



## T2 Master Customer Agreement

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

By signing this Agreement, Customer acknowledges that it has read, understands and agrees to be bound by the terms and conditions of this Agreement.

1. **BACKGROUND.** The Agreement establishes the Customer's overall contractual framework and the applicable terms and conditions. Under the Agreement, Customer may acquire or license Products and procure Services by entering into an Addenda. Each Addendum may be entered into and will be executed by Customer and T2 Systems or one of its Affiliates (T2 Systems and its Affiliates collectively "T2") and each will be incorporated herein. In the event of any conflicts in the terms of the applicable Addenda and the Agreement, the terms of the Addenda shall control.
2. **DEFINITIONS.** In this Agreement:
  - (a) "Addenda" or "Addendum" means each document referencing this Agreement which may include a Quote or Order Form, executed by Customer and T2 Systems or one of its Affiliates under this Agreement to place orders for Products and/or Services.
  - (b) "Affiliate" means, in respect of an entity, any entity which directly or indirectly controls, is controlled by, or is under common control with such entity. "Control" for purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interests of an entity.
  - (c) "Confidential Information" means and includes any written or orally or visually disclosed information relating to the disclosing party's business identified as "confidential" or "proprietary" or which the receiving party should reasonably know is confidential or not generally known to the public, including, without limitation:
    - (i) all know-how, technology, Documentation and other proprietary information owned, licensed, used or developed by the disclosing party, including proprietary rights protected by trade secret and other intellectual property rights, and;
    - (ii) all information relating to the disclosing party's business, the source code for the Software, the Services, and to all other aspects of the disclosing party's structure, personnel, operations, financial matters, marketing, commercial strategies, customer lists, Customer Data, contractual records, correspondence, products, programs, devices, concepts, inventions, designs, methods, data, and items provided to the disclosing party by third parties subject to restrictions on use or disclosure.
  - (d) "Customer Data" means the data provided to T2 by Customer and Customer's authorized end users who access or use Software as permitted in an Addendum.
  - (e) "Documentation" means the documentation, help files, user manuals, handbooks and any other written or electronic material relating to the Products and Services provided by T2 to its customers from time to time.
  - (f) "Effective Date" means the latest of the dates on which this Agreement is executed by Customer and T2 as indicated in the signature block at the end of these terms and conditions.
  - (g) "Hardware" means the T2 hardware sold and provided by T2 to Customer under an Addendum.



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- (h) **"Products"** means the T2 products licensed or sold by T2 to Customer under an Addendum including Software and Hardware.
- (i) **"Quote"** or **"Order Form"** means the quote provided by T2 to Customer related to the ordering of Products and/or Services as set forth in the applicable Addendum. Unless otherwise stated in the Quote, each Quote is incorporated and made part of the applicable Addendum.
- (j) **"Representatives"** means, in respect of a party, the directors, officers, employees, agents and contractors of such party.
- (k) **"Services"** means the T2 services provided by T2 to Customer under an Addendum.
- (l) **"Software"** means the T2 Software access to which is licensed by T2 to Customer under an Addendum.

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

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

4. **FEES AND PAYMENT.**

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

5. **OWNERSHIP.**

- (a) Customer acknowledges that T2 has developed and uses valuable technical and non-technical information, trade secrets, know-how and the like in the supply of the Products and Services. Customer agrees that, except for the limited right to use the Products or Services as set out in this Agreement, all rights, title and interest in and to the Products and Services, Documentation, and any other hardware, software, equipment and materials used by T2 in conjunction with the delivery of the Products and Services, shall remain vested in T2 or its third party suppliers. Any Software provided under an Addendum will be licensed not sold to Customer.
- (b) Customer agrees that any copies made of the Software, Documentation, any other T2 Confidential Information and any other material obtained from T2 shall preserve unaltered patent, trademark, copyright, proprietary or confidentiality notices contained therein.
- (c) Each party recognizes and acknowledges the great value of the goodwill associated with the name and trademarks of the other party, and the identification of the proprietary party's goods or services therewith. Each party agrees that it obtains no rights, title or interest of any kind in or to



any of the trademarks, tradenames, logos, service marks or other markings belonging to the other party or its suppliers.

**6. CONFIDENTIALITY.**

- (a) Each party agrees to hold all Confidential Information of the other party in strictest confidence, not to make use thereof other than for the performance of this Agreement, to disclose such Confidential Information only to its Representatives who are under an obligation of confidentiality with respect thereto and who require such information for the performance of their duties, and not to disclose such Confidential Information to any third parties, except with the disclosing party's prior written consent; provided, however, that the foregoing restrictions shall not apply to Confidential Information of the other party:
  - (i) that is now or hereafter in the public domain through no action or failure to act on the part of the receiving party or its Representatives;
  - (ii) that was received by or was available to the receiving party from a third party without any obligation of confidentiality to the disclosing party;
  - (iii) that is independently developed by or for the receiving party by persons who have not had access to the Confidential Information of the disclosing party; or
  - (iv) that is disclosed with the written consent of the disclosing party.
- (b) Each party may disclose the other party's Confidential Information pursuant to the requirement of a governmental agency or is required by operation of law, regulation or court order, provided that, whenever possible, prompt notice is given by the receiving party to the disclosing party prior to such disclosure so that the disclosing party may seek a protective order or other remedy.
- (c) Each party agrees to protect and safeguard Confidential Information of the other party from loss, theft, destruction and inadvertent disclosure using the same degree of care as it uses to protect its own Confidential Information, but in no event less than a reasonable standard of care.
- (d) Each party shall hold the other party's Confidential Information in trust for the other party and all right, title and interest in and to such Confidential Information shall remain with the disclosing party.
- (e) Upon termination of the Agreement or an applicable Addendum, or otherwise upon the request of a disclosing party, the receiving party will promptly destroy all full and partial copies of the disclosing party's Confidential Information in its possession or control, or in the event of termination of an Addendum such information provided under the applicable terminated Addendum, and certify such destruction in writing; provided, however, that the receiving party may retain one (1) copy for its internal archival purposes only, which copy shall remain subject to the obligations of confidentiality set out in this Section 6.

**7. CUSTOMER DATA.**

- (a) Customer shall be solely responsible for, and shall hold T2, its third party suppliers, and their respective Representatives harmless from any loss, damage or liability arising in connection with Customer's inputs, selection and use of the Services, and all data (including Customer Data), reports, statements and other content transmitted, posted, received or created on the T2 System through Customer's account, even if transmitted, posted, received or created by a third party.
- (b) The Software may create and store databases of personal information of end-users and data relating to Customer on the computer system on which the Software is accessed or installed. Customer agrees to take all steps which it deems are appropriate to provide adequate security for that information.



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- (c) The parties acknowledge that at all times Customer will remain the owner of Customer Data. Except as otherwise set forth herein or in the applicable Addenda, T2 shall not at any time use Customer Data or disclose Customer's Data to any third parties, except that T2 may use Customer Data for the purpose of meeting its obligations under an Addendum and providing the Services, and may store, back-up and archive Customer Data.
- (d) T2 will comply with all applicable laws governing the collection, access, use, disclosure of Customer Data. All Customer Data which is submitted by Customer to T2 pursuant to this Agreement will be safeguarded by T2 to the same extent that T2 safeguards data relating to its own business; provided, however, if Customer Data is publicly available, is already in T2's possession from a source other than Customer or otherwise known to it, or was rightfully obtained by T2 from third parties, T2 shall bear no responsibility for its disclosure, inadvertent or otherwise. T2 has implemented and will maintain administrative, physical and technical safeguards to protect Customer Data from unauthorized access, acquisition or disclosure, destruction, alteration, accidental loss, misuse or damage that are no less rigorous than accepted industry practices. In the event of unauthorized access to Customer Data which has been verified by T2, T2 shall promptly i) take action to stop the unauthorized access, and ii) notify Customer, provide Customer with relevant details of the unauthorized access and an explanation of steps that T2 took or is taking to stop the unauthorized access. T2 maintains Payment Card Industry (PCI) Level One compliance and upon request (no more than once annually), T2 will provide Customer with a copy of its third-party audit certification demonstrating that appropriate information security standards to protect Customer Data are in place.

## 8. INDEMNITY.

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

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

In the event that an injunction or order is obtained against the Customer's use of any Product or Software or if, in T2's opinion, any Product or Software is likely to become the subject of a claim of infringement or violation of any rights in connection with any rights as noted above, T2 shall, at its expense:

- (i) procure for the Customer the right to continue using the affected Product or Software; or



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- (ii) modify or replace the affected Product or Software so that such Product or Software becomes non-infringing.

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

- (c) **Customer Indemnification.** Customer agrees to indemnify, defend and hold T2 and its respective directors, managers, members, officers, employees, owners and agents harmless from and against any and all liabilities, obligations, damages, claims, suits, proceedings, costs, fees and expenses, including reasonable attorneys' fees and costs, arising out of the gross negligence or willful misconduct of Customer or any of its Affiliates, or breach of the Agreement by Customer, or any claim by Customer end user related to use of end user personally identifiable information.
- (d) **Defense.** If a party is alleged to be obligated to indemnify the other party hereunder, the party alleged to be obligated to provide indemnification shall have the right to appoint counsel of its own choice and in all other respects control any litigation and/or settlement thereof, provided, however, that any such settlement shall not bind the non-indemnifying party or obligate it to pay any monies without its express prior written consent. The indemnified party shall cooperate in the defense of any indemnified claim. If one party is notified of any potential or actual claim or liability against the other party or named in any suit or proceeding of any kind that could give rise to an indemnification claim under this Agreement or otherwise subject the other party to a suit, proceeding or claim (or threat thereof), the notified party shall immediately inform the other party.

## 9. INSURANCE.

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

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

- (ii) **Commercial General Liability Insurance with limits of not less than:**
  - (A) Each Occurrence Limit \$1,000,000
  - (B) Personal & Advertising Injury \$1,000,000
  - (C) General Aggregate \$2,000,000





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(D) Products - Completed Operations Aggregate \$2,000,000

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

- (iii) Business Auto Liability Insurance covering, for liability purposes, all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 combined single limit of liability per accident for Bodily Injury and Property Damage;
  - (iv) Customer shall be named as an additional insured under each policy, except for Workers Compensation and hired and non-owned auto liability policies.
- (c) The insurance coverage carried by T2 as set forth herein shall not in any way expand T2's liability or modify or affect the limitations of liability set forth in the Agreement or any Addenda.

**10. EXCLUSION OF WARRANTIES.**

- (a) EXCEPT AS EXPRESSLY PROVIDED IN THE ADDENDUM APPLICABLE TO THE PRODUCTS AND/OR SERVICES OR AS OTHERWISE EXPRESSLY CONFIRMED IN WRITING BY T2, THE PRODUCTS AND SERVICES ARE PROVIDED "AS IS" WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, T2 AND ITS THIRD PARTY SUPPLIERS HEREBY DISCLAIM ALL OTHER REPRESENTATIONS, WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED, WHETHER ARISING UNDER STATUTE, FROM A COURSE OF DEALING, USAGE, CUSTOM OF THE TRADE OR OTHERWISE, REGARDING THE PRODUCTS OR SERVICES, THE DOCUMENTATION, OR ANY OTHER PRODUCTS OR SERVICES PROVIDED OR FAILED TO BE PROVIDED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, QUALITY, MERCHANTABILITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, ACCESSIBILITY, PRIVACY OF FILES OR SECURITY.
- (b) T2 DOES NOT WARRANT THAT ANY PRODUCTS OR SERVICES PROVIDED HEREUNDER WILL BE UNAFFECTED BY BUGS, VIRUSES, ERRORS OR OTHER PROGRAM LIMITATIONS, NOR DOES T2 WARRANT THAT CUSTOMER'S USE THEREOF WILL BE UNINTERRUPTED, ERROR-FREE OR WILL MEET ALL OF THE CUSTOMER'S REQUIREMENTS. FURTHER, T2 DOES NOT WARRANT THAT ANY SOFTWARE WILL OPERATE ON ANY PARTICULAR CONFIGURATION OF SOFTWARE, OPERATING SYSTEM OR COMPUTER SYSTEM. ANY HARDWARE PURCHASED FROM SOURCES OUTSIDE OF T2 WILL BE THE SOLE RESPONSIBILITY OF THE CUSTOMER. T2 WILL NOT BE RESPONSIBLE FOR THE FAILURE OF THE SOFTWARE TO PERFORM TO THE EXTENT THAT SUCH FAILURE TO PERFORM IS DUE TO THE FAILURE OF A THIRD PARTY FUNCTION, SUCH AS INTERNET AVAILABILITY REQUIRED FOR THE CONNECTION BETWEEN THE HARDWARE AND SOFTWARE OR THE WIRELESS NETWORK AVAILABILITY REQUIRED FOR THE T2 SOFTWARE TO BE ABLE TO SEND AND RECEIVE DATA. IN NO EVENT SHALL T2 BE LIABLE FOR THE FAILURE OF THE SOFTWARE TO PERFORM IF SUCH FAILURE ARISES DUE TO THE COMBINATION OF THE SOFTWARE WITH THIRD PARTY HARDWARE OR SOFTWARE. T2 SHALL NOT COVER REPAIR, LABOR OR REPLACEMENT OF PARTS THAT ARE BY NATURE EXPENDABLE. IN ADDITION, IF APPLICABLE, THE WIRELESS DATA SERVICES ARE NOT GUARANTEED AGAINST EAVESDROPPERS, HACKERS, DENIAL OF SERVICE ATTACKS OR INTERCEPTORS AND NEITHER T2 NOR THE UNDERLYING WIRELESS DATA SERVICES CARRIER CAN GUARANTEE THE PRIVACY OR SECURITY OF WIRELESS TRANSMISSIONS.
- (c) THIS LIMITED WARRANTY GIVES THE CUSTOMER SPECIFIC LEGAL RIGHTS. THE CUSTOMER MAY HAVE OTHER RIGHTS, WHICH VARY FROM LOCATION TO LOCATION, DEPENDING UPON THE APPLICABLE LAW OF SUCH LOCATION.

**11. LIMITATION OF LIABILITY AND DAMAGES.**



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

## **12. TERMINATION.**

- (a) Each Addendum may be terminated according to its terms and the terms of this Agreement.
- (b) In the event that there are no Addenda in effect, either party may terminate this Agreement without cause by written notice to the other party, which termination shall be effective as of the last day of the calendar month following the month in which notice of termination is received.



- (c) Either party may terminate this Agreement or any Addendum if the other party breaches any of its representations or warranties, or any other material obligation under this Agreement or the applicable Addendum, and fails to remedy such breach with thirty (30) days of receipt of notice from the non-breaching party. T2 shall also have the right to suspend performance of all or any of the Services under an Addendum, without liability, pending the rectification of any breach by Customer.
- (d) Either party may terminate this Agreement or any Addendum, immediately upon written notice, if the other party makes an assignment for the benefit of its creditors or becomes bankrupt or makes an application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or if a receiving order or receivership order is made against the other party, or any action whatsoever, legislative or otherwise be taken to effect the winding up, dissolution, suspension of operations or liquidation of the other party. Notwithstanding the foregoing, the Customer shall not be entitled to terminate this Agreement under this Section if T2, or its creditors, or some other party makes suitable provisions for the performance of its obligations hereunder.
- (e) Without limiting any other remedies available under this Agreement, at law or in equity, in the event of the termination of this Agreement or any applicable Addendum for any reason:
  - (i) T2's obligation to provide the affected Products and Services will terminate;
  - (ii) All unpaid amounts due in respect of the terminated Services up to and including the effective date of termination shall, at T2's option, become immediately due and payable;
  - (iii) Customer is not entitled to a full refund for any affected Products and Services that are in process or not completed, including labor and any expenses T2 may have incurred up to the effective date of termination;
  - (iv) Customer must destroy any copies of the Documentation in Customer's possession in any form and on any media, and certify to T2 in writing that it has done so;
  - (v) Sections 4, 5, 6, 7, 8, 9, 10, 11, 12(e), 13 and 14 shall survive the expiration or termination of this Agreement until such time as the parties may agree to the release of the obligations contained therein.
- (f) No Limitation of Remedies. Any termination of the Agreement shall not in any respect limit any of either party's rights or remedies either in law or in equity or relieve either party of any obligation incurred prior to the effective date of such termination.

### **13. DISPUTE RESOLUTION.**

- (a) Dispute Resolution. In the event of any dispute arising out of this Agreement (including all Addenda), the parties shall use commercially reasonable efforts to negotiate a settlement in good faith satisfactory to both parties. If they do not reach a solution within a period of sixty (60) days (or such other longer period as the parties may agree), then either party may, on written notice to the other party, refer the dispute for settlement by arbitration before a single arbitrator in accordance with the rules of the American Arbitration Association. The costs of the arbitrator will be borne equally by the parties, but they will otherwise bear their respective costs incurred in connection with the arbitration. The parties shall select the arbitrator promptly and use commercially reasonable efforts to conduct the arbitration hearing no later than three (3) months after the arbitrator is selected. The arbitrator may not award punitive or exemplary damages against either party or any other relief in excess of the limitations set forth herein. The judgment and award of the arbitrator will be final and binding on each party. Judgment upon the award





may be entered in any court having jurisdiction, or application may be made to such court for judicial acceptance of the award and/or an order of enforcement as the case may be.

- (b) **Injunctive Relief.** Each party acknowledges and agrees that a breach of the obligations under Section 5 ("Ownership") and Section 6 ("Confidentiality") may cause irreparable harm and significant injury to the affected party that would not be adequately compensated by an award of money damages and, in addition to any other remedy available at law or in equity, and notwithstanding the provisions of Section 13(a), the affected party will be entitled to seek temporary and permanent injunctive relief from any court of competent jurisdiction to prevent breaches hereunder, without showing or proving any actual or threatened damage.
- (c) **Choice of Law.** This Agreement and all Addenda are governed by the laws of the State of Indiana.

#### 14. GENERAL PROVISIONS.

- (a) **Assignment.** T2 may assign its rights and obligations under this Agreement. Customer may not assign or transfer any of its rights or obligations under this Agreement to any person without the express prior written consent of T2.
- (b) **Entire Agreement.** Customer acknowledges that this Agreement including all Addenda, SOW's, Quotes and other attachments referencing this Agreement, comprise the entire understanding and agreement between parties regarding the Products and Services to be provided hereunder and supersedes all prior written and oral agreements, purchase orders, proposals, representations, understandings, promises, descriptions or other communications between the parties regarding the same. If Customer submits an order form with contrary terms or conditions, such order form shall be considered only as confirmation of the order and shall in no way amend, prevail over, supplement, or supersede any of the provisions of this Agreement or any Addenda.
- (c) **Enurement.** This Agreement shall be binding upon and enure to the benefit of T2, Customer and their respective successors and permitted assigns.
- (d) **Force Majeure.** Neither party shall be liable for delay or failure in performance (other than the making of payments) directly or indirectly resulting from acts beyond the control of such party, including, but not limited to acts of God, acts of war or terrorism, civil commotion, riot, fire, flood, pandemic or other disaster, acts of government, strike, work stoppages, lockout, power failures, inability to secure or delay in securing transportation, inability to obtain or delays in obtaining goods, materials, or qualified labor, or the inability to use or the failure of any third party telecommunications carrier or other services, which events or conditions prevent in whole or in part the performance by such party of its obligations hereunder or which renders the performance of such obligations so difficult or costly as to make performance commercially unreasonable. In such event, the party affected shall be excused from performance on a day-to-day basis to the extent of the delay, and the other party shall likewise be excused from the performance of its obligations on a day-to-day basis to the extent such party's obligations related to the performance are so delayed. Where an Event of Force Majeure occurs, the party who is delayed or fails to perform shall give prompt notice to the other party. In the event such inability to perform shall continue longer than sixty (60) Days, the party which has received or which was entitled to receive notice may terminate the Agreement by notice to the other party without further liability, expense, or cost of any kind. Force Majeure events do not include any failure as a result of political or social pressure, general economic or market factors, and/or fear of or threat of a Force Majeure Event or other circumstance.
- (e) **Independent Contractors.** The parties are independent contractors. Nothing herein shall be construed to create any legal partnership, joint venture, agency or any other relationship between the parties.



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- (f) Notices. All communications and notices provided for herein shall be in writing and shall be deemed to have been given when delivered personally to the recipient, by email, or by registered or certified mail with return receipt requested, postage prepaid, and addressed to the Customer at the address appearing on the Addenda or Quote(s), as applicable, or at such other address as either party may designate by notice to the other. T2, from time to time may send general communications and/or notices to all its customers and such notices shall be deemed to have been given when delivered by email.
- (g) No Waiver. No delay or failure to take any action or exercise any rights under this Agreement shall constitute a waiver or consent unless expressly waived or consented to in writing. A waiver of any event does not apply to any other or subsequent event, even if in relation to the same subject-matter.
- (h) Publicity. Except as expressly agreed in writing, neither party shall issue any press release, or otherwise publicly identify the other as a customer or supplier, in any marketing materials or otherwise, without the express prior authorization of the other party.
- (i) Severability. If any provision contained in this Agreement is found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, it shall be deemed severed from this Agreement and the remaining provisions of this Agreement shall not be in any way affected or impaired thereby and shall continue in full force and effect.
- (j) Amendment. This Agreement may be modified or amended only if the amendment is made in writing and is signed by both parties.
- (k) Counterparts. This Agreement and each Addenda may be executed by the parties in counterparts with the same effect as if they had signed the same document and all counterparts shall be construed together and shall constitute one and the same agreement. This Agreement and any Addenda may be executed by the parties and transmitted by electronic transmission, with the same effect as if the parties had delivered an executed original.
- (l) International. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or any Products or Services ordered or provided under this Agreement.
- (m) Compliance with Laws. Each party agrees to comply with all applicable federal, state, provincial and local laws, regulations, and orders in fulfilling its obligations under the Agreement, including as applicable laws relating to anticorruption of public officials and anti-bribery laws and regulations and the Federal Fair Debt Collection Practices Act.
- (n) Authorization. Both parties represent and warrant that they have the authority to bind their respective agency, institution, or company, and that they are authorized to sign this Agreement and any Addenda hereto.
- (o) Captions. The captions and section headings included in this Agreement and any Addenda are for convenience only and shall not affect the scope, intent, meaning or function of any provision of this Agreement or the applicable Addenda.

IN WITNESS WHEREOF, the parties have executed this Agreement by a duly authorized representative thereof on the \_\_\_\_ day of \_\_\_\_\_, 2023.



**T2 SYSTEMS, INC.**

Per: \_\_\_\_\_

Name: Joe Weiler

Title: VP, Sales

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**CITY OF SAN BRUNO**

Per: \_\_\_\_\_

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

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



## DIGITAL IRIS ADDENDUM

THIS DIGITAL IRIS ADDENDUM GOVERNS THE PROVISION AND USE OF THE DIGITAL IRIS SERVICES, WIRELESS DATA SERVICES, AND DIGITAL IRIS RELATED SUPPORT SERVICES PURCHASED BY CITY OF SAN BRUNO ("CUSTOMER") FROM T2 SYSTEMS CANADA INC. ("T2C").

1. **BACKGROUND.** Customer and T2 Systems, Inc. have entered into a Master Customer Agreement. T2C is an affiliate of T2 Systems, Inc. and is entitled to enter into this Addendum under the Agreement. This Addendum is incorporated into and subject to the terms of the Agreement and the terms of the Agreement are incorporated herein. To the extent of any conflict between the terms of this Addendum and the Agreement, the terms of the Addendum shall control.
2. **DEFINITIONS.** In this Addendum:
  - (a) **"Activation Date"** means the first date that each pay station unit is enabled by T2C to connect to the Addendum Services.
  - (b) **"Addendum"** means this Digital Iris Addendum, including all Quotes.
  - (c) **"Addendum Services"** means the Digital Iris Services, Wireless Data Services, Support Services, and/or any additional services provided under this Addendum.
  - (d) **"Agreement"** means the Master Customer Agreement.
  - (e) **"Effective Date"** means the date on which Customer first accepts this Addendum.
  - (f) **"Digital Iris Services"** means the hosted software subscribed to by Customer, to operate the T2C pay station(s) and any optional services as set out in the Quote(s).
  - (g) **"Fees"** means the fees for the Addendum Services as set out in the Quote(s), and any other amounts payable under this Addendum, as calculated from the Activation Date.
  - (h) **"Non-Conformity"** means the failure of the Digital Iris Services software to perform according to the Documentation.
  - (i) **"Point of Access"** means T2C's border router(s) which is (are) used to establish connectivity from the T2C Hosting System to T2C's Internet service provider and the public Internet.
  - (j) **"Quote(s)"** means the quote forms executed by Customer from time to time setting out the details of the Addendum Services subscribed to by Customer, including applicable fees, which upon execution by Customer will be incorporated by reference into and form an integral part of this Addendum.
  - (k) **"Support Services"** means services included with the initial warranty period for T2C pay stations, or services added on after the initial warranty period expires. Services are detailed in the Pay Station – Software and Hardware – Warranty and Support document.
  - (l) **"System Availability Period"** means in respect to the Digital Iris Services, twenty-four (24) hours per day, seven (7) days per week excluding any System Maintenance Window.
  - (m) **"System Maintenance Window"** means in respect to the Digital Iris Services, scheduled maintenance windows during which Digital Iris Services access will not be available to Customer due to required system maintenance, upgrades, and other hosting requirements.
  - (n) **"T2C Hosting System"** means, in respect to the Digital Iris Services, the entire physical operation(s), located at the T2C facilities designated by T2C from time to time to host the Digital Iris Services, including all networks and servers, hardware and software utilized in the provision of the Digital Iris Services located behind the Point of Access.



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- (o) **"Wireless Data Services"** means the third party wireless data services, if any, purchased by Customer from T2C for the purpose of enabling communications between the T2C Hosting System and Customer's parking pay stations.

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

- 3. **TERM.** This Addendum shall commence on the Effective Date and remain in full force and effect until terminated in accordance with its terms. This Agreement will be automatically renewed for an additional term of one (1) year effective immediately after the expiration of any then current term, unless T2C or Customer gives written notice of non-renewal to the other party at least sixty (60) days in advance of the expiration of the then-current term.

4. **DIGITAL IRIS SERVICES.**

- (a) Subject to the terms of this Addendum, T2C will supply the Digital Iris Services subscribed to by Customer, and Customer is granted a limited, non-exclusive, non-transferable right to access and use Digital Iris Services software, solely as necessary for Customer's use of the Digital Iris Services for its internal business purposes.
- (b) T2C will provide Customer with one (1) administration account (login and password) to access the Digital Iris Services on the T2C Hosting System.
- (c) T2C will provide the Digital Iris Services in accordance with the following standards:
  - (i) T2C is classified under the PCI Security Standards as a Level 1 Service Provider. The Digital Iris Services will remain in compliance with current PCI security standards at all times;
  - (ii) T2C will be responsible for delivery of access to the Digital Iris Services on the T2C Hosting System only up to and including the Point of Access, and is not responsible for any failure due to Customer's telecommunications connections, facilities (including internal local area networks (LAN)) or local infrastructure;
  - (iii) T2C will use all reasonable efforts to ensure the Digital Iris Services will be available during the System Availability Period;
  - (iv) Scheduled System Maintenance Windows are outlined in T2 Communities;
  - (v) T2C shall have the right to implement updates and upgrades to any software used in providing the Digital Iris Services, in its sole discretion;
  - (vi) T2C will respond to incidents that have been reported by Customer within the response times set out in the Pay Station – Software and Hardware – Warranty and Support document and
  - (vii) in the event of a T2C Hosting System failure, T2C will use commercially reasonable efforts to complete data recovery requests using the most recent version of the backup data, databases, applications and configuration pieces required to restore Customer Data.

5. **RESTRICTIONS ON USE OF DIGITAL IRIS SERVICES.**

- (a) Customer shall use the Digital Iris Services only for the parking pay stations identified in the Quote(s), and only in accordance with the Documentation and any other instructions issued by T2C from time to time. Failure to use the Addendum Services in accordance with instructions provided by T2C may result in failure of all or any part of the Addendum Services, and/or





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accidental loss of data or data integrity. If Customer does not understand the requirements for the proper use of the Digital Iris Services, Customer must contact T2C for additional information.

- (b) Customer may make copies of the Documentation solely for its own internal purposes in conjunction with its use of the Digital Iris Services. Copyright and other proprietary rights in the Documentation shall remain vested in T2C. Customer may not remove any title, trademark, copyright and/or restricted rights or proprietary notices or labels from, or otherwise modify the Documentation, and all copies of the Documentation must include all such notices and labels.
- (c) Customer shall restrict access to the Digital Iris Services to its employees or contractors, solely as required for its internal business purposes. Without limiting the generality of the foregoing, Customer may not sell, rent, loan or otherwise grant any rights in or to the Digital Iris Services, or permit any other party to do so.
- (d) Customer agrees not to:
  - (i) introduce any kind of malware, including but not limited to viruses, worms, Trojan horses or other harmful code that may damage the operation of the Digital Iris Services or the T2C Hosting System;
  - (ii) use the Digital Iris Services in any manner which could damage, disable, overburden or impair any part of the T2C Hosting System, or interfere with any other customer's ability to use the Digital Iris Services or the T2C Hosting System;
  - (iii) attempt to gain access to other customers' accounts through any manner of hacking or password mining or other means;
  - (iv) attempt to embed the Digital Iris Services within another website;
  - (v) attempt to use such methods as SQL Injection, Cross Site Scripting, Remote File Inclusion, Cross Site Request Forgery and any other methods not authorised by T2C to gain access to the T2C Hosting System or the Digital Iris Services;
  - (vi) attempt a Denial of Service ("DOS") attack of any kind;
  - (vii) use the Digital Iris Services or the T2C Hosting System to transmit SPAM, junk email or other unsolicited email of any kind; or
  - (viii) in connection with the Addendum Services, engage in conduct that would constitute a criminal or quasi-criminal offense, that could give rise to civil liability, intellectual property rights infringement, or privacy rights violations, or that would otherwise violate any applicable local, provincial, state, federal or international law, or accepted Internet protocol.

## 6. WIRELESS DATA SERVICES.

- (a) If purchased by Customer, T2C will provide the Wireless Data Services, supplied by T2C's underlying third party wireless data services carrier, to Customer. Customer acknowledges and agrees that (i) Customer has no contractual relationship with the third party wireless data services carrier, (ii) Customer is not a third party beneficiary of any agreement between T2C and the carrier, and (iii) that the wireless data services carrier shall have no liability of any kind whatsoever to Customer, or any party deriving rights through Customer, whether for breach of contract, warranty, negligence, strict liability, tort, or otherwise.
- (b) Customer shall use the Wireless Data Services only in connection with the Digital Iris Services and parking pay stations identified in the Quote(s).
- (c) Customer agrees that it will at all times comply with and abide by all terms and conditions established by T2C for the use of and access to the Wireless Data Services and acknowledges that



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the Wireless Data Services may be restricted or cancelled by T2C or the underlying data services carrier if there is a reasonable suspicion of abuse or fraudulent use of the services.

- (d) Customer may not resell the Wireless Data Services to any other person(s).
- (e) Customer has no property right in any wireless number assigned to it in connection with the Wireless Data Services and understands that such number can be changed.
- (f) Customer will provide T2C with prompt notice of any suspected abuse or fraudulent use of the Wireless Data Services of which it becomes aware.

## **7. SOFTWARE MAINTENANCE SERVICES.**

Software Maintenance Services include updates to Digital Iris Services, access to new General Availability ("GA") software and peripheral firmware updates, where applicable. E-Mail and help desk ticket-based customer support for GA software troubleshooting and review of pay station log files for analysis of software behavior and performance are detailed below:

- (a) New features and bug fixes may be requested but are not guaranteed to be developed or added to a future software release. T2C is under no obligation to develop custom software.
- (b) T2C will notify Customers when new software is available for GA. Deployment of software releases is the responsibility of the Customer and is the Customers responsibility to download the software, complete any self-directed testing and install the software onto the pay station(s).
- (c) The Software Maintenance Services is included with a Digital Iris Services subscription. Software Maintenances cannot be separated from Digital Iris Services.
- (d) Subscription to Software Maintenance Services does not permit the Customer to resell to any other entity or install the software on any system that T2C has not authorized.
- (e) Software Maintenance Services cover only T2C GA approved software versions with a GA date of no more than two (2) years old at time of contacting customer support for assistance.
- (f) Hardware warranty support is not included with this service.
- (g) Software Maintenance Services is assigned to T2C products by serial number and cannot be transferred.
- (h) The services listed below are not covered under the Software Maintenance Services and will be charged separately on a time and material basis at T2C's then standard rates:
  - i. Installation / upgrade field services.
  - ii. Backup and recovery of software, other computer programs, or data.
  - iii. On-site services.
  - iv. System restoration (i.e. reloading of software, and data).
  - v. Additional copies of software media.
  - vi. Training queries and consulting services.

- 1. Firmware Updates.** Firmware support is available for device level software including printers, bill acceptors and coin acceptors. Firmware updates will be available via a download utility for installation by Customer. T2C will provide remote installation assistance where required.



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Spare parts replacements can include installed firmware and where possible, the firmware version in the installed parts will be set at the same version level as the parts replaced. Otherwise, the firmware will be set to the T2C approved version.

- 2. Chargeable Firmware Upgrades.** Chargeable firmware upgrades will be billed on a time and material basis, together with installation support and includes:

- i. firmware upgrades for new currency releases issued by governments.
- ii. firmware releases which add optional improvements to equipment.
- iii. on-site assistance required by the Customer to install downloadable firmware upgrades.

- 8. SUPPORT SERVICES.** T2C will provide the Support Services in accordance with the Pay Stations – Software and Hardware – Warranty and Support document, as amended from time to time. Support Services are limited to those set out in the document, and expressly exclude any additional services required to correct any Non-Conformities. Any additional technical support not under warranty may be agreed by T2C on a case-by-case basis and shall be charged on a time and materials basis at T2C's then-standard rates.

**9. PAYMENT AND INVOICING.**

- (a) Customer agrees to pay to T2C the Fees plus all applicable taxes in accordance with this section.
- (b) The first invoice will be issued on or about the Activation Date. Fees for the first term outlined on the Quote(s) will be prorated to reflect such date. Except as otherwise set out in the Quote(s), T2C will issue invoices for Fees thirty (30) days in advance of each term renewal date. Payment terms are net thirty (30) days from the date of invoice and payable to T2C as set out in the invoice.
- (c) Any additional Services subscribed to by Customer will be outlined on an invoice issued by T2C at the time of the Service activation. Such additional fees will be prorated through to the end of the Customer's then current billing term. All subsequent fees will appear on the Customer's invoice in accordance with Section 9(b) above.
- (d) Customer access to the Digital Iris Services granted pursuant to this Addendum may be terminated by T2C upon thirty (30) days prior written notice in the event Customer fails to make any payments of Fees when due under this Addendum. If Digital Iris Services are terminated for non payment, T2C has the right to charge a reactivation fee per pay station if Digital Iris Services are subsequently reinstated.
- (e) Failure to Make Payment. If Customer fails to make any payments within thirty (30) days after the amount is due pursuant to this Addendum, then the amount, without the necessity of any notice or action by T2C shall become due and payable together with interest thereon from the date of nonpayment at twelve percent (12%) per annum or the highest rate permitted by law and with reasonable attorneys' fees and other costs of collection. The non-exclusive Subscription granted pursuant to this Addendum may be terminated by T2C upon thirty (30) days prior written notice in the event Customer fails to make any payments when due under this Addendum.

**10. CUSTOMER LIABILITY.**

- (a) Customer shall be solely responsible for, and shall hold T2C, its third party suppliers, and their respective Representatives harmless from any loss, damage or liability arising in connection with:



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- (i) Customer's inputs, selection and use of the Addendum Services, and all data, reports, statements and other content transmitted, posted, received or created on the T2C Hosting System through Customer's account, even if transmitted, posted, received or created by a third party;
- (ii) Customer's or its Representative's use, misuse, failure to use, or inability to use the Wireless Data Services or any other data services required for the use of the Digital Iris Services, including any abuse, fraudulent use or unauthorized access thereto; and
- (iii) Any breach by Customer and/or its Representatives of any of the terms and conditions of this Addendum.

**11. LIMITED WARRANTY.**

- (a) Subject to the disclaimers and limitations in the Agreement, T2C warrants to Customer that, for the duration of this Addendum, the Digital Iris Services will substantially conform to the specifications set out in the Documentation, as revised by T2C from time to time.
- (b) The foregoing warranty shall not apply to Non-Conformities that result from any cause beyond the reasonable control of T2C including, but not limited to:
  - (i) Customer's failure to:
    - (A) prepare and maintain a technical environment that meets the specifications provided by T2C from time to time;
    - (B) provide necessary communications mechanisms (including connections to pay station units) as specified by T2C from time to time;
    - (C) maintain pay station units in good repair in accordance with T2C's recommendations and requirements for operation, maintenance and repair; or
    - (D) maintain pay station units with a T2C provided pay station software release no more than two (2) years old, if subscribed to the Software Maintenance Services.
  - (ii) the use of the Digital Iris Services in combination with apparatus, systems, products or services where such combination was not provided, proposed, recommended or approved by T2C, or contemplated in the Documentation;
  - (iii) unauthorized modifications or repairs to any equipment supplied by T2C (including pay station units) by Customer or any person not approved by T2C; or
  - (iv) failures relating to Customer's computing environment including, without limitation, electrical failure, Internet connection problems, communications problems, or data or data input, output, integrity, storage, back-up, and other external and/or infrastructure problems, which, as between Customer and T2C, shall be deemed to be under Customer's exclusive control and sole responsibility.
- (c) T2C shall have no responsibility and provides no representations or warranties with respect to any third party software or services, whether supplied in connection with this Addendum or otherwise.
- (d) If Customer notifies T2C in writing of a breach of the foregoing limited warranty, T2C shall, at its cost and expense, promptly, diligently and in good faith continue to completion, using commercially reasonable efforts accounting for the circumstances, the correction or bypassing, in T2C's reasonable discretion, of the Non-Conformity within the period required under the Support Services or such other period as may be mutually agreed by both parties depending on the nature and severity of the Non-Conformity.



## 12. TERMINATION.

- (a) Customer may terminate this Addendum by sending written notice to T2C at least sixty (60) days prior to the end of the then current term and such termination shall be effective on the term renewal date.
- (b) If Customer does not provide the required sixty (60) days notice, Customer will be subject to pay additional fees, including any unpaid amounts within ten (10) days from the agreed termination date. Additional fees may include T2 expenses already paid to its vendors for services under this Addendum. Customer agrees to pay all additional fees within ten (10) days of the agreed termination date. T2 Systems, at its sole option, may withhold returning Customer Data and providing any transitional support until the additional fees are paid.
- (c) All unpaid amounts due in respect of the terminated Addendum Services up to and including the effective date of termination shall become immediately due and payable and such termination shall be effective as of the renewal date.
- (d) In the event of early termination of this Addendum by Customer, no credit will be issued for Addendum Services terminated prior to the end of the then current term.
- (e) Either party may terminate this Addendum if the other party breaches any of its representations or warranties, or any other material obligation under this Addendum, and fails to remedy such breach with thirty (30) days of receipt of notice from the non-breaching party.
- (f) Without limiting the foregoing, either party may terminate this Addendum on the same basis as set forth in Section 12(d) of the Agreement.
- (g) In addition, Customer may, upon written notice to T2C terminate (i) the Wireless Data Services and/or (ii) any of the individual Digital Iris Services excluding Software Maintenance Services, if T2C breaches any of its obligations in respect of the terminated Addendum Services and fails to cure such breach within thirty (30) days after receipt of a written request from Customer to do so.
- (h) Subscription to the Software Maintenance Services cannot be removed as an individual Digital Iris Service.
- (i) Customer can request in writing to T2C to add or remove a subscribed Digital Iris Service. T2C has thirty (30) days to process the request and update the Customer's subscribed services as requested.

When a Customer is adding a subscribed Digital Iris Service, T2C will issue an invoice prorated to the date the service change was executed to match the existing Digital Iris Services billing cycle and terms. No credit will be issued for services removed between billing cycles.

- (j) Without limiting any other remedies available under this Addendum or the Agreement, at law or in equity, in the event of the termination of this Addendum or any of the Addendum Services for any reason:
  - (i) Customer may request T2C to provide a copy of all of Customer's data in a CSV file format at T2C's standard fee, as established by T2C from time to time; and
  - (ii) T2C may destroy, in its sole discretion, Customer's data remaining on the T2C System after either:
    - (A) receiving confirmation that Customer has a copy of any remaining data;
    - (B) providing Customer with a copy of any remaining data pursuant to Section 12 (e), (v); or
    - (C) Sixty (60) days after the expiration or termination of this Addendum.





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(vii) Sections 5, 9, 10, 11, and 12(i) shall survive the expiration or termination of this Addendum until such time as the parties may agree to the release of the obligations contained therein.

- 13. ENTIRE AGREEMENT.** This Addendum (including the Quote(s)) and the Agreement comprise the entire understanding and agreement between parties regarding the Addendum Services and supersedes all prior written and oral agreements, purchase orders, representations, understandings, promises, descriptions or other communications between the parties regarding the Addendum Services.

Executed this \_\_\_ day of \_\_\_\_\_, 2023.

**T2 SYSTEMS CANADA INC.**

**CITY OF SAN BRUNO**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Name: Joe Weiler

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

Title: VP, Sales

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



## Pay Station Addendum

THIS PAY STATION ADDENDUM GOVERNS THE PROVISION OF PAY STATIONS AND SOFTWARE MAINTENANCE SERVICE PURCHASED BY CITY OF SAN BRUNO ("CUSTOMER") FROM T2 SYSTEMS CANADA INC. ("T2C").

1. **BACKGROUND.** Customer and T2 Systems, Inc. have entered into a Master Customer Agreement. T2C is an Affiliate of T2 Systems, Inc. and entitled to enter into this Addendum under the Agreement. This Addendum is incorporated into and subject to the terms of the Agreement and the terms of the Agreement are incorporated herein. To the extent of any conflict between the terms of this Addendum and the Agreement, the terms of the Addendum shall control.
2. **DEFINITIONS.** In this Addendum:
  - (a) **"Addendum"** means this Pay Station Addendum.
  - (b) **"Agreement"** means the Master Customer Agreement.
  - (c) **"Hardware"** means all goods or component parts sold provided under this Addendum, whether manufactured by T2C or another supplier.
  - (d) **"Quote(s)"** means the quote forms executed by Customer from time to time setting out the details of the Hardware to be obtained by Customer, including applicable fees, which upon execution by Customer will be incorporated by reference into and form an integral part of this Addendum.
  - (e) **"Software Maintenance Services"** means the software access and support program required to operate a T2 Systems Pay Station.

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

3. **FEES AND PAYMENTS.** Customer shall pay T2C the fees set forth in the Quote. All prices quoted are valid for ninety (90) days and are exclusive of Taxes. Unless otherwise agreed by T2C in writing, all amounts payable hereunder shall be due to T2C within thirty (30) days of invoice date. Late payments shall bear interest at the rate of 1.0% per month (12% per annum) or the highest rate permitted by law, whichever is less. All prices shown are net, and in addition to the price of Hardware, Customer shall pay all expenses including taxes, insurance, freight, carriage, and warehousing. All amounts shall be paid by the Customer to T2C without any setoff, deduction or recoupment.
4. **SHIPMENT.** (a) Scheduled shipment date is an estimate only. Customer must accept shipment(s) as they are delivered from T2C. If Customer refuses shipment, then T2C is authorized at its option to: (i) have the Hardware transported and warehoused at Customer's expense and risk, which shall constitute shipment to Customer, in which event T2C may declare such Hardware delivered and all amounts owing upon shipment, including the additional cost of such transportation and warehousing, will be due on the regular due date; (ii) declare the monthly installment payments to commence thirty (30) days from the date of such transportation and warehousing if any amounts are financed by T2C; or, (iii) defer shipment. (b) T2C may make partial shipments hereunder and may invoice for each such partial shipment separately. Each partial Shipment will be deemed to be a separate sale but a delay in delivery of any partial shipment will not relieve Customer of its obligation to accept delivery of any remaining shipments. Should Customer dispute the content of any shipment or partial shipment, Customer will notify T2C in writing prior to the time of deemed acceptance specified in Section 6 of the reasons for such dispute and provide to T2C all necessary documentation to substantiate any alleged discrepancy.



5. **TITLE/RISK OF LOSS/INSURANCE.** Title in the Hardware shall remain with T2C until such Hardware has been paid for in full. However, such Hardware shall be entirely at Customer's risk from the time it is placed in the possession of the carrier for shipment to Customer. Customer shall ensure that the Hardware is insured against "all risks" from the time the Hardware is placed in the possession of the carrier for shipment to Customer, and continuously thereafter until all amounts due to T2C are paid in full. Such insurance shall be for no less than the total amount owing to T2C with loss first payable to T2C. Customer shall indemnify T2C from all loss arising out of any claims, suits and demands by reason of the retention of title to the goods by T2C while the Hardware is at the Customer's risk. Customer authorizes T2C to file a copy of this Addendum as a financing statement.
6. **ACCEPTANCE OF HARDWARE.** Customer shall inspect or test all goods upon receipt. Customer shall be deemed to have affected final acceptance of the Hardware at the earliest of: (a) the fifteenth (15th) day after the date of shipment, unless written notice is received by T2C before such day; or, (b) the date when the Hardware is used or otherwise placed in commercial operation.
7. **WARRANTY AND SOLE REMEDY.** Subject to the disclaimers and limitations in the Agreement: T2C warrants that title to the Hardware sold shall be free from any encumbrance, and that the Hardware will conform to the Product Warranty set forth in the Pay Station – Software and Hardware – Warranty and Support document. T2C's sole responsibility and liability and Customer's exclusive remedy under this Addendum and the Agreement shall be limited as set forth in the Pay Station – Software and Hardware – Warranty and Support document, provided Customer is not in default hereunder. T2C's obligation hereunder is subject to receipt of written notice of defect (containing detailed particulars of the alleged defect) from Customer prior to the time of deemed acceptance specified in Section 6.
8. **RETURNS.** Returned Hardware may be accepted within thirty (30) days of receipt by Customer only if T2C has given prior written consent. A charge for handling, inspection, restocking and invoicing of up to 25% of the sale price of the returned Hardware shall be assessed against the Customer. All returns allowed must be shipped at Customer's expense and must be in excellent resale condition. Hardware ordered according to custom specifications may not be returned.

T2C will repair or replace faulty individual component parts under warranty at no charge to Customer, provided Customer returns faulty parts to T2C within thirty (30) days of Customer's receipt of repaired or replacement parts. Customer will be responsible for all repair or replacement costs where faulty parts are not returned to T2C within the applicable timeframe.
9. **DEFAULT.** Customer shall be in default under this Addendum if any of the following occurs: (a) Customer refuses to accept shipment or fails to make any payment when due; (b) Customer ceases to exist, becomes insolvent or the subject of bankruptcy, insolvency, or liquidation proceedings; (c) Customer attempts to assign its rights and obligations under this Addendum without the prior written consent of T2C; (d) any representation, warranty, condition, or certification of Customer or any information provided by Customer in or pursuant to this Addendum is false in any material respect when made.
10. **REMEDIES UPON DEFAULT.** In the event of Customer's default: (a) T2C may, at its option, (i) take immediate possession of the Hardware and remove same without notice and without legal proceedings, and/or (ii) suspend shipments to Customer; (b) Waiver by T2C of any breach or default shall not constitute a waiver of any subsequent breach or default; (c) T2C shall be entitled to set off any amount owed by Customer or any of Customer's related entities against any amount payable by T2C in connection with any unpaid monies due to Customer; (d) T2C at its discretion and option shall be entitled to retain all money paid by Customer on account as liquidated damages; and, (e) T2C shall have all the rights and remedies provided by law in addition to all other rights as established herein, which rights and remedies shall be cumulative.



## 11. SOFTWARE MAINTENANCE SERVICE.

Software Maintenance Service provides access to Generally Available "GA" pay station software releases, device firmware maintenance updates, as well as the online services required to administer the pay station – Online Configuration Application and Remote Device Update. Access to T2 Support for software related issues during business hours by Telephone and e-mail/ticket systems is also included with the Software Maintenance Service. Please see Pay Stations – Software and Hardware – Warranty and Support document for detailed information.

While using the Software Maintenance Service the following details must be agreed to:

- (a) New software features and bug fixes may be requested but are not guaranteed to be developed or added to a future software release. T2C is under no obligation to develop custom software.
- (b) T2C will notify Customers when new software is available as GA status. Scheduling, downloading, on-site testing, staging, and overall deployment of software to any pay stations(s) is the responsibility of the Customer.
- (c) The Software Maintenance Service is required to access GA software releases, Online Configuration Application and Remote Device Update.
- (d) Without the Software Maintenance Service existing pay station operation will not be limited but Customer will not have the tools available to make changes to pay station operation including but not limited to rates, screen messaging, graphics, hours of operation, adding new or updated hardware, and receiving pay station software updates.
- (e) Use of the Software Maintenance Service does not permit the Customer to resell to any other entity or install the software on any system that T2C has not authorized.
- (f) Software Maintenance Service cover only T2C GA approved software versions with an initial GA release date of no more than twelve (12) months old at time of contacting customer support for assistance.
- (g) Hardware warranty support is not included with this service. See T2 Pay Station Warranty Services document for more details.
- (h) Access to and support for T2 Iris are not included with the Software Maintenance Service.
- (i) Software Maintenance Service is assigned to T2C products by serial number and cannot be transferred.
- (j) The services listed below are not covered under the Software Maintenance Service and will be charged separately on a time and material basis at T2C's then standard rates:
  - i. Installation / upgrade field services.
  - ii. Backup and recovery of software, other computer programs, or data.
  - iii. On-site services.
  - iv. System restoration (i.e. reloading of software, and data).
  - v. Additional copies of software media.
  - vi. Training queries and consulting services.

1. **Device Firmware Maintenance Updates.** Firmware support is available for device level software including printers, modems, bill acceptors and coin acceptors. With the Software Maintenance



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Service device level firmware updates will be available via a download utility for installation by Customer. T2C will provide remote installation assistance where required.

Spare parts replacements can include installed firmware and where possible, the firmware version in the installed parts will be set at the same version level as the parts replaced. Otherwise, the firmware will be set to the latest T2C approved version.

**2. Chargeable Firmware Upgrades.** Chargeable firmware upgrades are not covered by the Software Maintenance Service and will be billed on a time and material basis, together with installation support and includes:

- i. firmware upgrades for new currency releases issued by governments.
- ii. firmware releases which add optional improvements to equipment.
- iii. on-site assistance required by the Customer to install downloadable firmware upgrades.

**12. CANCELLATION.** Upon receipt of written notice from Customer, T2C shall cancel any orders as instructed. Customer shall be responsible for all costs associated with the cancellation.

**13. ENTIRE AGREEMENT.** This Addendum (including the Quote(s)) and the Agreement comprise the entire understanding and agreement between the parties regarding the Hardware and supersedes all prior written and oral agreements, purchase orders, representation, understanding, promises, description or other communications between the parties regarding the Hardware.

Executed this \_\_\_ day of \_\_\_\_\_, 2023.

**T2 SYSTEMS CANADA INC.**

**CITY OF SAN BRUNO**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Name: Joe Weiler

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

Title: VP, Sales

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





## Payment Processing Addendum

THIS PAYMENT PROCESSING ADDENDUM ("**Addendum**") is made between T2 SYSTEMS, INC., an Indiana corporation ("**T2**") and City of San Bruno ("**Sub-Merchant**") (collectively the "**Parties**"), and is effective as of \_\_\_\_\_, \_\_\_\_ ("**Effective Date**").

T2 is a payment facilitator that provides the services set forth in this Addendum to facilitate Sub-Merchant's acceptance of credit and debit cards ("**Cards**") for Mastercard International Incorporated ("**Mastercard**"), Visa Inc. ("**Visa**"), Discover Financial Services, each including applicable subsidiaries, and other payment network or card association (collectively "**Networks**") transactions. This Addendum is incorporated into and made part of and subject to the terms of the [T2 Master Agreement with Effective Date \_\_\_\_\_] ("**Agreement**") between T2 and Sub-Merchant, and sets forth separate services from those that T2 provides under the Agreement or any other agreement with Sub-Merchant. If there is any conflict between the terms of this Addendum and the Agreement, then to the extent of such conflict, the terms of this Addendum will control.

**1. Payment Processing Services.** T2 will provide Sub-Merchant the payment processing services (the "**Services**") set forth in this Addendum. These Services are provided by T2 through its relationships with the payment processor ("**Processor**") that T2 has contracted with to support the Services, and the financial institution ("**Bank**") that is a member of the Networks and provides sponsorship services in connection with this Addendum. Bank and Processor may be changed at any time without prior notice. Sub-Merchant agrees that its use of the Services will comply at all times with (i) federal, state, and local laws, rules, and regulations that govern or otherwise affect the activities of Sub-Merchant or this Addendum ("**Law**") and (ii) the bylaws, operating regulations and all other rules, policies, and procedures of the Networks, including the Payment Card Industry Data Security Standard ("**PCI DSS**") (the "**Rules**"). T2 may suspend or terminate the Services at any time if Sub-Merchant is not eligible under Law or the Rules to use the Services, and T2 reserves the right to establish certain limits on Sub-Merchant's processing volume at any time in its reasonable discretion. Sub-Merchant agrees to the terms and obligations in the "**Merchant Services Agreement**" between Sub-Merchant and Processor, which is attached and incorporated hereto as **Exhibit A**, as may be changed or updated on reasonable notice to Sub-Merchant by Processor or T2.

**2. Underwriting and Required Information.** T2 may engage in any investigation of Sub-Merchant's finances, activities, and operations that T2 reasonably deems necessary to confirm Sub-Merchant's eligibility for and use of the Services, and Sub-Merchant agrees to provide T2 with any information required to complete such investigation. Sub-Merchant authorizes T2 to make any background, identity verification, or credit inquiry that T2 reasonably deems necessary and authorizes any credit reporting agency to compile information to answer such inquiries and furnish that information to T2. For any background, credit, or other check or report on Sub-Merchant's owners, officers, directors, or other principals, Sub-Merchant agrees to obtain authorizations from such individuals. To help the government fight terrorism and prevent money-laundering, Sub-Merchant agrees to provide information and documents that identify Sub-Merchant, its beneficial owners, officers, and other individuals. Sub-Merchant will provide T2 with written notice not more than five (5) days after Sub-Merchant learns of any (i) adverse change in financial condition; (ii) planned or anticipated liquidation or substantial change to the nature of its business; (iii) transfer or sale of twenty-five percent (25%) or more in value of its ownership, voting stock, beneficial interest, or total assets; (iv) levy against twenty-five percent (25%) or more in value of its total assets; or (v) any receipt by Sub-Merchant of a subpoena, civil investigative demand, or similar request for information from a federal, state, or local government, agency, or entity ("**Regulatory Authority**") relating to the Services. Sub-Merchant authorizes T2 to share any information it collects or receives from or about Sub-Merchant with Processor and Bank.

**3. Card Acceptance.** Sub-Merchant will honor any valid Card presented for payment by a person authorized to use the Card or the associated account ("**Cardholder**"). Sub-Merchant will only accept Cards for bona fide sales



of Sub-Merchant's goods or services to the Cardholder ("**Transactions**"). Sub-Merchant understands that Transactions may be reversed or returned by a Cardholder, the Networks, Processor, Bank, or T2 (each a "**Chargeback**") in accordance with the Rules. Sub-Merchant agrees (i) to submit only Transactions that comply with this Addendum, Law, and the Rules; (ii) to submit only Transactions authorized by the Cardholder; (iii) to submit only a Transaction for the full amount owed by the Cardholder for the Transaction (except where permitted by Law and the Rules); (iv) not to establish minimum or maximum amounts or discourage the use of one Network Card over another (except where permitted by Law and the Rules); (v) not to impose any surcharges in connection with a Transaction (except where permitted by Law and the Rules). Sub-Merchant will disclose its name and return policy to the Cardholder. Sub-Merchant is required to obtain an authorization from the Network ("**Authorization**") prior to submission for each Transaction and include the Authorization when transmitting each Transaction. Authorizations are not a guarantee of acceptance or payment of a Transaction, do not waive any provision of this Addendum, and do not validate fraudulent Transactions or those involving an expired Card. T2 and Processor may refuse to acquire or process any Transaction that T2 or Processor believes violates this Addendum, the Merchant Services Agreement, Law, or the Rules. All credits and payments to Sub-Merchant are provisional and subject to Chargebacks and adjustments in accordance with the Rules. Sub-Merchant will retain and provide upon request a copy of the sales draft and any other required items for each completed Transaction in accordance with Law and the Rules. T2 may reverse any Transaction that violates, or T2 reasonably suspects violates, this Addendum, the Rules, or Law, and any such reversal is a Chargeback under this Addendum.

**4. Card Election.** If agreed between the Parties, Sub-Merchant may be a limited-acceptance merchant, which means that Sub-Merchant has elected to accept Cards from only certain Networks and/or of only certain types, and Sub-Merchant must display appropriate signage to indicate the same, if applicable. T2 has no obligation other than those expressly provided under Law and the Rules as they may relate to limited acceptance. Sub-Merchant is solely responsible for the implementation of its decision for limited acceptance, including the Network and Card type(s) accepted at the point of sale. T2 may remove or add Network Cards or Card types that are available for processing at any time without prior notice. Sub-Merchant may change its election of Card types, Networks, and Services with at least sixty (60) days' advance written notice to T2. Sub-Merchant will not seek Authorization for or submit a Transaction for a Card type or Network that has not been approved by T2.

**5. Compliance with Law, the Rules, and this Addendum.** In all aspects of Sub-Merchant's use of the Services, Sub-Merchant agrees to comply and cause all of its employees and agents to comply with this Addendum, Law, and the Rules, including those relevant to acceptance guidelines, activity reporting, excessive Chargebacks, anti-money-laundering, and economic sanctions. Sub-Merchant agrees to cooperate with T2's monitoring of Sub-Merchant's compliance with this Addendum, Law, and the Rules. T2 may suspend processing Transactions to investigate suspicious or unusual activity associated with Sub-Merchant, and T2 will have no liability for any Sub-Merchant losses arising from any such suspension.

**6. Settlement Account.** Sub-Merchant will maintain an open checking account ("**Account**") at a financial institution approved by T2 and Processor that can be accessed through the national automated clearinghouse ("**ACH**") system to receive settlement of Transaction funds and process Chargebacks or other liabilities as required by this Addendum and the Merchant Services Agreement. Sub-Merchant irrevocably authorizes T2 and/or Processor to debit and/or credit the Account via ACH to settle any and all fees and other amounts owed between the Parties under this Addendum or the Merchant Services Agreement, and such authority shall remain in effect for a period of one hundred and eighty (180) days following termination of this Addendum, regardless of whether Sub-Merchant has notified T2 of a requested change in the Account information or the financial institution where the Account is located ("**Account Change**"). T2 may terminate or suspend Services if Sub-Merchant fails to maintain an Account with an ACH authorization. Sub-Merchant will maintain the Account with sufficient cleared funds to meet its obligations under this Addendum and the Merchant Services Agreement. If Sub-Merchant requests an Account Change, Sub-Merchant must provide T2 and Processor at least thirty (30) days prior written notice, which may be approved in T2 or Processor's discretion. The acceptance by T2 or Processor of Sub-Merchant's closing of an Account in connection with an Account Change shall not constitute termination of this Addendum. Sub-Merchant is responsible for providing T2 and Processor with accurate contact, payment, and



account information for each Account. Neither T2 nor Processor are liable for any amounts directed to an account that has been designated as the Account by any purported representative of Sub-Merchant.

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

**8. Liabilities, Disputes, and Exception Items.** Sub-Merchant is solely responsible for the sale of its goods and services and any disputes between Sub-Merchant and a Cardholder regarding such goods and services. Sub-Merchant is liable for all Chargebacks, as well as any other amounts and related items, including all costs, fees, fines, penalties, and expenses incurred by T2 or Processor in connection therewith (including those incurred in handling disputes with respect thereto). Each of T2 and Processor has the right at any time to charge the Account for any Chargeback, compliance case, other Network action, or any liability or amount owed by Sub-Merchant under this Addendum or the Merchant Services Agreement. Without limiting the generality of the foregoing, Sub-Merchant agrees that any operational and/or other Services performed on behalf of Sub-Merchant, including but not limited to, response to compliance cases, augmentation of Sub-Merchant data for interchange, transaction stand-in, digital draft storage and retrieval, etc. shall in no way affect Sub-Merchant's obligations and liability in this Addendum or the Merchant Services Agreement. Sub-Merchant may instruct T2 or Processor in disputing or defending Chargebacks as provided in the Rules, and Sub-Merchant will promptly provide any such instructions to T2 or Processor.

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

**10. Reserve Account.** T2 may, in its sole discretion or at the direction of Processor or Bank, require that Sub-Merchant fund a deposit account at Bank ("**Reserve Account**") in an amount as determined by T2 ("**Reserve Minimum**") as security for Sub-Merchant's current and future obligations under this Addendum. Sub-Merchant irrevocably authorizes T2 and Processor to debit the Account or withhold amounts that would otherwise be paid to the Account for the purpose of funding, maintaining, or increasing the balance in the Reserve Account if such balance is ever less than the Reserve Minimum. T2 may, without notice to Sub-Merchant, apply funds in the Reserve Account against any amounts owed by Sub-Merchant under this Addendum. By executing this Addendum, Sub-Merchant grants T2 a security interest in the funds held in the Reserve Account, and T2 may exercise its rights with respect to such security interest without notice. Sub-Merchant agrees to execute any documents and to





perform any other action required to comply with and perfect the security interest. Sub-Merchant agrees that following termination of this Addendum any funds remaining in the Reserve Account will not be returned to Sub-Merchant until one hundred and eighty (180) days following the later of such termination or Sub-Merchant's last submission of a Transaction. Sub-Merchant will remain liable for all fees or amounts incurred after any such return of funds.

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

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

**13. Taxes.** Any sales, use, excise or other taxes payable in connection with or attributable to the Services provided to the Sub-Merchant per this Addendum shall be paid by Sub-Merchant. In the event T2 is required to pay any such taxes, Sub-Merchant shall immediately reimburse T2 or T2 may, at T2's sole option, charge the Account or Reserve Account. To the extent Sub-Merchant is not exempt, T2 or Processor will provide a form 1099-K, as required by Law. Company may, on behalf of the Internal Revenue Service, collect from Sub-Merchant federal backup withholding upon Transaction settlement if Sub-Merchant does not supply its legal name or tax identification number or if it fails to respond to a request from T2 to verify the same.

**14. Security.** Sub-Merchant agrees to implement and maintain security processes in accordance with generally accepted industry best practices to safeguard the systems it uses to transmit, process, or store information from unauthorized access or use, and from viruses and other malicious code. Except as may otherwise be agreed between the Parties through the execution of an addendum to the Agreement for security-related services, Sub-Merchant is responsible for complying with any applicable security, use, and storage requirements relating to Card, Cardholder, or Transaction data ("**Sensitive Data**") under Law or the Rules, including where applicable, PCI DSS, the Visa Cardholder Information Security Program, the Mastercard Site Data Protection Program, and the Visa and Mastercard Data Security Standards. Sub-Merchant agrees to comply with Law and the Rules governing the confidentiality, use, and disclosure of Sensitive Data. Sub-Merchant will not retain or store magnetic stripe, Track-2, CVV2, CVC2, or CID data after Authorization. If Sub-Merchant identifies any actual or suspected unauthorized access of Sensitive Data in the possession of Sub-Merchant or its agents, or if Sub-Merchant experiences a breach of its systems, Sub-Merchant must notify T2 immediately, and in all events no later



than forty-eight (48) hours after discovery, and cooperate with T2, Processor, Bank, the Networks, and Regulatory Authorities in responding to such unauthorized access or breach. Sub-Merchant will maintain industry best practices regarding business continuity procedures and systems to ensure security of Sensitive Data.

**15. Audits.** Sub-Merchant agrees to cooperate in any audit, examination, or investigation as may be required by T2, Processor, Bank, the Networks, or a Regulatory Authority; and upon request and reasonable prior notice, permit T2, Processor, Bank, the Networks, or any Regulatory Authority to conduct an on-site inspection of Sub-Merchant's premises and examine Sub-Merchant's books, records, practices, and systems, but only to the extent that each pertains to compliance with this Addendum, Law, and the Rules. Any audit that is required by Law or the Rules will be at Sub-Merchant's sole expense. All other audits shall be at T2's expense. T2 and any other applicable entities shall have the right to retain a third party to perform any audit. Sub-Merchant agrees to implement any changes identified pursuant to an audit necessary to remediate or prevent any violation of Law or the Rules. If T2, in its discretion, determines that there is a need for an audit regarding a potential violation of Law or the Rules, T2 may withhold payment of amounts owed to Sub-Merchant without penalty pending completion of the audit. If it is determined that there has been a violation of Law or the Rules relating to this Addendum or Transactions hereunder, T2 may withhold payment of amounts owed to Sub-Merchant for a reasonable amount of time in an amount equal to the costs, fees, and expenses incurred by T2 in investigating and resolving the same and for any damages incurred by T2.

**16. Title to the Services.** Sub-Merchant agrees it is acquiring only a nontransferable, non-exclusive right to use the Services. T2 shall at all times retain exclusive title to the Services, including without limitation, any materials delivered to Sub-Merchant hereunder and any invention, development, product, trade name, trademark, service mark, software program, or derivative thereof, developed in connection with providing the Services or during the term of this Addendum.

**17. Use of Network Marks and Other Marks.** Sub-Merchant agrees that the Networks are the sole and exclusive owners of their respective trademarks and other materials protected by intellectual property laws ("**Network Marks**"). Sub-Merchant's use of the Network Marks and related materials must comply with Law and the Rules. At any time and without prior notice, the Networks may require a change in or prohibit Sub-Merchant's use of the Network Marks and related materials. T2, Processor, and Bank are the sole and exclusive owners of their respective trademarks, marks, and logos, and Sub-Merchant's use of such marks must comply with this Addendum and Law, and any policies and written instructions provided to Sub-Merchant. Sub-Merchant's right to use the Network Marks and, if applicable, T2's, Processor's, and Bank's marks, will cease upon termination of this Addendum, and Sub-Merchant agrees not to contest the ownership of all such marks for any reason.

**18. Prohibited Practices.** Sub-Merchant agrees it will not (i) require a Cardholder to complete a postcard or similar device that includes the Cardholder's account number, Card expiration date, signature, or any other Card account data in plain view when mailed; (ii) add any tax to a Transaction, unless expressly required by Law (any such tax amount must be included in the Transaction amount and not collected separately); (iii) request or use an account number for any purpose other than as payment for its goods or services; (iv) disburse funds in the form of travelers checks if the sole purpose is to allow the Cardholder to make a cash purchase of goods or services from Sub-Merchant; (v) disburse funds in the form of cash unless Sub-Merchant is dispensing funds in the form of travelers checks, TravelMoney cards, or foreign currency (in such case, the Transaction amount is limited to the value of the travelers checks, TravelMoney cards, or foreign currency, plus any commission or fee charged by the Sub-Merchant), or Sub-Merchant is participating in a cash back service; (vi) resubmit any Transaction that was previously the subject of a Chargeback, irrespective of Cardholder approval; (vii) accept a Card to collect or refinance an existing debt (except as expressly permitted by the Rules); or (viii) submit a Transaction that represents collection of a dishonored check.

**19. Recurring Transactions.** For any recurring Transactions, Sub-Merchant must comply with Law and the Rules, and must, at a minimum, (i) provide the Cardholder with written documentation specifying the frequency of the recurring charges, the duration of time during which such charges may be made, and the amount or range of





amounts that may be charged; (ii) obtain the Cardholder's prior written consent to charge the Cardholder on such recurring basis; (iii) retain this consent, including evidence of having provided such documentation; and (iv) notify the Cardholder that he or she may cancel the recurring charges at any time. For each Cardholder, Sub-Merchant must retain such written consent for at least 24 months from the date Sub-Merchant submits the last recurring billing charge.

**20. Term.** The term of this Addendum commences on the Effective Date and shall continue for an initial term of three (3) years ("**Initial Term**"), and will renew for successive twelve (12) month periods ("**Renewal Terms**"), unless terminated pursuant to the provisions of this Addendum. The Initial Term and Renewal Terms shall be referred to herein collectively as the "**Term**". The Term will terminate immediately in the event that the Agreement is terminated.

**21. Termination.** For breaches of a material term or condition of this Addendum, either Party may terminate this Addendum for any such breach that is not cured within thirty (30) days of receipt of written notice of such breach. In addition, T2 may in its sole discretion suspend or terminate this Addendum or immediately cease providing the Services, without prior notice, if:

- (a) Sub-Merchant fails to pay any amount to T2 when due or fails to maintain a valid Account;
- (b) The provision of Services to Sub-Merchant is a violation of Law or the Rules;
- (c) Sub-Merchant has violated or is likely to violate Law or the Rules;
- (d) T2 is required to do so by Processor, Bank, any Network, or any Regulatory Authority;
- (e) T2's agreement with Processor or Member Bank terminates, or Processor otherwise discontinues providing services to T2 or Sub-Merchant, including termination of the Merchant Services Agreement;
- (f) T2 is deregistered by any Network;
- (g) Processor or Bank ceases to be a member of the Networks or to have the required licenses;
- (h) Sub-Merchant is the subject of any bankruptcy or insolvency, or makes an assignment for the benefit of its creditors;
- (i) Any of Sub-Merchant's representations and warranties contained in this Addendum or the Merchant Services Agreement is inaccurate in any material respect; or
- (j) Sub-Merchant, for any reason, discontinues using the Services (except as may be specifically permitted by this Addendum) for a period of thirty (30) days.

If this Addendum is terminated for any reason, Sub-Merchant's obligations regarding any Transactions accepted for processing will survive termination, and any amounts owed by Sub-Merchant to T2 will become immediately due and payable. Sub-Merchant authorizes T2 to debit such amounts from the Account or Reserve Account, and if the funds in such accounts are insufficient, Sub-Merchant agrees to immediately pay any remaining amounts owed. All existing obligations, warranties, indemnities, and agreements with respect to Transactions entered into before such termination shall remain in full force and effect and Sub-Merchant shall remain liable for all obligations under this Addendum. Sub-Merchant acknowledges that T2 is required under the Rules to report to the Networks when it terminates agreements with sub-merchants under certain conditions, and Sub-Merchant consents to such reporting, if applicable. Sub-Merchant agrees that T2 will have no liability for damages or alleged harm resulting from such reporting.

**22. Representations and Warranties.** Sub-Merchant represents and warrants during the Term of this Addendum that (i) Sub-Merchant and the signatory executing this Addendum have the full power and authority to execute, deliver, and perform this Addendum; (ii) this Addendum is binding and enforceable against Sub-Merchant, and no provision requiring Sub-Merchant's performance is in conflict with its obligations under any



agreement to which Sub-Merchant is a party; (iii) Sub-Merchant has never entered into a payment processing agreement with a third party that has been terminated by that third party; (iv) Sub-Merchant is duly organized, authorized, and in good standing under Law; (e) Sub-Merchant has not been placed and is not listed on the MATCH List; and (f) all information supplied by a Sub-Merchant to T2 in connection with this Addendum is accurate, truthful, and complete.

**23. Binding on Successors; Assignment.** This Addendum shall be binding upon and inure to the benefit of the Parties and their respective successors, transferees, and assignees. Neither this Addendum nor any interest herein may directly or indirectly be transferred or assigned by either Party, in whole or in part, without the prior written consent of the other Party. Sub-Merchant will remain liable for any amounts owed under this Addendum after an unauthorized transfer or assignment by Sub-Merchant, even if T2 continues to provide Services to such transferee or assignee. This Addendum is for the benefit of, and may be enforced only by, T2 and Sub-Merchant and their respective successors and permitted transferees and assignees, and is not for the benefit of, and may not be enforced by, any third party.

**24. Waiver of Jury/Class Action.** To the fullest extent permitted by Law, Sub-Merchant waives any and all rights to a jury trial or class action litigation with respect to any dispute arising under this Addendum or in connection herewith.

**25. Indemnification.** In addition to and without limiting any indemnification obligations contained in the Agreement, Sub-Merchant agrees to indemnify, defend, and hold T2 and its directors, officers, employees, affiliates, and agents harmless from and against any and all proceedings, losses, costs, expenses, claims, demands, damages, and liabilities (including attorneys' fees and costs, and collections costs) resulting from or otherwise arising out of (i) Sub-Merchant's or its directors', officers', employees', affiliates', and agents' use of the Services or acts or omissions in connection with the Services; (ii) any infiltration, hack, breach, or access violation of Sub-Merchant's systems, including any access to Card, Cardholder, or Transaction data; and (iii) Sub-Merchant's or its directors', officers', employees', affiliates', and agents' breach of this Addendum or violation of Law or the Rules. This indemnification will survive the termination of this Addendum. The procedures for indemnification set forth in the Agreement shall apply to any indemnification obligation under this paragraph.

**26. Use of Third Party Agents.** Sub-Merchant may contract with third party agents ("TPAs") to perform any or all of Sub-Merchant's duties and requirements under this Addendum, except for any duty or requirement that must be performed by Sub-Merchant under Law or the Rules. Sub-Merchant must provide Company written prior notice of its use of any TPA, which shall be subject to T2's approval. Sub-Merchant will remain solely liable for any non-compliance or breach of this Addendum, Law, or the Rules by a TPA.

**27. Additional Services; Equipment.** If Sub-Merchant elects to receive additional services from T2, including those related to data security or the rental or purchase of any equipment, Sub-Merchant and T2 shall execute separate addenda to the Agreement governing such services.

**28. Controlling Documents.** This Addendum (including all addenda and schedules and exhibits hereto and all documents and materials referenced herein) supersedes any and all other agreements, oral or written, between the Parties hereto with respect to the subject matter hereof, and sets forth the complete and exclusive agreement between the Parties with respect to the Services. If there is a conflict between this Addendum and an addendum, schedule, or exhibit attached hereto or subsequently executed by the Parties, the addendum, schedule, or exhibit shall control. If there is a conflict or inconsistency between the Rules and this Addendum, the Rules shall prevail or govern to the fullest extent permitted by Law. If there is a conflict between this Addendum and the Merchant Services Agreement, the Merchant Services Agreement shall prevail.

**29. Survival.** Any right, obligation, or provision under this Agreement that, by its description or nature, should survive termination of this Addendum, will survive the termination of this Addendum, including but not limited to the terms set forth in Sections 3, 5, 6, 7, 8, 9, 10, 11, 12, 15, 17, and 25.



**30. Modification of Addendum.** Except as provided herein, this Addendum, including any schedule or exhibit hereto, may only be modified or amended by an instrument in writing signed by each Party hereto.

**31. Headings and Construction.** Headings in this Addendum are inserted for convenience only and will not affect the interpretation of any provision. Each Party acknowledges and agrees that the limitations and exclusions contained in this Addendum have been the subject of active and complete negotiation between the Parties and represent their voluntary agreement. The Parties agree such agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party participated in the preparation of this document.

**32. Counterparts.** The parties agree that electronic signatures will have the same legal effect as original (*i.e.*, ink) signatures and that an electronic, scanned, facsimile, or duplicate copy of such signatures may be used as evidence of execution. This Addendum may be executed and delivered in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

**33. Facsimile Deemed Original.** Sub-Merchant and T2 agree that any facsimile or other copy of this Addendum evidencing the execution by both parties shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Addendum by a duly authorized representative thereof to be effective as of the date set forth above.

**T2 SYSTEMS, INC.**

**SUB-MERCHANT**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Name: Joe Weiler

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

Title: VP, Sales

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



## Exhibit A

### MERCHANT SERVICES AGREEMENT FOR SUB-MERCHANTS

This MERCHANT SERVICES AGREEMENT FOR SUB-MERCHANTS ("Agreement") is made among WORLDPAY, LLC, having its principal office at 8500 Governors Hill Drive, Symmes Township, OH 45249-1384 and its designated Member Bank (collectively "Acquirer") and \_\_\_\_\_ ("Sub-merchant") in connection with the agreement between Sub-merchant and T2 Systems, Inc. ("Provider"). Acquirer will provide Sub-merchant with certain payment processing services ("Services") in accordance with the terms of this Agreement. In consideration of Sub-merchant's receipt of credit or debit card funded payments, and participation in programs affiliated with MasterCard International Inc. ("MasterCard"), VISA U.S.A. Inc. ("VISA"), Discover ("Discover"), and certain similar entities (collectively, "Associations"), Sub-merchant is required to comply with the Operating Regulations (defined below) as they pertain to applicable credit and debit card payments. In addition, if Sub-merchant meets certain requirements under the Operating Regulations or an Association or the Operating Regulations otherwise require, Sub-merchant may be required to enter into a direct relationship with an entity that is a member of the Associations. By executing this Agreement, Sub-merchant has fulfilled such requirement. However, Acquirer understands that Sub-merchant may have contracted with Provider to obtain certain processing services and that Provider may have agreed to be responsible to Sub-merchant for all or part of Sub-merchant's obligations contained herein.

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

**1. Certain Sub-merchant Responsibilities.** Sub-merchant agrees to comply, and to cause third parties acting as Sub-merchant's agent ("Agents") to comply, with the Association's and other payment network's by-laws, operating regulations and/or all other rules, policies and procedures, including but not limited to the Payment Card Industry Data Security Standard, the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations or payment networks (collectively "Operating Regulations"). Sub-merchant may review the VISA, MasterCard, and Discover websites for a copy of the Visa, MasterCard, American Express and Discover regulations. The websites are: <http://usa.visa/merchants/> and <http://www.mastercard.us/merchant/>, [www.americanexpress.com](http://www.americanexpress.com), and <http://www.discovernetwork.com/merchants/>. Sub-merchant also agrees to comply with all applicable state, federal, and local laws, rules, and regulations ("Laws"). Without limiting the foregoing, Sub-merchant agrees that it will fully comply with any and all anti-money laundering laws and regulations, including but not limited to the Bank Secrecy Act, the US Treasury's Office of Foreign Assets Control (OFAC) and the Federal Trade Commission. For purposes of this section, Agents include, but are not limited to, Sub-merchant's software providers and/or equipment providers.

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

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





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

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

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

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





Notwithstanding the foregoing, Acquirer may immediately cease providing Services and/or terminate this Agreement without notice if (i) Sub-merchant or Provider fails to pay any amount to Acquirer when due, (ii) in Acquirer's opinion, provision of a service to Sub-merchant or Provider may be a violation of the Operating Regulations or any Laws, (iii) Acquirer believes that Sub-merchant has violated or is likely to violate the Operating Regulations or the Laws, (iv) Acquire determines Sub-merchant poses a financial or regulatory risk to Acquirer or an Association, (v) Acquirer's agreement with Provider terminates, (vi) any Association deregisters Provider, (vii) Acquirer ceases to be a member of the Associations or fails to have the required licenses, or (viii) Acquirer is required to do so by any of the Associations.

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

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

**6. Miscellaneous.** This Agreement is entered into, governed by, and construed pursuant to the laws of the State of Ohio without regard to conflicts of law provisions. This Agreement may not be assigned by Sub-merchant without the prior written consent of Acquirer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, transferees and assignees. This Agreement is for the benefit of, and may be enforced only by, Acquirer and Sub-merchant and is not for the benefit of, and may not be enforced by, any other party. Acquirer may amend this Agreement upon notice to Sub-merchant in accordance with Acquirer's standard operating procedure. If any provision of this Agreement is determined to be illegal or invalid, such illegality or invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if such provision is not contained in the Agreement "Member Bank" as used in this Agreement shall mean a member of VISA, MasterCard and/or Discover, as applicable, that provides sponsorship services in connection with this Agreement. As of the commencement of this Agreement, Member Bank shall be Fifth Third Bank, an Ohio Banking Corporation, located in Cincinnati, OH 45263. The Member Bank is a party to this Agreement. The Member Bank may be changed, and its rights and obligations assigned to another party by Acquirer at any time without notice to Sub-merchant.



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IN WITNESS WHEREOF, this Agreement has been executed by Sub-merchant's authorized officer as of the date set forth below.

**SUB-MERCHANT:**

By: \_\_\_\_\_

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

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

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

Address: \_\_\_\_\_



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

## Customer Information Form

<b>Company Legal Name:</b>	
<b>Trade Name:</b>	

<b>Billing Address:</b>  Invoices will be mailed to this address	Street	
	City	
	State/Province	
	Zip/Postal Code	
<b>Accounting Contact:</b>  Person to be contacted regarding billing	Name:	Tel:
		Fax:
	Email:	
<b>Email Invoices to:</b>		
<b>Does your company require PO#s?</b>		
<b>Federal Tax EIN No.:</b>		
<b>Tax Exemption No.:</b> *	*Copy of sales tax exemption certificate must be provided	

<b>Shipping Address:</b>  Product will be shipped here (no PO Boxes)	Street	
	City	
	State/Province	
	Zip/Postal Code	
<b>Sell to Contact:</b>  Person to be contacted regarding purchase	Name:	Tel:
		Fax:
	Email:	

## T2 Systems - Confidential Quotation



For:	City of San Bruno - CA
Quote ID:	Q-24887
Date Issued:	3/31/2022
Expires:	3/31/2023

Bill To:  
City of San Bruno - CA  
1177 Huntington Avenue  
San Bruno, California 94066  
United States

Ship To:  
City of San Bruno - CA  
1177 Huntington Ave.  
San Bruno, CA 94066  
United States

Prepared By:  
John Cowley

Gene Wong  
650-616-7103  
gwong@sanbruno.ca.gov  
EIN: TBD

Prepared For:  
Gene Wong

### Subscriptions

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
100.1125	Pay Station Extended Full Warranty Tier 3 (Year)	USD 0.00	84.00	0.000	USD 0.00	USD 0.00
Units include two years factory warranty at no charge. Additional year of factory warranty approved by Chris Cognetta ---- Additional years of warranty required for PS8 at \$520 per unit per year. Billing to commence in year three.						
5 Spare Units TOTAL:						USD 0.00

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
100.7101	T2 Iris Core (Month)	USD 70.00	84.00	0.000	USD 540.00	USD 45,360.00
5 Years of IRIS Core \$226,800 for 84 pay stations ---- to be billed \$45 per unit per month						
100.7601	T2 DataConnect (Month)	USD 20.00	84.00	0.000	USD 120.00	USD 10,080.00
5 Years cost of T2 DataConnect - \$50,400 for 84 pay stations to be billed \$10 per unit per month ---- Digital Connect wireless data plan is available in US only and includes up to 2000 transactions per month, per pay station. Transactions in excess of 2000 per calendar month are charged a rate of \$0.02 per transaction. Transactions are not pooled among units. **UNLIMITED transactions package also available.						
100.7111	T2 SecurePay - Monthly Subscription	USD 35.00	84.00	0.000	USD 120.00	USD 10,080.00
5 Years cost of T2 SecurePay - \$50,400 for 84 pay stations to be billed \$10 per unit per month						
100.7201	Coupons (Month)	USD 10.00	84.00	100.000	USD 0.00	USD 0.00

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
100.7219	Extend-By-Phone** (Month)	USD 10.00	84.00	0.000	USD 60.00	USD 5,040.00
Extend-By-Phone is charged a specified rate per month, per pay station, to enable the service. Add-time transactions completed using the service are charged an additional \$0.25 each. Expiry notifications are not charged.						
5 Years cost of Extend by Phone - \$25,200 for 84 pay stations to be billed \$5 per unit per month						
Iris all active units TOTAL:						USD 70,560.00

## Services

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
100.0106	T2 DataConnect Activation Fee LTE Verizon	USD 30.00	79.00	50.000	USD 15.00	USD 1,185.00
100.1108	T2 Iris Profile Set-Up	USD 1,000.00	1.00	50.000	USD 500.00	USD 500.00
100.7112	T2 Secure Pay - Merchant Account Setup Charge	USD 400.00	1.00	0.000	USD 400.00	USD 400.00
Must use FirstData as the data processor if doing Contactless. Can use either FirstData or Elevon if just adding EMV without Contactless option.						
100.7113	T2 Secure Pay - Terminal Setup Charge	USD 25.00	79.00	0.000	USD 25.00	USD 1,975.00
Must use FirstData as the data processor if doing Contactless. Can use either FirstData or Elevon if just adding EMV without Contactless option.						
100.0053	One Day Installation w Travel	USD 0.00	79.00	0.000	USD 245.00	USD 19,355.00
79 Active Units TOTAL:						USD 23,415.00

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
100.7113	T2 Secure Pay - Terminal Setup Charge	USD 25.00	5.00	0.000	USD 25.00	USD 125.00
Must use FirstData as the data processor if doing Contactless. Can use either FirstData or Elevon if just adding EMV without Contactless option.						
100.0053	One Day Installation w Travel	USD 0.00	5.00	0.000	USD 245.00	USD 1,225.00
100.0055	One Day Training with Travel	USD 2,500.00	1.00	0.000	USD 2,500.00	USD 2,500.00
100.0056	One Day Training w/o Travel	USD 750.00	2.00	0.000	USD 750.00	USD 1,500.00
5 Spare Units TOTAL:						USD 5,350.00

## Hardware

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
104.0001	Luke II/Luke Cosmo Bundle	USD 0.00	79.00	0.000	USD 0.00	USD 0.00
900.0097	Luke® Cosmo+ Escrow P2PE CL Solar	USD 14,495.00	79.00	50.000	USD 7,247.50	USD 572,552.50



Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
The EMV credit card readers are secure devices with anti-tampering controls. If a reader is disassembled, opened up or experiences violent impact, it will be put into a Tampered state and cannot be repaired or redeployed. Card readers that have a Tampered status are not eligible for warranty coverage.						
880.4131	Platform - Pay Station 8 - LC	USD 0.00	79.00	0.000	USD 0.00	USD 0.00
Software Maintenance subscription is a requirement for upgrades and ongoing support for PS8. ----- Ongoing subscriptions are billed annually. Subscriptions and support shall be automatically renewed for an additional term of one year, effective immediately after the expiration of any then-current term unless either T2 or Subscriber gives written notice of nonrenewal to the other at least thirty days in advance of the expiration of the then-current term						
880.4104	Modem Kit-Internal LTE Verizon L2V5/LC	USD 920.00	79.00	50.000	USD 460.00	USD 36,340.00
460.0052	SIM CARD-T2 DataConnect-Verizon, KORE	USD 30.00	79.00	50.000	USD 15.00	USD 1,185.00
100.1110	Multilingual Software	USD 340.00	79.00	100.000	USD 0.00	USD 0.00
Currently not available on Pay Station 8. To be added on completion. ETA June 2023						
880.4101	Lock Maintenance-LC	Included	79.00	0.000	Included	USD 0.00
CREATE NEW						
450.0018	Key-Green Ex.Access-C	USD 33.00	2.00	50.000	USD 16.50	USD 33.00
450.0019	Key-Yellow Ex.Access-C	USD 33.00	1.00	50.000	USD 16.50	USD 16.50
880.4102	Lock Collection-LC	Included	79.00	0.000	Included	USD 0.00
CREATE NEW						
450.0018	Key-Green Ex.Access-C	USD 33.00	2.00	50.000	USD 16.50	USD 33.00
450.0019	Key-Yellow Ex.Access-C	USD 33.00	1.00	50.000	USD 16.50	USD 16.50
115.0771	Coin Canister-LC	USD 600.00	158.00	50.000	USD 300.00	USD 47,400.00
includes collection spares						
450.0006	Key-Hopp/Canister Acc-S/LR/L2/LC	USD 10.00	2.00	50.000	USD 5.00	USD 10.00
880.4107	USB Service Key, Industrial Grade 1GB-C	USD 65.00	1.00	50.000	USD 32.50	USD 32.50
663.0027	Paper 2in - For High Moisture	USD 41.00	79.00	17.073	USD 34.00	USD 2,686.00
79 Active Units TOTAL:						USD 660,305.00

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
104.0001	Luke II/Luke Cosmo Bundle	USD 0.00	5.00	0.000	USD 0.00	USD 0.00
900.0097	Luke® Cosmo+ Escrow P2PE CL Solar	USD 14,495.00	5.00	50.000	USD 7,247.50	USD 36,237.50
The EMV credit card readers are secure devices with anti-tampering controls. If a reader is disassembled, opened up or experiences violent impact, it will be put into a Tampered state and cannot be repaired or redeployed. Card readers that have a Tampered status are not eligible for warranty coverage.						
880.4131	Platform - Pay Station 8 - LC	USD 0.00	5.00	0.000	USD 0.00	USD 0.00
Software Maintenance subscription is a requirement for upgrades and ongoing support for PS8.						

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
--- Ongoing subscriptions are billed annually. Subscriptions and support shall be automatically renewed for an additional term of one year, effective immediately after the expiration of any then-current term unless either T2 or Subscriber gives written notice of nonrenewal to the other at least thirty days in advance of the expiration of the then-current term						
880.4104	Modem Kit-Internal LTE Verizon L2V5/LC	USD 920.00	5.00	50.000	USD 460.00	USD 2,300.00
460.0052	SIM CARD-T2 DataConnect-Verizon, KORE	USD 30.00	5.00	50.000	USD 15.00	USD 75.00
UNITS TO BE USED AS SPARES ACTIVATION FEE TO BE CHARGED AT LATER DATE IF UNITS PUT INTO SERVICE						
100.1110	Multilingual Software	USD 340.00	5.00	100.000	USD 0.00	USD 0.00
880.4101	Lock Maintenance-LC	Included	5.00	0.000	Included	USD 0.00
match maintenance above						
880.4102	Lock Collection-LC	Included	5.00	0.000	Included	USD 0.00
match collections above						
115.0771	Coin Canister-LC	USD 600.00	10.00	50.000	USD 300.00	USD 3,000.00
includes collection spares						
663.0027	Paper 2in - For High Moisture	USD 41.00	1.00	17.073	USD 34.00	USD 34.00
5 Spare Units TOTAL:						USD 41,646.50

## Other

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
100.2020	Estimated Shipping and Handling	USD 0.00	1.00	0.000	USD 12,415.00	USD 12,415.00
Freight quoted is ESTIMATE only. Actual cost to be reflected on invoice.						
***	Comment	USD 0.00	1.00	0.000	USD 0.00	USD 0.00
Five units are spares and not included in iris portion						
--- See lease agreement for details.						
***	Comment	USD 0.00	1.00	0.000	USD 0.00	USD 0.00
Additional year of factory warranty approved by Chris Cognition.						
Please review all details on this quote, including ship to address, EIN number, and key code. If you would like to proceed with placing this order, please submit a matching signed quote or purchase order to: quotes@t2systems.com						
Invoices paid via credit card will incur a 2.5% convenience fee."						
5 Spare Units TOTAL:						USD 12,415.00

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
***	Comment	USD 0.00	1.00	0.000	USD 0.00	USD 0.00

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
IRIS SERVICES ARE NOT CHARGED UNTIL THE UNITS ARE ACTIVE						
Iris all active units TOTAL:						USD 0.00

Net Total: USD 813,691.50

Tax Amount: USD 70,543.74

Tax Comments: N/A

Total: USD 884,235.24

Additional Information:

Freight Term:

Payment Terms:

IRIS Profile: TBD - new profile

End User: City of San Bruno - CA

GP Customer Number:

## Billing Terms

Software subscriptions are invoiced upon Activation.

Terms and Conditions for Digital Iris services are available at:

<http://www.t2systems.com/terms-conditions>

Upon shipping, 100% of order will be invoiced, with the exceptions of (if applicable):

- Software subscriptions, as outlined above;
- Upon provision, 100% of services, training and/or installation will be invoiced.

As indicated on quote - Shipping costs are to be determined at time of shipment, are estimates only or are set amounts. Actual costs will be reflected on invoices unless set amount has been provided.

Tax rate, if applicable, will be finalized at time of invoicing.

Invoices paid via credit card will incur a 2.5% convenience fee.

Purchase orders can be forwarded to [purchaseorders@t2systems.com](mailto:purchaseorders@t2systems.com)

Terms and Conditions of Sale are available at <http://www.t2systems.com/terms-conditions>

## Project Term and Change Management

The parties anticipate that T2's Service will begin 10 business days after the dates sales order. The parties estimate that services will be complete within 120 days from start of the project. The timeline may be extended due to availability of required Equipment and Software, availability of client or T2 personnel, changes to the project scope or functional specification. In addition to schedule changes, changes in the Project may result in additional fees such as project re-engagement and/or change orders.

In the event that the scope changes, the Customer will be notified in advance and must provide written approval (via a signed Change Order) to proceed. The new scope will not proceed until the Change Order is executed.

Quote Number: Q-24887

PO Required?

IF "NO" IS SELECTED UNDER PO REQUIRED, CUSTOMER ACCEPTS RESPONSIBILITY TO PROCESS CONTRACT PAYMENT WITHOUT RECEIPT OF PURCHASE ORDER NUMBER.

Customer

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
PO #

## T2 Systems - Confidential Quotation



For:  
Quote ID:  
Date Issued:  
Expires:

City of San Bruno - CA  
Q-24889  
3/31/2022  
6/29/2022

Bill To:  
City of San Bruno - CA  
1177 Huntington Avenue  
San Bruno, California 94066  
United States

Ship To:  
City of San Bruno - CA  
1177 Huntington Ave.  
San Bruno, CA 94066  
United States

Prepared By:  
John Cowley

Gene Wong  
650-616-7103  
gwong@sanbruno.ca.gov  
EIN: TBD

Prepared For:  
Gene Wong

### Hardware

Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
116.0003	Controller V5-Pay Station 7-L2/LC	USD 3,250.00	2.00	50.000	USD 1,625.00	USD 3,250.00
500.0131	Coin Acceptor-LR/L2/LC	USD 655.00	2.00	50.000	USD 327.50	USD 655.00
500.0227	Antenna - Wireless LTE -C	USD 95.00	2.00	50.000	USD 47.50	USD 95.00
115.0859	LCD Display Colour - C	USD 500.00	2.00	50.000	USD 250.00	USD 500.00
165.0020	LCD Screen Lexan - C	USD 95.00	2.00	50.000	USD 47.50	USD 95.00
605.0004	Battery 18Ah-L/LR/L2	USD 145.00	4.00	50.000	USD 72.50	USD 290.00
886.0244	Ext. Single Battery Charger 2A - C	USD 210.00	1.00	50.000	USD 105.00	USD 105.00
550.0028	Lock-Programmable-C	USD 180.00	2.00	50.000	USD 90.00	USD 180.00
115.0036	Solar Panel Assembly - LC	USD 475.00	2.00	50.000	USD 237.50	USD 475.00
886.0121	Modem-LTE Verizon-C	USD 750.00	2.00	50.000	USD 375.00	USD 750.00
115.0793	Printer CA	USD 1,200.00	2.00	50.000	USD 600.00	USD 1,200.00
630.0098	Keypad-Alphanum 38keys Plastic-C	USD 350.00	2.00	50.000	USD 175.00	USD 350.00
500.0226	P2PE Card Reader-L2/LC	USD 2,450.00	2.00	50.000	USD 1,225.00	USD 2,450.00



Product Code	Product Name	Base Unit Price	Quantity	Discount %	Sales Price	Total
502.0031	P2PE Contactless Reader - BV1000CL	USD 800.00	2.00	50.000	USD 400.00	USD 800.00
TOTAL:						USD 11,195.00

Net Total: USD 11,195.00

Tax Amount: USD 1,105.57

Tax Comments: N/A

Total: USD 12,300.57

Additional Information:

Freight Term:

Payment Terms:

IRIS Profile:

End User: City of San Bruno - CA

GP Customer Number:

## Billing Terms

Software subscriptions are invoiced upon Activation.

Terms and Conditions for Digital Iris services are available at:

<http://www.t2systems.com/terms-conditions>

Upon shipping, 100% of order will be invoiced, with the exceptions of (if applicable):

- Software subscriptions, as outlined above;
- Upon provision, 100% of services, training and/or installation will be invoiced.

As indicated on quote - Shipping costs are to be determined at time of shipment, are estimates only or are set amounts. Actual costs will be reflected on invoices unless set amount has been provided.

Tax rate, if applicable, will be finalized at time of invoicing.

Invoices paid via credit card will incur a 2.5% convenience fee.

Purchase orders can be forwarded to [purchaseorders@t2systems.com](mailto:purchaseorders@t2systems.com)

Terms and Conditions of Sale are available at <http://www.t2systems.com/terms-conditions>

## Project Term and Change Management

The parties anticipate that T2's Service will begin 10 business days after the dates sales order. The parties estimate that services will be complete within 120 days from start of the project. The timeline may be extended due to availability of required Equipment and Software, availability of client or T2 personnel, changes to the project scope or functional specification. In addition to schedule changes, changes in the Project may result in additional fees such as project re-engagement and/or change orders.

In the event that the scope changes, the Customer will be notified in advance and must provide written approval (via a signed Change Order) to proceed. The new scope will not proceed until the Change Order is executed.

Quote Number: Q-24889

PO Required?

IF "NO" IS SELECTED UNDER PO REQUIRED, CUSTOMER ACCEPTS RESPONSIBILITY TO PROCESS CONTRACT PAYMENT WITHOUT RECEIPT OF PURCHASE ORDER NUMBER.

Customer

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
PO #

## T2 Systems - Confidential Quotation



**For:** City of San Bruno  
 - CA  
**Quote:** Q-33223  
**Date:** 3/24/2023  
**Expires:** 6/22/2023

**Bill To:**  
 City of San Bruno - CA  
 1177 Huntington Avenue  
 San Bruno, California 94066  
 United States

**Ship To:**  
 City of San Bruno - CA  
 1177 Huntington Ave.  
 San Bruno, CA 94066  
 United States

**Prepared By:**  
 Poppy Gulioen

Gene Wong  
 650-616-7103  
 gwong@sanbruno.ca.gov  
 EIN: TBD

**Prepared For:**  
 Gene Wong

## Subscriptions

Product Code	Product Name	Quantity	Sales Price	Total
100.3212	T2 MobilePay Base Subscription	1.00	USD 0.00	USD 0.00
\$83.33 BILLED MONTHLY (WAIVED PER Michael Hamilton - contingent on purchase of 84 pay stations)  Per Iris Profile, per month. Includes 100 system-wide transactions and 200 system-wide public messages per month. Unlimited zones can be added.				
100.3231	T2 MobilePay Transaction Fee Tier 4 - Pay as you go	0.00	USD 0.27	USD 0.00
INVOICED MONTHLY BASED ON TRANSACTION VOLUME  \$0.27 per transaction over the 100 subscribed total.  Example: 1,000 monthly transactions processed. Billing would be 900 x \$0.27 = \$243				
100.3221	T2 MobilePay Gateway	0.00	USD 0.12	USD 0.00
INVOICED MONTHLY BASED ON TRANSACTION VOLUME Gateway billed at \$0.12 per transaction using an NMI approved processor. List of approved processors attached.  Example: 1,000 monthly transactions processed. Billing would be 1,000 x \$0.12 = \$120  Processing fees are incurred with your own processor. T2 is not involved with those rates.				
<b>TOTAL:</b>				USD 0.00

## Services

Product Code	Product Name	Quantity	Sales Price	Total
100.3217	T2 MobilePay Implementation	1.00	USD 0.00	USD 0.00
ONE-TIME CHARGE - (WAIVED PER Michael Hamilton - contingent on purchase of 84 pay stations) Profile setup of T2 MobilePay. 1 Profile required per bank account. Includes Five (5) 10x18 Dibond signs. Additional signs can be ordered at any time. Iris Profile: New Profile				
TOTAL:				USD 0.00

## Hardware

Product Code	Product Name	Quantity	Sales Price	Total
105.0640	T2 MobilePay 5 10x18 signs included with implementation - Option 2	1.00	USD 0.00	USD 0.00
Five (5) 10x18 Dibond signs included with implementation at no additional cost.				
TOTAL:				USD 0.00

## Other

Product Code	Product Name	Quantity	Sales Price	Total
***	Comment	1.00	USD 0.00	USD 0.00
Customizable Convenience Fee – Create a zone specific convenience fee to pass on to the parker and keep 100%. This fee can be used to offset the monthly charges of T2 MobilePay. T2 does not take any convenience fee revenue.				
***	Comment	1.00	USD 0.00	USD 0.00
T2 MobilePay is an Iris Software add-on. Customer to provide One (1) month of notice if they would like to cancel.				
IRIS Training has been included on pay station quote.				
***	Comment	1.00	USD 0.00	USD 0.00
OPTIONAL ADVERTISING IMPRESSION PRICING \$80 – 1,000 Impressions \$300 – 5,000 Impressions \$400 – 10,000 Impressions \$800 – 25,000 Impressions \$1,200 – 50,000 Impressions \$2,000 – 100,000 Impressions				
***	Comment	1.00	USD 0.00	USD 0.00
Validator Accounts  \$20 Implementation per Account  \$20 Subscription per month per Account				
TOTAL:				USD 0.00

**Net Total:** USD 0.00

**Tax Amount:** USD 0.00

**Tax Comments:** N/A

**Total:** USD 0.00

**Additional Information:**

**Freight Term:**

**Payment Terms:**

**IRIS Profile:**

**End User:** City of San Bruno - CA

**GP Customer Number:**



## Billing Terms

Software subscriptions are invoiced upon Activation.

Terms and Conditions for Digital Iris services are available at:

<http://www.t2systems.com/terms-conditions>

Upon shipping, 100% of order will be invoiced, with the exceptions of (if applicable):

- Software subscriptions, as outlined above;
- Upon provision, 100% of services, training and/or installation will be invoiced.

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The parties anticipate that T2's Service will begin 10 business days after the dates sales order. The parties estimate that services will be complete within 120 days from start of the project. The timeline may be extended due to availability of required Equipment and Software, availability of client or T2 personnel, changes to the project scope or functional specification. In addition to schedule changes, changes in the Project may result in additional fees such as project re-engagement and/or change orders.

In the event that the scope changes, the Customer will be notified in advance and must provide written approval (via a signed Change Order) to proceed. The new scope will not proceed until the Change Order is executed.

**Quote Number: Q-33223**

**PO Required?**

*IF "NO" IS SELECTED UNDER PO REQUIRED, CUSTOMER ACCEPTS RESPONSIBILITY TO PROCESS CONTRACT PAYMENT WITHOUT RECEIPT OF PURCHASE ORDER NUMBER.*

## Customer

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
PO #

## 5 Year Summary of Pricing San Bruno

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Pay Stations</b>	\$ 813,691.50	\$ 70,560.00	\$ 70,560.00	\$ 70,560.00	\$ 70,560.00
<b>Pay Station Warranty</b>	\$ -	\$ -	\$ 43,680.00	\$ 43,680.00	\$ 43,680.00
<b>Spare Parts</b>	\$ 11,195.00				
<b>T2 MobilePay</b>					

<b>Total</b>	<u>\$ 824,886.50</u>	<u>\$ 70,560.00</u>	<u>\$ 114,240.00</u>	<u>\$ 114,240.00</u>	<u>\$ 114,240.00</u>
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### Additional possible expenses over 5 year period:

Paper - one roll is included in each machine but you will need more paper. Paper pricing is based on

Cleaning supplies - we recommend cleaning your card reader, printer and coin acceptor monthly at

Extend by phone transaction fees and T2 Mobile Pay Transaction Fees and gateway fees are billed

Taxes may be calculated and added to final invoices based on your EIN.

Signs or Decals for T2 MobilePay. 5 signs or decal sets are included in set up. Additional 10x18" D

Custom Decals for Pay Stations pricing is based on design specifications and size.

### Paper - Standard

Less than 50 rolls	\$	41.00	each roll
50 - 100 rolls	\$	34.00	each roll
Greater than 100 rolls	\$	26.00	each roll

### Cleaning Supplies

Credit Card Reader Cleaner	\$	1.25	Per cleaner card - sold in boxes of 50
Printer Cleaner	\$	3.00	Per cleaner card - sold in boxes of 25

5 Year Total	
\$ 1,095,931.50	Plus Taxes
\$ -	
\$ 131,040.00	Comp warranty for first two years.
\$ -	
\$ 11,195.00	You may decide to purchase more spare parts over the 5 year period. May also be subject to
\$ -	
\$ -	Transaction fees and possible additional signs or decals, optional ad impressions and validation
\$ -	
<u>\$ 1,238,166.50</u>	

on volume ordered and whether you want custom paper or standard. Please note custom paper is more expensive as well as lubing your cabinet locks.

monthly based on actual usage.

ribond signs at \$38 each and additional 3 piece decal sets at \$15 each. Custom Signs and Decals are priced based

o taxes.

or accounts

ensive and has a longer lead time for ordering.

sed on design specifications.

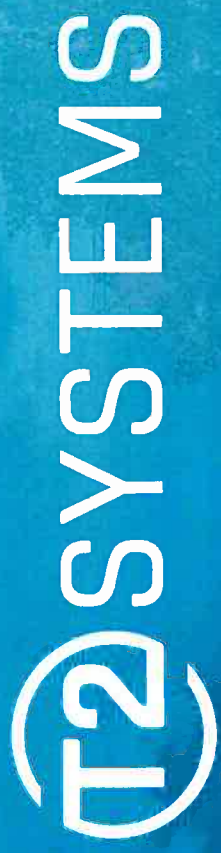
## T2 Mobile Pay Approved Payment Processor List

AccessOffshore.net	CheckGateway	Euro Payment	Global eTelecom (GETI)	Merchant Services Caribbean
ACH Direct	Checkout.com	Evertac	Global Payments Canada	MeS Trident
ACH Solutions	Checkout.com 3.0	EVO	Global Payments East - EMV	Moneris Canada
ACI	Chronopay	FACe - ProPay	GlobalCollect	Moneris US
Affipay	ClearCommerce ACH	FACe - ProPay ACH	Heartland Payment Systems	MPE
Affirmative Technologies	CoastalNet	FACe - Vantiv (Next Day Funding)	Heartland Payments Portico - EMV	MSC Echeck
Alliance ACH	CollectPay (ORCC)	FACe - Vantiv ACH	HSBC Mexico	National Merchants Association
Allied System v2	CollectPay CC (ORCC)	Fintech	HyperCharge	NCR Payment Solutions
Allied Systems	CollectPay Plus (ORCC)	First Data Canada	Ibaro.com	NPC Electronic Check
Alternative Payments International	Concord/Buypass	First Data Caribbean V2	iCanPay	Nuvei
aSurePay	CreditGuard	First Data Caribbean	iConsultPay	OPS-Billing
Beanstream	Credomatic	First Data Compass	ICS Access	Optimal Payments
BillPro	Credomatic v2	First Data Nashville	iNetTrans	Optimal Payments Canada Check
BlueSnap	Credomatic v3	First Data Nashville North	Instabill	Optimal Payments Check
BlueSnap Dev	Credomatic Web Service	First Data Nashville North V2	Intabill	PACNET
Borgun	Credomatic Web Service Dev	First Data Omaha	IntegraPay - Australia/New Zealand	Pago
Braintree	CredoRax	First Data Rapid Connect Cardnet North - EMV	IntegraPay ACH	PASPX
BrasPag	CredoRax v2	First Data Rapid Connect Nashville - EMV	Interlink	PAY.ON
BrasPag V2	Debiteck	First Data Rapid Connect Nashville North - EMV	Interlink Intl	Payliance
BroadPay	Debiteck 2	First Data Rapid Connect Omaha - EMV	IP Pay	Payment Services USA
Caledon	Echo CC	First Data Rapid Connect Omaha - EMV	iStream	Payment World
Cardley	ECHO Check	First Data TeleCheck	JetPay	Paymenttech Salem Check
CardWorks	EcorePay	First Data TeleCheck Dev	KBank	Paynamics
Cashflows	Edelweiss	First Data TeleCheck QA	Little & Co. ACH	Payovation
Chain Commerce	Elavon - EMV	First National Bank of Omaha ACH	Maverick Payments LTD	PayPoint
Chase Paymenttech NetConnect - EMV	Elavon EISOP UK - EMV	Focal Payments	Max Payments	Paysafe
Chase Paymenttech NetConnect - EMV	Elavon viaConex	Giact	Max Payments Direct	Paysafe Continuity
Chase Paymenttech NetConnect Salem - EMV	Electronic Check		Merchant Partners	Paysafe Processing Pxp
Chase Paymenttech NetConnect Salem	Electronic Check Multi-Location			Payvision
Chase Paymenttech Tampa	eMerchantPay			PhoenixGate
Check By Phone	EPX			



## T2 Mobile Pay Approved Payment Processor List

Plug n Pay	Vantiv Now Worldpay Core - Terminal Capture
PowerCARD	Vantiv Now Worldpay eCommerce - Host Capture (Litle & Co)
PriceClear	Vantiv Now Worldpay eCommerce - Terminal Capture (Litle & Co.)
Processing.com	Vegaah
ProfitStars ACH	Ventanex
Profitify ACH	VeriCheck ACH
ProPay	Vesta
ProPay ACH	VoicePay
PROSA	Voicepay Mobile
RS2 Software	Walpay
RX-Payments	WebCheckExpress
Santander	Wirecard
Secure E-Bill	World Pay
Secure Payment Systems ACH	World Pay Host Capture - EMV
SecureNet	Worldpay UK CE
Skrill	
Smart Payment Solutions	
Speedchex	
SRSI-AD	
STI	
System Merchants	
TeleDraft	
Transact Pro	
TSYS - EMV	
TSYS Dev	
Turnkey Payments (TPE)	
Turnkey Payments (TPE) ACH	
USAG ACH	
Valitor	
Vantiv Core Host Capture - EMV	



# T2 MobilePay

## PARKING PAYMENT SOLUTION

**MOVE FORWARD**

# T2 MobilePay

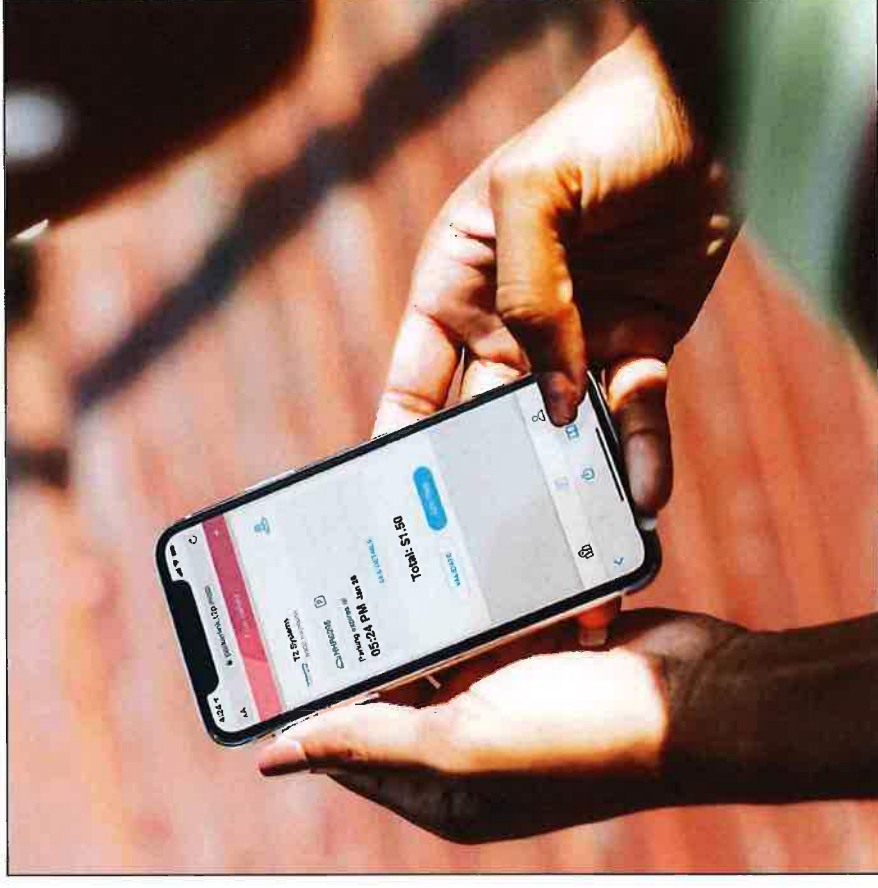
## YOUR CUSTOMERS. YOUR BRAND. YOUR REVENUE.

You work hard to attract customers, build your brand, and generate revenue. With third-party parking apps, you may be giving away control of your customers, minimizing your brand value, and losing out on revenue they retain from transaction fees. While they provide a great service to parkers, are they a great option for you?

T2 MobilePay, powered by TEXT2PARK, gives you complete and total control of your parking operation while providing your parkers a simple and convenient way to pay for parking on their smartphones.

MobilePay is a browser-based solution requiring no app for parkers to download. They simply send a text message or scan a QR code specific to your lot, enter their parking and payment information, and go on their way. They are your customer. There is no third party in between you and them. T2 delivers the solution to you and gets out of your way.

Additionally, by integrating mobile payments with T2 Iris™ software and T2 Luke® Pay Stations, MobilePay brings all of your transaction data together into a single system, providing consistent enforcement and reporting. And unlike existing mobile payment providers, who are acquiring your data to further their own business, T2 gives you complete control and ownership of your parking activity and your data.



# T2 MobilePay

## WHAT MAKES T2 MOBILEPAY DIFFERENT?

### TAKE BACK CONTROL OF YOUR PARKING OPERATION

#### T2 MobilePay



Your  
Operation

Your  
Customers

#### Third Party Apps



Your  
Operation

Third Party  
App

Your  
Customers

- |   |  |   |
|---|--|---|
| ✓ | Direct relationship with your customers                | X |
| ✓ | Complete ownership of your payment data                | X |
| ✓ | Unified rate & rule engine for all transactions        | X |
| ✓ | 100% white label <i>included</i> to reflect your brand | X |
| ✓ | Communicate directly to your customers                 | X |
| ✓ | Charge and keep convenience fees                       | X |
| ✓ | Retain 100% of your parking revenue                    | X |

### THE ROI IS CLEAR

By maintaining contact with your parking customers with messaging, by charging convenience fees that you set at your discretion, and by retaining 100% of your parking revenue,

you can expect to realize at least a **6-8% revenue increase** using T2 MobilePay versus a third-party app.

**This can equate into \$10s of thousands of dollars per lot, per year in revenue.\***

\*A single location processing 3,000 monthly mobile transactions charging \$5.00 fee plus a convenience fee can realize an \$8,000+ revenue gain when compared to using most third-party apps. Savings generated by setting and retaining convenience fees plus eliminating lost revenue from third-party apps directing parkers to competitors' parking lots.





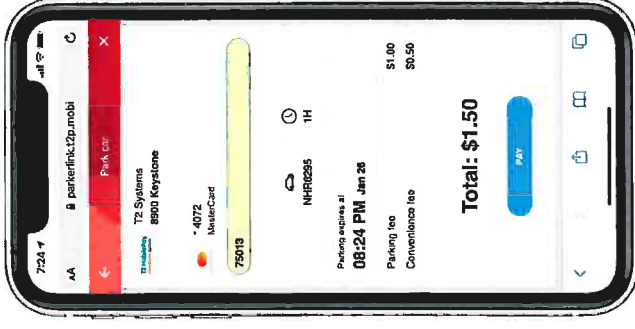
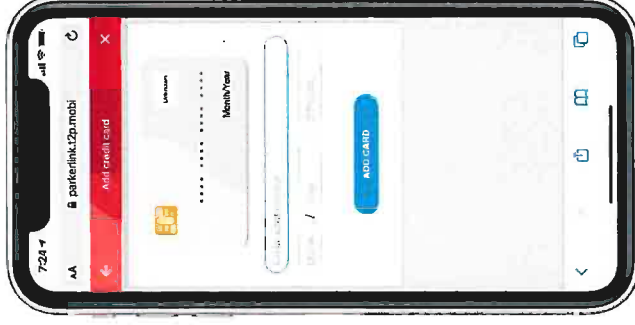
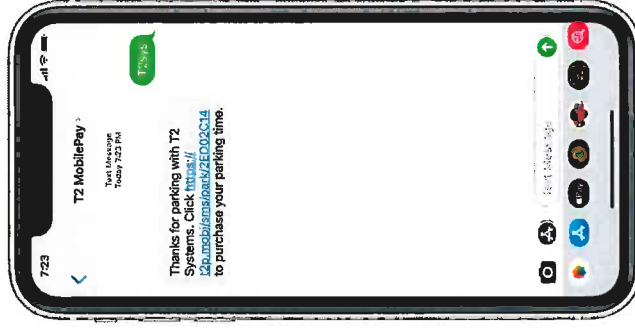
# T2 MobilePay

## HOW IT WORKS

Text P-Code or Scan QR  
Code & Click the Link

Enter License Plate,  
Time & Payment

Confirm ZIP  
Code & Click PAY



THE SIMPLEST MOBILE PARKING PAYMENT SOLUTION



800.434.1502 | T2Systems.com



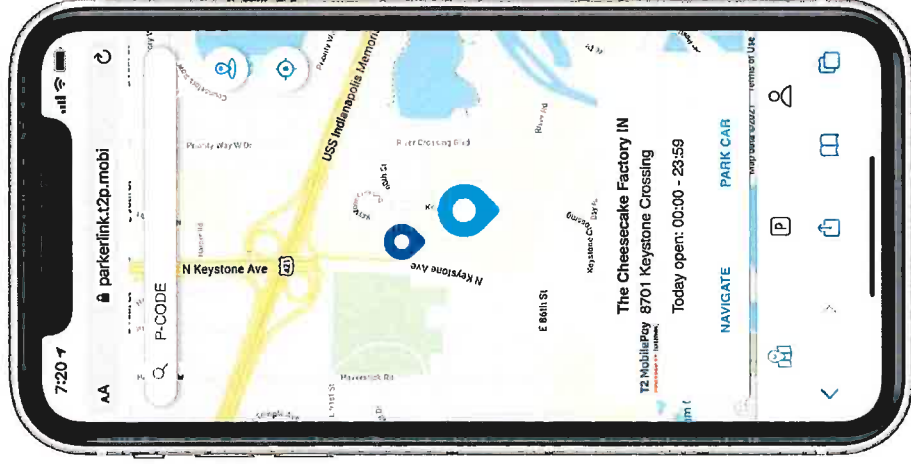
# T2 MobilePay

## KEY BENEFITS

### BENEFITS FOR PARKERS

- Touchless and cashless payment option
- No app to download or account to create
- Supports multiple languages
- Parking expiration notifications and extend-by-phone capability
- Easy e-validations and digital receipts
- Option to save license plate and payment information for future use
- Search functionality for additional parking locations

Provide your customers the ability to see all your parking locations on a map, but never your competitors' lots.



### BENEFITS FOR OPERATORS

- Bypass third parties and own your customers and your data
- Leverage mobile convenience as a pricing tool with customizable convenience fees
- Seamlessly integrates with T2 Iris to:
  - Offer a unified rate and rule engine for all channels, including third-party providers
  - Record all your transactions in one place for consistent enforcement, real-time monitoring, and comprehensive reporting and analytics
  - Provide ability to look up mobile transactions by zone or plate
- Communicate public messages or generate additional revenue with advertising options
- App-free platform increases mobile payment adoption
- Works with existing mobile payment apps as an option for users who do not have the app
- Simple, straightforward, transparent pricing with no recurring development fees



# T2 MobilePay

## ALL-IN-ONE SOLUTION

T2 Iris integrates with MobilePay, T2 Luke Pay Stations, and other third-party payment solutions to provide a single system of reference for enforcement and full reporting capabilities for *all* your transactions.

### Unified Rate & Rule Engine

Iris provides a single interface for defining your rates and rules, ensuring consistent pricing no matter the transaction type. Plus, Iris has the most flexible rate options in the marketplace, enabling you to make parking more convenient for your patrons and more profitable for your operation.

### Real-Time Data & Reporting

Iris brings all of your parking transactions together in one application, allowing you to see your operation's complete revenue and transaction picture in real time. Iris also provides ongoing reporting of your mobile transaction data and combines it with your other payment data to generate comprehensive reports.



### Enforcement

Since all of your transaction data – whether from MobilePay, pay stations, or other third-party apps – flows through Iris, you can enforce your parking with one system versus having multiple integrations with enforcement systems, eliminating the risk of different data being sent via different APIs.

### Luke Pay Station Integration

Transactions started with MobilePay can be extended at a T2 Luke Pay Station, with future functionality allowing for pay station transactions to be extended using MobilePay.



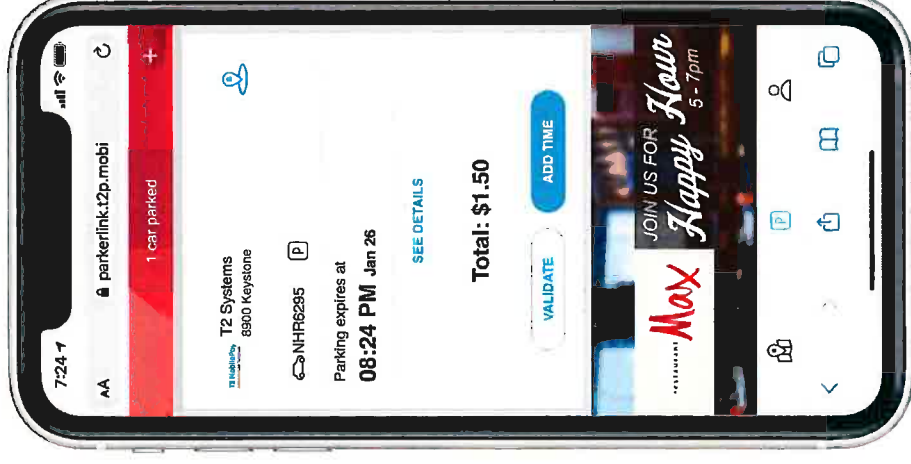
# T2 MobilePay

## PROMOTIONAL MESSAGING

Expand your parking business with real-time, geotargeted online messaging on your MobilePay portal. Build and enhance your relationship with your customers, get feedback on your customer service, or sell the space to local stakeholders and businesses.

Promotional messages are easy to set up and manage in your MobilePay portal. You can display a single, static image or a rotating carousel of images. With geotargeting, your messages will display based on where a user has parked. This enables you to direct specific messages to different customers based on their location.

However, the real value of MobilePay's promotional messaging is the ability to create new revenue streams by selling advertising space to local stakeholders and businesses, such as a restaurant near your lot wanting to promote its happy hour.



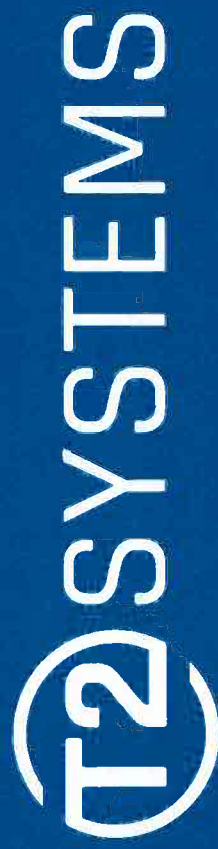
## ABOUT T2 SYSTEMS

T2 Systems was founded in 1994 with one simple goal: make parking better. We immediately established a leadership position in the parking industry and continue to pave the way in new technologies that help you seamlessly manage parking, mobility, and transportation services.

Today, we provide the most comprehensive solutions available to process transactions and leverage data to make informed decisions. Our unified parking management platform puts all the tools you need to be efficient and effective at your fingertips, with one place to manage your T2 solutions, including Pay Stations, Permits, Enforcement, PARCS, and more.

With a strong track record of delivering projects that generate real return for our customers, and by delivering a quality experience for parking patrons, T2 continues to focus on helping our customers move their operations forward.





800.434.1502 | [T2Systems.com](https://T2Systems.com)

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317.524.5500

**Burnaby Office**

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Burnaby, BC V5C6S7  
778.375.6000