

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

_____ Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
_____ Recommendations of Boards, Commissions & Committees (Green)
 X Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: February 25, 2020 (COW)(B of T) March 19, 2020

TITLE: Motion to Waive Bids and Approve a Seven (7) Year Agreement with Paymentus Corporation as the Merchant Service Provider for Online Utility and Miscellaneous Billing Payments with an Estimated Annual Cost of \$110,000 (Fees are Based on Each Transaction Type, Payment Method, and Amount)

SUBMITTED BY: Timothy Sexton, Director of Finance

FISCAL IMPACT:

Amount of Award: Total cost for per year: Appox. \$110,000 (\$100,000 510.170.425.75770 and \$10,000 101.120.510.75770).

BACKGROUND/POLICY IMPLICATIONS:

At this time, Paymentus is the only vendor that has integrated with WaterSmart in order for customers to make a payment and view their usage in one portal. Since October 2018, the Village has 3,280 (25%) accounts registered with WaterSmart. In the past 90 days, 780 consumers signed up in conjunction with the move to monthly billing. The total annual cost to the Village is expected to be similar to the current merchant service provider and provide a better experience for customers. See attached memo for proposed transaction fees. In addition, miscellaneous bills such as elevator inspections and false alarms invoices can be paid online using Paymentus.

RECOMMENDATION:

Staff recommends the Village Board of Trustees approve the attached agreement with Paymentus Corporation as the merchant service provider for online payments for utility and miscellaneous bills.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X Timothy Sexton Date 3/10/20
Village Manager X _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



To: Village President and Board of Trustees
Scott Niehaus, Village Manager

From: Tim Sexton, Director of Finance

Date: February 25, 2020

Subject: Motion to Waive Bids and Approve a Seven (7) Year Agreement with Paymentus Corporation as the Merchant Service Provider for Online Utility and Miscellaneous Billing Payments with an Estimated Annual Cost of \$110,000 (Fees are Based on Each Transaction Type, Payment Method, and Amount)

Executive Summary

At this time, Paymentus is the only vendor that has integrated with WaterSmart in order for customers to make a payment and view their usage in one portal. The total annual cost to the Village is expected to be similar to the current merchant service provider and provide a better experience for customers. In addition, miscellaneous bills such as elevator inspections and false alarms invoices can be paid online using Paymentus.

Background

The Village of Lombard processes approximately 3,000 online credit card payments for our water and sewer customers representing almost \$600,000 in monthly receipts. The merchant service provider is the agent that handles credit card transaction processing through the banking system, from getting the payment authorization approval to depositing the funds in the Village's bank account. To continue to be fiscally responsible as well as provide best in class customer service, the Village of Lombard is looking to change our merchant service provider for online utility payments and begin taking online miscellaneous billing payments.

Currently, customers visit our utility billing software (New World) portal to make payments and then have to go to our WaterSmart website to view consumption. This has caused some confusion and frustration for our customers.

During an online webinar, WaterSmart presented an integrated payment solution provided by Paymentus. Paymentus offers online payment integration with our WaterSmart portal and is the only fully integrated vendor with WaterSmart at this time. This integration will allow our utility customers to go to a single portal to view their water consumption and pay their water bill. The move to Paymentus will also include an option for utility customers to pay by eCheck. Additionally, Paymentus offers an IVR (Integrated Voice Response) solution for

customers that wish to pay by phone. Neither eCheck nor IVR are available options with our current payment provider.

Village of Lombard customers are also requesting the option to make online payments for miscellaneous bills. Miscellaneous billing is a process where the Finance Department is asked to send an invoice to a customer for work that was provided by the Village of Lombard such as elevator inspections, false alarm charges and any reimbursable expenses. Paymentus will include the use of their online payment portal for miscellaneous billing at no additional fee to the Village other than standard the card/check processing charges.

Staff contacted New World to see if they could provide integration, but they have no interest. The cost to set up miscellaneous billing online payments through New World is an implementation cost of \$71,000 and annual fees of \$20,610 (not including card processing fees). Staff also contacted another provider, First Billing Services, and found that they also lacked the integration option with the WaterSmart portal and online payment portal for miscellaneous billing. Romeoville and St. Charles both use Paymentus for online utility payments. Both are satisfied with the services provided by Paymentus.

Proposed Fees

The Village of Lombard is anticipating the annual cost to be similar to our current vendor which is estimated to be approximately \$100,000 per year. The estimated cost for online miscellaneous billing payments is approximately \$10,000. See below for the proposed Paymentus Service Fees provided in Schedule A of the attached contract.

Note: Maximum amount per credit/debit card payment is \$5,000 and eCheck Payment is \$20,000. Multiple payments may be made. Reversed or chargeback items will be billed at \$9.95 each.

Online Utility Bill Payments:

- Service Fee per qualified utility rate transaction
 - Credit/Debit Card \$1.53 (Visa, MasterCard, Discover Utility Program Rate)
 - ACH/eCheck \$0.45
- Non-Qualified Transaction (Corporate Cards): 2.95%

Online Non-Utility Billing Payments (Miscellaneous Billing)

- Service Fee per qualified utility rate transaction
 - Credit/Debit Card: 2.75% per transaction volume for Visa, MC, Discover
 - ACH/eCheck \$0.45 per transaction

Recommendation

Staff recommends the Village Board of Trustees approve the attached agreement with Paymentus Corporation as the merchant service provider for online payments for utility and miscellaneous bills.

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MASTER SERVICES AGREEMENT

Client:	Village of Lombard, IL
Client Address:	255 E. Wilson Ave. Lombard, IL 60148
Contact for Notices to Client:	Scott Gargano
Estimated Yearly Bills / Invoices:	172,000

This Master Services Agreement ("Agreement") is entered into as of the Effective Date below, by and between the Client identified above ("Client") and **Paymentus Corporation**, a Delaware corporation ("Paymentus").

WHEREAS Paymentus desires to provide and Client desires to receive certain services under the terms and conditions set forth in this Agreement. Paymentus provides electronic bill payment services to utilities, municipalities, insurance and other businesses.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows. This Agreement consists of this signature page, General Terms and Conditions, and the schedules listed below:

Schedule A: Paymentus Service Fee Schedule

Schedule B: Paymentus Service Fee Schedule, Additional Services

This Agreement represents the entire agreement between the parties with respect to its subject matter and supersedes all prior written or oral agreements or understandings related to its subject matter and may be changed only by agreements in writing signed by the authorized representatives of the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

Client:

By: _____

Name: _____

Title: _____

Date: _____

Paymentus:

By: _____

Name: _____

Title: _____

Date: _____

Paymentus

GENERAL TERMS AND CONDITIONS

1 **Definitions:**

For the purposes of this Agreement, the following terms and words shall have the meaning ascribed to them, unless the context clearly indicates otherwise.

- 1.1 **"Agreement"** or **"Contract"** shall refer to this Agreement, as amended from time to time.
- 1.2 **"Average Bill Amount"** shall mean the total amount of Payments processed through Paymentus in a given month divided by the number of the Payments for the same month.
- 1.3 **"Effective Date"** shall be the last date upon which the parties signed this Agreement. The Agreement will not be effective against any party until that date.
- 1.4 **"Excess Payment Amount"** shall mean the amount by which the total of all Payment Amounts from Non-Qualified Transactions processed in a calendar month exceeds 5% of the total of the Payment Amounts of all card Payments processed that month.
- 1.5 **"Fee Assumptions"** shall mean information used to calculate the Paymentus Service Fee (as defined in Section 3.2.1), including the projected Average Bill Amount, projected payment method mix (credit vs debit vs e-check) and that the total Payment Amount processed each month resulting from Non-Qualified Transactions shall not exceed 5% of the total Payment Amount of all card Payments processed that month.
- 1.6 **"Initial Setup"** shall mean the first personalization and activation of the standard service as specified during the implementation process.
- 1.7 **"Launch Date"** shall be the date on which Client launches the Services to the Users.
- 1.8 **"Non-Qualified Transaction"** shall mean (i) a Payment made with a card generally issued for business use that results in interchange fees or other processing charges assessed by a Paymentus Authorized Processor or card association that are higher than those charged for transactions with cards issued for consumer use; or (ii) a Payment that does not qualify for reduced interchange fees under programs that Client may be participating in. These high-cost cards may include, among others, corporate cards, virtual cards, purchase cards, business cards, and travel and entertainment cards.
- 1.9 **"Payment"** shall mean payment by a User through the Platform for Client's services, Client's bills, or other amounts owed to Client.
- 1.10 **"Payment Amount"** shall mean the amount of a Payment.
- 1.11 **"Payment Methods Included"** shall mean credit and debit means of payment, such as Visa®, MasterCard®, Discover®, E-check and other payment methods as deemed necessary by Paymentus.
- 1.12 **"Paymentus Authorized Processor"** shall mean a Paymentus authorized merchant account provider and payment processing gateway.
- 1.13 **"Reversed or Charged-back Transactions"** shall mean cancelled transactions due to User error, a User's challenge to Payment authenticity, or action by a financial institution or a Paymentus Authorized Processor (commonly referred to as ACH or eCheck returns or credit/debit card chargebacks).
- 1.14 **"Services"** shall mean the performance of the payment and related services by Paymentus as set forth in Section 2 of this Agreement.
- 1.15 **"User"** shall mean the users of Client's services.

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2 Description of Services to be Performed

2.1 Scope of Services

Paymentus shall provide Users the opportunity to make Payments by Payment Methods Included. Payments may be made by Interactive Telephone Voice Response System ("IVR") or secure Internet interface provided at the Paymentus web site or other websites that are part of Paymentus' Instant Payment Network ("Websites"), collectively referred to as the ("System" or "Platform"). Paymentus will be the exclusive provider to Client of services included in the Services.

2.2 Professionalism

Paymentus shall perform in a professional manner all Services required to be performed under this Agreement.

3 Compensation

3.1 No Fee Installation

Paymentus will charge no fees related to the Initial Setup of either or both of the Web and IVR interfaces to its standard service.

3.2.1 Paymentus Service Fee

Paymentus will charge each User or Client a Service fee for each Payment ("Paymentus Service Fee") as provided in Schedule A. If so provided in Schedule A, the Paymentus Service Fee is to be collected in addition to the corresponding Payment as part of the transaction.

For each Payment, the Paymentus Service Fee will be collected and Paymentus will pay the corresponding processing and related fees of the Payment Methods Included ("Transaction Fees") except for fees related to Reversed or Charged-back Transactions.

A schedule of Paymentus Service Fees is attached as Schedule A. The Paymentus Service Fee is based on the Fee Assumptions. Client shall be billed additional Paymentus Service Fees equal to 3.5% of the Excess Payment Amount for each month during which there is an Excess Payment Amount. Paymentus may amend Schedule A upon prior written notice to Client if a change is caused by changes in the card or payment system rules or changes in credit card fees or if the Fee

Assumptions prove to have been materially incorrect. The amended Service Fee shall take effect 30 days after written notice to Client.

4 Payment Processing

4.1 Integration with Client's Billing System

At no charge from Paymentus to Client, Paymentus will develop one (1) file format interface with Client's billing system using Client's existing text file format currently used to post payments to Client's billing system. Client will be responsible to provide Paymentus with the one file format specification and will fully cooperate with Paymentus during the development of the said interface. If Client chooses to create an automated file integration process to download the posting file, due to Paymentus security requirements, Client will use Paymentus specified integration process. The Paymentus platform is an independent full service fully hosted platform per PCI-DSS requirements for a fully hosted solution. As such, the Paymentus platform does and can function independent of any billing system integration. A payment posting file can be emailed or downloaded from the Paymentus Agent Dashboard. If Client chooses to have the Paymentus platform integrated with its billing system, Paymentus offers two options:

(i) Paymentus standard integration specification that Client can use to integrate its billing systems with Paymentus platform ("Standard Integration"); or

(ii) Paymentus to either customize or configure its platform to integrate with Client using file specification or APIs supported by Client's billing system ("Client Specific Integration").

If Client chooses Standard Integration, Paymentus agrees to fully cooperate with Client and provide its specification to Client. Paymentus also agrees to participate in meetings with Client's software vendor to provide any information or clarifications needed to understand Standard Integration. Paymentus agrees to provide all integration/interface specifications within 30 days from the Effective Date. Client will take commercially reasonable steps to develop the integration within 60 days from the date on which Client has received all integration specifications from Paymentus.

If Client chooses Client Specific Integration, Paymentus agrees to develop that integration at no charge from Paymentus to Client, provided however,

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Client agrees to fully cooperate with Paymentus and cause its software vendors and other service providers to fully cooperate with Paymentus. Client agrees to provide all specifications required for Client Specific Integration. Client further agrees to participate in testing with Paymentus and if needed, cause its billing software vendors and other service providers to participate in testing. Client agrees to provide or make available all integration/interface specifications within 30 days from the Effective Date. Paymentus will take commercially reasonable steps to develop the integration within 60 days from the date on which Paymentus has received all the integration specifications from Client or its vendors.

Parties agree that if the parties do not cooperate fully, it can lead to each party being unable to perform its duties to deliver the integration in time.

Based on Client's use of the Paymentus platform and its respective modules selected under this Agreement, Paymentus will require the following integration points:

- (i) For one-time Payment Module:
 - a. Customer Information – Text File or Real-time
 - b. Payment Posting – Text File or Real-time
- (ii) For Recurring Payment Module
 - a. Text File
- (iii) For E-billing Module
 - a. Billing Data - Text File or Real-time link to billing data
- (iv) For Outbound Notification
 - a. Audience File – Text File for customer engagement messages

Each of these can be based on Standard Integration or Client Specific Integration.

The Initial Setup for the Web or IVR interface will be considered complete when the first Standard Integration or Client Specific Integration, as applicable, is completed such that Paymentus and Client are able to exchange files relevant to that interface, as contemplated in this Section 4.1. In the event the Services are implemented without

integration, the Initial Setup will be considered complete when a User is able to access the Paymentus website or IVR to process a payment.

4.2 Enhancements

The parties agree that the Services are provided on a "platform as a service" basis, and not as a result of custom software development. Paymentus' standard Platform will be personalized to achieve certain additional functional requirements of Client, as clarified and agreed during implementation ("Enhancements"). Enhancements may include some or all of the features included in any technical requirements or similar document provided to Paymentus. The parties will fully co-operate with one another to: a) ensure that requirements with respect to Enhancements are clarified as needed; b) accept Paymentus proposed reasonable alternatives to achieve Client's functional objectives within the limits of the Paymentus platform; and c) accept Paymentus' reasonable estimates of time for completion, designs and plans with respect to agreed Enhancements. There will be no fee charged by Paymentus to Client for Enhancements, provided Paymentus designs and plans are accepted by Client. If the Services are to be offered at multiple locations, or if the Services include multiple Enhancements, the parties will agree to a phased implementation.

4.3 PCI Compliance

For PCI Compliance, Client has two options for using Paymentus platform:

- (i) Paymentus Fully Hosted Solution; or
- (ii) Any other configuration

To substantially reduce or eliminate any PCI compliance risks and to render all Client systems out of scope from PCI compliance requirements, Client agrees to use Paymentus' fully hosted service where Paymentus uses its own platform to capture Payments and to manage the entire (end to end) user experience from the following channels for Payment acceptance: Web, Mobile, IVR, POS devices operated by Client's employees (per Paymentus recommended setup), recurring payments, Ebill Presentment ("Paymentus Fully Hosted Solution"). If Client chooses any other integration, such as third party web pages integrated with Paymentus APIs, third party gateway pages, or

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its own IVR systems or other POS or customer self-service solutions, or a cashiering module from a third party, Client expressly agrees that Client shall not be exempt from PCI requirements and shall be liable for any data breaches occurring on its own systems as Client recognizes that Client systems are participating in the transactions and are in scope for PCI compliance. Under those circumstances, Paymentus shall not be responsible for any PCI obligations outside of Paymentus own platform and Paymentus expressly disclaims any PCI or security obligations related to Client systems or any third party systems that participate in the payment transactions that are outside of Paymentus Platform.

Paymentus highly recommends that Client uses Paymentus Fully Hosted Solution to substantially reduce its PCI compliance and data breach risks.

If Client chooses to use any other option other than Paymentus Fully Hosted Solution, Client agrees and warrants that Client shall remain PCI compliant throughout the term of this Agreement. For clarity, just because Client uses PCI compliant applications, such as its billing software, it does not eliminate the need for Client to be PCI compliant. Per PCI requirements, if a party's systems participate in processing, or accepting or storing card transactions, that party is required to be PCI compliant as the systems are in scope.

4.4 Explicit User Confirmation

Paymentus shall confirm the dollar amount of all Payments, and when paid by the User, the corresponding Paymentus Service Fee to be charged to a card and electronically obtain the User's approval of the charges prior to initiating card authorizations transaction. Paymentus will provide User with electronic confirmation of all transactions.

4.5 Merchant Account

Paymentus will arrange for Client to have a merchant account with the Paymentus Authorized Processor for processing and settlement of the card transactions.

4.6 Card Authorization

For authorization purposes, Paymentus will electronically transmit all card transactions to the appropriate card-processing center, in real time as the transactions occur.

4.7 Settlement

Paymentus together with its authorized card processor shall forward the payment transactions, and when paid by User, the corresponding Paymentus Service Fee to the appropriate card organizations for settlement (other than the Paymentus Service Fee) directly to Client's depository bank account previously designated by Client (hereinafter the "Client Bank Account"). When as provided in Schedule A Client pays the Paymentus Service Fee, Paymentus will invoice Client and debit the fees from Client's account on a monthly basis.

Paymentus together with the Paymentus Authorized Processor will continuously review its settlement and direct debit processes for its simplicity and efficiencies. Client and Paymentus agree to fully co-operate with each other if Paymentus were to change its settlement and invoicing processes.

4.8 Reversed or Charged-back Transactions

With respect to all Reversed or Charged-back Transactions Client authorizes Paymentus and Paymentus Authorized Processor (and/or the respective card organizations) to debit the Client Bank Account for the Payment Amount and Paymentus shall refund to the card organization for credit back to the User the corresponding Paymentus Service Fee, if any.

Paymentus together with Paymentus Authorized Processor will continuously review its processes for Reversed or Charged-back Transactions for simplicity and efficiencies. Client and Paymentus agree to reasonably co-operate with each other if Paymentus requires any change to its settlement and invoicing processes for these transactions.

5 General Conditions of Services

5.1 Service Reports

Paymentus shall provide Client with reports summarizing use of the Services by Users for a given reporting period.

5.2 User Adoption Communication by Client

Client will make Paymentus' Services available to its residential and commercial Clients by different means of Client communication including a) through bills, invoices and other notices; b) by providing IVR

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and Web payment details on Client's website including a "Pay Now" or similar link on a mutually agreed prominent place on the web site; c) through Client's general IVR/Phone system; and d) other channels deemed appropriate by Client.

Paymentus shall provide Client with logos, graphics and other marketing materials for Client's use in its communications with its users regarding the Services and/or Paymentus.

Both parties agree that Paymentus will be presented as a payment method option. Client will communicate the Paymentus option to its end residential and commercial Clients wherever Client usually communicates its other payment methods.

5.3 Independent Contractor

Client and Paymentus agree and understand that the relationship between both parties is that of an independent contractor.

5.4 Client's Responsibilities

In order for Paymentus to provide the Services outlined in this Agreement, Client shall co-operate with Paymentus by:

- (i) Entering into all applicable merchant card, cash management, ACH origination, or kiosk agreements.
- (ii) Keeping throughout the duration of this Agreement a bill payment link connecting to Paymentus System at a prominent and mutually agreed location on Client's website. The phone number for IVR payments will also be added to the web site. Client will also add the IVR payment option as part of Client's general phone system.
- (iii) Sharing User Adoption marketing as described in Section 5.2.
- (iv) Launching the Service within 30 days of the merchant account setup.
- (v) Dedicating sufficient and properly trained personnel to support the implementation process and its use of the Services in compliance with all laws applicable to its use of the Services.

- (vi) Providing Paymentus with the file format specification currently used to post payments to the billing system to allow Paymentus to provide Client with a posting file for posting to Client's billing system.
- (vii) Fully cooperating with Paymentus and securing the cooperation of its software and service providers and providing the information required to integrate with Client's billing system.

6 Governing Law

This Agreement shall be governed by the laws of the state of Delaware, without giving effect to any principles of conflicts of law.

7 Miscellaneous

7.1 Authorized Representative

Each party shall designate an individual to act as a representative for the respective party, with the authority to transmit instructions and receive information. The parties may from time to time designate other individuals or change the individuals.

7.2 Notices

All notices of any type hereunder shall be in writing and shall be given by Certified Post or a national courier or by hand delivery to an individual authorized to receive mail for the below listed individuals, all to the following individuals at the following locations:

To Client

C/O: Scott Gargano
Address: 255 E. Wilson Ave.
Lombard, IL 60148
Email: garganos@villageoflombard.org

To Paymentus

C/O: President and CEO
Address: 13024 Ballantyne Corporate Place
Suite 450
Charlotte, NC 28277
Email: ceo@paymentus.com

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Notices shall be declared to have been given or received on the date the notice is physically received. Any party by giving notice in the manner set forth herein may unilaterally change the name of the person to whom notice is to be given or the address at which the notice is to be received.

7.3 Interpretation

It is the intent of the parties that no portion of this Agreement shall be interpreted more harshly against either of the parties as the drafter.

7.4 Amendment of Agreement

Modifications or changes in this Agreement must be in writing and signed by the parties to this Agreement.

7.5 Severability

If a word, sentence or paragraph herein shall be declared illegal, unenforceable, or unconstitutional, the said word, sentence or paragraph shall be severed from this Agreement, and this Agreement shall be read as if said word, sentence or paragraph did not exist.

7.6 Attorney's Fees

Should any litigation arise concerning this Agreement between the parties hereto, the parties agree to bear their own costs and attorney's fees.

7.7 Confidentiality

Client will not for any purpose inconsistent with this Agreement disclose to any third party or use any confidential or proprietary non-public information it has obtained during the procurement process or during the term of this Agreement about Paymentus' business, including the terms of this Agreement, operations, financial condition, technology, systems, know-how, products, services, suppliers, clients, marketing data, plans, and models, and personnel. Paymentus will not for any purpose inconsistent with this Agreement or its privacy policy in effect from time to time disclose to any third party or use any confidential User information it receives in connection with its performance of the services.

7.8 Intellectual Property

In order that Client may promote the Services and Paymentus' role in providing the Services, Paymentus grants to Client a revocable, non-

exclusive, royalty-free, license to use Paymentus' logo and other service marks (the "Paymentus Marks") for this purpose only. Client does not have any right, title, license or interest, express or implied in and to any object code, software, hardware, trademarks, service mark, trade name, formula, system, know-how, telephone number, telephone line, domain name, URL, copyright image, text, script (including, without limitation, any script used by Paymentus on the IVR or the Website) or other intellectual property right of Paymentus ("Paymentus Intellectual Property"). All Paymentus Marks, Paymentus Intellectual Property, and the System and all rights therein (other than rights expressly granted herein) and goodwill pertain thereto belong exclusively to Paymentus.

7.9 Force Majeure

Paymentus will be excused from performing the Services as contemplated by this Agreement to the extent its performance is delayed, impaired or rendered impossible by acts of God or other events that are beyond Paymentus' reasonable control and without its fault or judgment, including without limitation, natural disasters, war, terrorist acts, riots, acts of a governmental entity (in a sovereign or contractual capacity), fire, storms, quarantine restrictions, floods, explosions, labor strikes, labor walk-outs, extra-ordinary losses utilities (including telecommunications services), external computer "hacker" attacks, and/or delays of common carrier.

8 Indemnification

8.1 Paymentus Indemnification and Hold Harmless

Paymentus agrees to the fullest extent permitted by law, to indemnify and hold harmless Client and its governing officials, agents, employees, and attorneys (collectively, the "Client Indemnitees") from and against all third-party liabilities, demands, losses, damages, costs or expenses (including reasonable attorney's fees and costs), incurred by any Client Indemnitee as a result or arising out of (i) the willful misconduct or negligence of Paymentus in performing the Services or (ii) a material breach by Paymentus of its covenants.

8.2 Client Indemnification and Hold Harmless

Client agrees to the fullest extent permitted by law, to indemnify and hold harmless Paymentus, its

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affiliates, officers, directors, stockholders, agents, employees, and representatives, (collectively, the "Paymentus Indemnitees") from and against all third-party liabilities, demands, losses, damages, costs or expenses (including without limitation reasonable attorney's fees and expenses) incurred by any Paymentus Indemnitee as a result or arising out of (i) the willful misconduct or negligence of Client related to the Services or (ii) a material breach of Client's covenants.

8.3 Warranty Disclaimer

Except as expressly set forth in this Agreement, Paymentus disclaims all other representations or warranties, express or implied, made to Client or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness, for a particular purpose or otherwise of any services or any good provided incidental to the Services provided under this Agreement.

8.4 Limitation of Liability

Notwithstanding the foregoing, Paymentus shall not be liable for any lost profits, lost savings or other special, indirect or consequential damages, even if it has been advised of or could have foreseen the possibility of these damages. In no event will Paymentus be liable for any losses or damages resulting from the acts, omissions or errors of third parties or of Client. Paymentus' total liability for damages for any and all actions associated with this Agreement or the Services shall in no event exceed the specific dollar amount of the Paymentus Service Fee paid to Paymentus for the particular payment transaction which is the subject matter of the claim of damage.

9 Term and Termination

9.1 Term

The term of this Agreement shall commence on the effective date of this Agreement and continue for a period of 7 (seven) years ("Initial Term") from the Launch Date. Services under this Agreement shall begin within 30 days of the merchant account setup.

At the end of the Initial Term, this Agreement will automatically renew for successive three (3) year periods unless either Client or Paymentus provide the other party with not less than 6 (six) months prior written notice before the automatic renewal date that it elects not to automatically renew the term of this Agreement.

9.2 Material Breach

A material breach of this Agreement shall be cured within 90 business days ("Cure Period") after a party notifies the other of the breach. In the event the material breach has not been cured within the Cure Period, the non-breaching party can terminate this Agreement by providing the other party with a 30 business days' notice.

9.3 Upon Termination

Upon termination of this Agreement, the parties agree to cooperate with one another to ensure that all Payments are accounted for and all refundable transactions have been completed. Upon termination, Paymentus shall cease all Services being provided hereunder unless otherwise directed by Client in writing.

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Schedule A – Paymentus Service Fee Schedule (Absorbed Fee)

Paymentus Service Fee charged to Client will be based on the following:

Utility Billing - Absorbed Fee Model	
Average Bill Amount: \$107.00	
Paymentus Service Fee per qualified utility rate transaction	
<input type="checkbox"/> Credit/Debit Card	\$1.53 (Visa, MasterCard, Discover utility Program Rate)
<input type="checkbox"/> ACH/ eCheck	\$.45
Paymentus Service Fee per Non-Qualified Transaction: 2.95%	
Paymentus Service Fee for Reversed or Charged- back Transactions: \$ 9.95 per item	

Note: Maximum Amount per Payment is \$5,000.00 Multiple payments may be made.

Paymentus may apply different limits per transactions for user adoption or to mitigate risks.

Non - Utility Billing - Absorbed Fee Model	
<input type="checkbox"/> Absorbed Model	
<input type="checkbox"/> Average Bill Amount: \$419.00	
<input type="checkbox"/> Paymentus Service Fee per Transaction	
<input type="checkbox"/> Credit/Debit Card	2.75% per transaction volume for Visa, MasterCard, Discover transactions
<input type="checkbox"/> ACH/ eCheck	\$ 0.45 per transaction

Notes:

Maximum Amount per Credit/Debit Card Payment is \$5,000.00. Multiple payments can be made.

Maximum Amount per eCheck Payment is \$20,000.00 Multiple payments can be made.

Chargebacks will be billed at \$9.95 each.

Paymentus may apply different limits per transactions for user adoption or to mitigate risks.