection laws and will provide specific and adequate disclosures to cardmembers on the collection, use, and processing of personal data.

15) **PCI DSS**. We have implemented certain technical and procedural safeguards to keep Cardholder Data safe and will continue to comply with Payment Card Industry Data Security Standards (" **PCI DSS**") as a Level 1 service provider to the extent we store, process or transmit Cardholder Data on your behalf. As a sub-merchant, you also have certain PCI DSS obligations to help keep Cardholder Data safe. Please visit this link https://www.pcisecuritystandards.org/pdfs/Small_Merchant_Guide_to_Safe_Payments.pdf) to learn more about what you can and should do to protect payment transactions at your place of business. We reserve the right to suspend Payment Services for as long as we deem reasonably necessary to investigate suspicious or unusual activity associated with your account, and we shall have no liability to you for any losses that may be attributable to the period of suspension. Similarly, if you know or have reason to believe there has been a security intrusion that has or may result in unauthorized access to Cardholder Data, you must notify us immediately.

16) **PROCESSING LIMITS.** We reserve the right to assign a maximum dollar amount ("**Processing Limit**") per sales ticket and an aggregate maximum dollar amount of card and ACH transactions per calendar month to your account. If we assign a Processing Limit, we will communicate it to you in writing.

17) **MERCHANT SERVICES AGREEMENT WITH PROCESSOR**. In the event you process more than $1,000,000 in Visa transactions and/or $1,000,000 in MasterCard transactions (or such other amount as provided by the Card Brand's operating regulations) in any twelve month period ("**Benchmark Amount**"), then in addition to this Sub-Merchant Agreement with us, you may also be required to enter into a "Merchant Services Agreement for Sub-Merchants" with our Processor, the terms of which will be independently enforceable by our Processor.

18) **NEGATIVE ACCRUALS.** We reserve the right to collect a "Per Fiscal Day Over Draft Fee" if your account goes negative during any given remit cycle. See Schedule A for details.

19) **ADVANCES.** An advance is any disbursement of funds prior to the regularly scheduled remit date. Any requests for an advance will be considered on a case-by-case basis although, as a general policy, we will not honor advance requests. Any advance request must be sent to us in writing. If an advance is granted, you agree to pay a "**Per Wired Funds Transfer**" for each

advance provided.

20) **RECONCILIATIONS; ERROR REPORTING.** You are responsible for reconciling your transaction history or remit reports with your actual transactions and you agree to notify us of any errors or discrepancies (each an "**Error**"). We will investigate reported Errors and attempt to promptly rectify them. In the event you are owed money as a result of an Error, we will transfer funds to your Designated Account at the next scheduled remit or pay-out cycle. Errors not reported to us within 60 days from when they first appear on your transaction history or remit report will be deemed waived.

21) **SALES TRANSMITTALS**. You will retain a copy of the sales transmittal for the completed transaction for 25 months or such longer period as the Card Brand operation regulations may require. Within three business days of our request, you will produce copies of sales transmittals and other transaction evidence.

22) **ACH PROCESSING.** The City of Crossville has opted not use ACH Processing at this time, and this "ACH Processing" section will not apply. If the City elects to use ACH Processing in the future, this section will become effective as of the date such use begins. (To enable you to make and accept ACH payments, you authorize us to originate credit or debit records for the purpose of a funds transfer into the ACH network ("**Entries**"). We will use reasonable efforts to originate Entries on your behalf in accordance with the Sub-Merchant Agreement. You must only submit Entries for bona fide transactions with your End Users made in the ordinary course of business. All disputes between you and any of your End Users relating to any ACH transaction must be resolved between you and them. If we receive any notice of an ACH dispute or NACHA inquiry, we will forward such notice directly to you. We bear no financial responsibility for any disputed transaction. If we respond to a dispute or transaction inquiry on your behalf, you consent to pay our additional fees associated with these services.)

23) **REFUNDS; RETURNS.** You agree to process returns of and provide refunds and adjustments for products and/or services in accordance with your End User Agreements. In managing refunds and returns, you agree to: (a) maintain a fair return, cancellation or adjustment policy; (b) disclose your return or cancellation policy to End Users at the time of purchase; (c) not give cash refunds to an End User in connection with a card sale unless required by law; and (d) not accept cash or any other item of value for preparing a card sale refund. Your refund policies should be the same for all payment methods and should specifically include a requirement for prompt payment of refunds in order to mitigate chargeback risk.

24) **CHARGEBACK LIABILITY.** For any transaction that results in a chargeback, we may withhold the chargeback amount in a reserve account. We reserve the right to invoice You to recover the amount of any chargeback and any associated fees, fines, or penalties listed in the Agreement, your End User Agreements, or assessed by a Card Brand or Processor. If you have pending chargebacks, we may delay payouts as necessary. Further, if we reasonably believe that a chargeback is likely with respect to any transaction, we may withhold the amount of the potential chargeback from remits otherwise due to you until such time that (a) the chargeback is assessed due to an End User (cardholder) complaint, in which case we will retain the funds; (b) the period of time under applicable law or regulation by which the End User (cardholder) may dispute that the transaction has expired; or (c) we determine that a chargeback on the transaction will not occur. If we are unable to recover funds related to a chargeback for which you are liable, you agree to pay us the full amount of the chargeback immediately upon demand. You will be invoiced for all costs and expenses, including attorneys' fees and other legal expenses, incurred by us for the collection of all amounts unpaid by you.

25) **RESERVE; SECURITY INTEREST.** Where deemed necessary or appropriate by us or our sponsor bank, we (or our sponsor bank) shall create a reserve account ("**Reserve**") in order to protect us or the sponsor bank from actual or potential liabilities under this Sub-Merchant Agreement. The Reserve will be in an amount determined by us in our sole and absolute discretion to cover anticipated chargebacks, returns, unshipped product and/or unfulfilled services or credit risk based on your processing history. The Reserve may be raised, reduced or removed at any time by us (or at the direction of our sponsor bank). Where the Reserve is not adequately funded, you shall pay all amounts requested by us for the Reserve within one business day of a request for such amounts and we may build the Reserve by offsets from Remits, transaction settlements or by debiting by ACH any of your Designated Accounts with available funds. You hereby grant us a security interest in and lien on any and all funds held in any Reserve, and also authorizes us to make any withdrawals or debits from the Reserve, without prior notice to you, to collect amounts that you owe us under this Sub-Merchant Agreement, including without limitation, for any reversals of deposits or transfers. You will execute any additional documentation required for us to perfect our security interest in any funds in the Reserve. This security interest survives for as long as we hold funds in Reserve; however, it does not apply to any funds for which the grant of a security interest would be prohibited by law. You irrevocably assign to us all rights and legal interests to any interest or other earnings that accrue or are attributable to the Reserve.

26) **RECOUPMENT OF FEES.** Where Fees are owing by you to us under the Agreement, we shall have the right to immediately, without prior consent or notice, offset or debit such amounts from funds: (a) deposited by you into your Designated Account(s);

(b) due to you as remits; (c) held in the Reserve; or (d) available in your other payment instrument registered with our sponsor bank (if any). Your failure to pay all Fees owed to us on demand will be a breach of this Sub-Merchant Agreement. You will be liable for our costs associated with collection in addition to the amount owed, including without limitation attorneys' fees and

expenses, collection agency fees, and interest at the lesser of one-and-one-half percent (1.5%) per month or the highest rate permitted by applicable law. In our discretion, we may make appropriate reports to credit reporting agencies and law enforcement authorities and cooperate with them in any resulting investigation or prosecution. You hereby expressly agree that all communication in relation to delinquent sub-merchant accounts may be made by us or by a third party acting on our behalf, including but not limited to a collections company.

27) **INTELLECTUAL PROPERTY.** We reserve all rights not expressly granted to you in the Agreement, including without limitation, this Sub-Merchant Agreement. We own the title, copyright and other worldwide intellectual property rights in the Payment Services and all technology, components, systems, and hardware associated therewith. This Sub-Merchant Agreement does not grant you any rights to our trademarks or service marks, nor may you remove, obscure, or alter any of our trademarks or service marks included in the Payment Services. All comments and suggestions of or concerning the Payment Services provided to you shall be our property and you shall not have any rights therein.

28) **RESERVED.**

29) **NO WARRANTIES.** THE PAYMENT SERVICES ARE PROVIDED ON AN AS IS AND AS AVAILABLE BASIS. USE OF THE PAYMENT SERVICES IS AT YOUR OWN RISK. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE PAYMENT SERVICES ARE PROVIDED WITHOUT WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT.

30) **LIMITATION ON LIABILITY.** WE SHALL NOT BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF SALES, GOODWILL, PROFITS OR REVENUES. OUR LIABILITY UNDER THIS SUB-MERCHANT AGREEMENT FOR ANY CLAIM SHALL NOT EXCEED THE AMOUNT OF FEES YOU ACTUALLY PAID TO US FOR SERVICES IN THE SIX (6) MONTH PERIOD DIRECTLY PRIOR TO THE ACTION GIVING RISE TO ALLEGED LIABILITY. WE SHALL NOT BE LIABLE FOR ANY DAMAGES CAUSED DIRECTLY OR INDIRECTLY BY: (A) YOUR ACT OR OMISSION, OR THE ACT OR OMISSION OF ONE OF YOUR AFFILIATES OR END USERS; (B) YOUR USE OF OR INABILITY TO USE THE PAYMENT SERVICES; (C) DELAYS OR DISRUPTIONS IN THE PAYMENT SERVICES; (D) VIRUSES OR OTHER MALICIOUS SOFTWARE OBTAINED BY ACCESSING THE PAYMENT SERVICES; (E) BUGS, ERRORS, OR INACCURACIES OF ANY KIND IN THE PAYMENT SERVICES, UNRELATED TO OUR SOFTWARE; (F) ACT OR OMISSIONS OF THIRD PARTIES; (G) A SUSPENSION OR OTHER ACTION TAKEN IN ACCORDANCE WITH THE TERMS OF THIS SUB- MERCHANT AGREEMENT; (H) OUR NEED TO MODIFY PRACTICES, CONTENT, OR BEHAVIOR, OR YOUR DIMINISHED ABILITY TO DO BUSINESS AS A RESULT OF CHANGES TO THIS SUB-MERCHANT AGREEMENT OR OUR POLICIES OR PAYMENT SERVICES MADE IN ACCORDANCE WITH THIS SUB-MERCHANT AGREEMENT OR APPLICABLE LAW; (I) ANY BREACH BY YOU OF THIS SUB-MERCHANT AGREEMENT; (J) INCORRECT OR INCOMPLETE TRANSACTION INFORMATION; OR (K) OUR ELECTION TO SUSPEND PROVIDING PAYMENT SERVICES ON THE BASIS OF OUR LEGAL, COMPLIANCE, OR RISK POLICIES.

31) **TIME LIMIT TO INITIATE A DISPUTE.** Unless otherwise required by law, an action or proceeding by you relating to any dispute or claim by you under this Sub-Merchant Agreement must commence within one year after the cause of action accrues, failing which you forego any rights in respect thereof and must be filed in the Chancery Court for Cumberland County, Tennessee.

32) **CONFIDENTIALITY.** Unless otherwise required by law, including, without limitation the Tennessee Open Records Act, you shall, and shall cause your affiliates to, hold in strict confidence at all times following the date hereof all of our, our bank's or our Processor's Confidential Information, and neither you nor any of your affiliates shall use such Confidential Information for any purpose other than for the performance of your duties and obligations hereunder. If you breach, or threaten to breach, any of the provisions of this section, in addition to any other rights we may have, including a claim for damages, we shall have the right to have the provisions of this section specifically enforced, and your breach or threatened breach enjoined, by any court of competent jurisdiction, without presentment of a bond (such requirement being expressly waived by you), it being agreed that any breach or threatened breach of this section would cause irreparable harm to us in that money damages would not provide an adequate remedy.

33) **RESERVED. -**

purposes, and shall be joint and severally liable with you for all of your liabilities under the Sub-Merchant Agreement.

34) **INDEPENDENT CONTRACTOR.** The relationships of the parties to this Sub-Merchant Agreement shall be solely that of independent contractors, and nothing contained herein shall be construed otherwise. Nothing in this Sub-Merchant Agreement or in the business or dealings between the parties shall be construed to make them joint ventures or partners with each other. Neither party shall do anything to suggest to third parties that the relationship between the parties is anything other than that of independent contractors.

35) **ASSIGNMENT.** Neither party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party (not to be unreasonably withheld). Notwithstanding the foregoing, we may assign this Agreement in its entirety without your consent, to our affiliates or in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of our assets not involving one of your direct competitors. Subject to the foregoing, the Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

36) **OTHER AGREEMENT TERMS; CONFLICT**. Upon SMAA acceptance, this Sub-Merchant Agreement shall be considered incorporated by reference into your overall Agreement with us. To the extent any provision of this Sub-Merchant Agreement directly conflicts with any other provision of the Agreement, then the Sub-Merchant Agreement's terms shall be deemed to control.

37) **COST REVIEW & POTENTIAL ADJUSTMENT.** We will conduct a quarterly review of the overall card processing costs. The first review will begin six (6) months after the initial implementation. If there is a material increase or *decrease* in card processing costs, we reserve the right to adjust fees accordingly, associated with Payment Services, with prior written notice and supporting documentation.

VERMONT SYSTEMS

SCHEDULE A:
PAYTRAC PAYMENT SERVICE RATES & FEES*

TRANSACTION PARTIES		FUNDING**
Customer / Sub-Merchant:	City of Crossville, TN	Funds received by 11:59 pm ET will be deposited in Customer's designated account within three (3) business days
Payment Facilitator:	RecTrac, LLC d/b/a Vermont Systems	
Payment Processor:	WorldPay, LLC	
Sponsor Bank:	Fifth Third Bank	

* Customer acknowledges and accepts that VS will collect its fees and charges for Payment Service directly from the EFT/ACH draft associated with the business location.

** VS is not responsible for funding delays due to weekends, federal holidays or Force Majeure events or incidents.

*** Daily settlement cut-off times are Midnight local time.

FLAT RATE MODEL

CREDIT CARD PROCESSING FEES				
Masterc Visa Discover AMEX	Per electronic authorization	$	0.25	
	Per sale transaction	$	0.25	
	Credit card account updater fee If & when available and option selected/elected	$	1.00	
	Per chargeback request or return processed	$	25.00	
	Mastercard-Visa-Discover-AMEX acquired gross purchase sale %		2.65	%

VERMONT SYSTEMS

ACH PROCESSING FEES (if option selected/elected)			
ACH / e-Check Processing	ACH fee per sale transaction	$	1.00
	ACH account updater fee	$	0.50
INSTANCE-BASED FEES			
Funding Fees	Per fiscal day overdraft fee	$	110.00
	Per wired funds transfer	$	15.00
	Per ACH credit / debit per funds transfer	$	0.10
OTHER FEES			
	PCI Non-compliance Fee (Monthly rate) per MID, to be assessed if the Customer is found to be PCI non-compliant, not to exceed $75.00 total.	$	25.00
NOTES			

Customer:	Vermont Systems:
City of Crossville, TN	**RecTrac, LLC d/b/a Vermont Systems**
By: (Print Name) Its: (Title) Date:	By: Patrick Hayden Its: President Date:

VERMONT SYSTEMS

Prepared For: City of Crossville

Crossville, TN

Contact Name: Ethan Medley, Leisure Services Director

Contact Email: Ethan.Medley@CrossvilleTN.gov

Contact Phone: 931-456-6632

Explanation of Quote: RecTrac 3.1 Pricing

Prepared By: Dylan Greer (Sales Executive)

Email: DylanG@vermontsystems.com

Toll Free: 877-883-8757

Direct Phone: 802-255-2151

Notes:

Application Software Add-Ons	Qty	Unit Price	Discount	Price
WebTrac App Base - One Time Setup Fee †(8)	1	$2,000.00	$500.00	$1,500.00
			Tax:	$0.00
			Total:	$1,500.00

Services (recurring)	Qty	Unit Price	Monthly	Discount	Price
Software Subscription					
Workgroup/Advanced Software Subscription Bundle - 6-10 Users †(10)	1	$1,095.00	$876.00	$219.00	$10,512.00
WebTrac App Base Level (2-9 RecTrac Users) †(9)	1	$315.00	$252.00	$63.00	$3,024.00
				Tax:	$0.00
				Total:	$13,536.00

Services (non-recurring)	Qty	Unit Price	Price
Vermont Systems Scheduled Service Cancellation Policy			
Cancellation Fee Policy - See Footnotes †(2)	1	$0.00	$0.00

Training & Expenses	Qty	Unit	Unit Price	Price
Project Implementation/Training - remote (estimated)	60.0	Hour	$125.00	$7,500.00
Project Discovery - remote (estimated)	8.0	Hour	$125.00	$1,000.00
			Tax:	$0.00
			Total:	$8,500.00

TOTALS:	
Application Software Add-Ons	$1,500.00
Services (recurring) (prorated year 1)	$13,536.00
Training & Expenses	$8,500.00
Total:	$23,536.00

For planning purposes, the annual recurring cost will be: $13,536.00

12/10/2024
Quote Number: QUO-18048-F1R8G5
Software Pricing is valid for 120 Days
Hardware Pricing is Subject to Change

† Footnotes:

2 Scheduled Service Cancellation Fees:
   10% of the price per scheduled block of time/minimum $175.00
   How to avoid Cancellation Fees:
   • Hourly Services – Customer is required to provide notice at least 3 business days prior to the scheduled training.
   • Multi Day or On-Site Services – Customer is required to provide notice at least 3 weeks prior to the scheduled training.

8 WebTrac App - One Time Initial Setup Fee (includes 4 hours of application training, remote based)

   Billing Note: Billing for WebTrac App Setup fee will occur on the date of the App Implementation kick off call.

9 WebTrac App - Base level

   The WebTrac App requires an Apple Developer License, which you as the App account owner must provide. The annual subscription fee for this license is $99 (Paid directly to Apple).

   Billing Note: Billing for WebTrac App will occur on the date of the App Implementation kick off call.

10 Vermont Systems RecTrac Workgroup/Advanced Software Bundle for 6-10 Users includes:
    VS Standard Level Hosting
    RecTrac/WebTrac for:
    - Activity Registrations
    - Facility Reservations
    - Pass Management/Memberships
    - POS/Inventory/Tickets/Gift Cards
    - Equipment/Site Rentals
    - League Scheduling
    - POS Theatre/Venue Ticketing (Venue Seating
    - Trip Reservations Management
    - Locker Management
    - Personal Trainer Scheduling
    - InteliTrac Business Intelligence
    - Mobile RecTrac – Staff Interface
    - Contract Management
    - WebTrac Virtual Waiting Room (if needed)
    - RecTrac API Access
    - PayTrac (with 3 Mids) Ecom/Retail/MOTO at PayTrac List rate: 2.65% & $.25 per trans
    - SMS Texting (30k Texts/yr)
    - RecTrac Installment Billing Option
    - GL Interface - Standard Template Option
    - Activity Brochure Standard Template Option
    - RecTrac SSO (Single Sign-on)
    - Accrual Processing

    Additional features, modules and capabilities are available at the Premium Subscription Bundle Level.

    Add-on options are also available, including the WebTrac App, Access Control, Kiosk, GolfTrac, MainTrac, additional SMS Texts, additional PayTrac MIDs & Elevate Standard/Premium.