

SERVICE AGREEMENT

(Reclaim and Repurpose Program for Government Payment Processing)

This Service Agreement (this “Agreement”) is made as of **September 5th, 2025** by and between **Full Stack Payments LLC d/b/a Full Stack Payments Enterprise**, a Pennsylvania limited liability company with a principal place of business at **117 Olde Farm Office Road, Duncansville, PA 16635** (“FSP”), and **Hernando County**, a county governmental entity with a principal address at **15470 Flight Path Dr., Brooksville FL 34604** (“Municipality”). FSP and Municipality are each a “Party” and together the “Parties.”

1) Purpose; Relationship to Processor Merchant Agreement

1.1 Purpose. Municipality will accept card and/or ACH payments under a separate merchant processing agreement with one or more third-party acquiring processors (each, a “Processor,” which may include, without limitation, Heartland Payment Systems or TSYS). This Agreement sets forth a **post-settlement rebate/true-up program** (the “**Rebate Program**,” optionally referred to as “**Reclaim & Repurpose**”) administered by FSP, together with related reporting, transparency, and compliance guardrails. The Rebate Program is intended to operate as a **refund of certain payment-acceptance fees effectively borne by or on behalf of the Municipality**, calculated after settlement in accordance with Section 2 and Exhibit B. This Agreement does not govern payment processing, settlement, chargebacks, risk, PCI, or any other processing terms, which are governed exclusively by the merchant processing agreement(s) between Municipality and the applicable Processor (the “Processor MPA”).

1.2 Merchant of Record; Role Clarification. Municipality is and remains the Merchant of Record under the Processor MPA(s). FSP serves as Municipality’s servicing/broker partner to configure, support, and coordinate the processing solution (including integrations through technology vendors), but FSP is not the acquiring bank or Processor.

1.3 Card-Brand & Processor Rules (Reference). For convenience and transparency, Exhibit C lists the current public URLs where major card-brand rules can be accessed (as customarily disclosed in government/education processor applications). These URLs are informational only here; the Processor MPA(s) control.

1.4 Characterization; Compliance Intent. The Parties acknowledge and agree that the Rebate Program is **not** a revenue-sharing or profit-sharing arrangement and **not** an inducement for any procurement decision. Rather, amounts remitted under this Agreement constitute a **post-settlement rebate/refund** of certain payment-acceptance fees effectively borne by or on behalf of the Municipality, determined by a **mechanical formula** and disclosed during procurement. This characterization is integral to the Parties’ intent to comply with applicable ethics, conflict-of-interest, anti-kickback, and procurement rules.

2) Definitions

2.1 Covered Accounts means all merchant identification numbers (“MIDs”) and payment channels of Municipality shown on Exhibit A (as updated in writing by mutual agreement) for which the Processor remits post-settlement amounts to FSP that are attributable to payment-acceptance fees associated with such accounts.

2.2 Processor Remittance means the total monetary consideration actually received by FSP from a Processor for Covered Accounts for a calendar month (or Processor settlement cycle), after the Processor



has netted interchange, network/card-brand fees, and Processor Schedule A costs. For clarity, in some relationships FSP may be an agent or sub-agent and may receive only a portion of post-cost economics; **Processor Remittance equals what FSP actually receives.**

2.3 Third-Party Costs means pass-through costs payable by FSP to third-party technology or service providers identified in Municipality's procurement-approved proposal (e.g., MyGovBill or other named vendors) and used for Covered Accounts during the same month. These are deductible from Processor Remittance before calculating the split.

2.4 Other Adjustments means pass-through assessments and similar items that reduce Processor Remittance for the month (e.g., chargeback-related assessments, regulatory assessments, PCI non-compliance assessments, or Processor-withheld reserves to the extent they reduce amounts paid to FSP), each only to the extent they are actually netted from FSP's Processor Remittance.

2.5 Rebate Base means Processor Remittance minus Third-Party Costs minus Other Adjustments for the applicable month, representing the **net eligible payment-acceptance fees effectively borne by or on behalf of the Municipality** in connection with Covered Accounts.

2.6 Rebate Amount means 50% of the Rebate Base for the applicable month (aggregate across all Covered Accounts).

2.7 Interested Person has the meaning used in the applicable ethics memorandum (a procurement participant of Municipality or immediate family member), which may not receive a direct or indirect benefit from this program.

3) Rebate (Reclaim & Repurpose) Program

3.1 Monthly Reporting & Timing. For each calendar month, FSP will deliver to Municipality a Monthly Rebate Statement no later than the 20th of the following month, itemizing (for each Covered Account) Processor Remittance, Third-Party Costs (by vendor/amount), Other Adjustments, Net Residual, and the resulting Rebate Amount. FSP will pay the Rebate Amount to Municipality no later than the 25th of the same month, via ACH to the bank account Municipality designates in writing.

3.2 Aggregation. Calculations are aggregated across all Covered Accounts for the month (with detail shown per MID on the statement).

3.3 Transparency. The Monthly Rebate Statement will include sufficient detail to trace the calculation line-by-line to Processor statements, with vendor invoices attached or on request for Third-Party Costs.

3.4 No Offset; Payment Covenant. FSP's obligation to pay the Rebate Amount is a separate, absolute payment covenant. FSP shall not net, set-off, or withhold the Rebate Amount against any other claim. For the avoidance of doubt, if FSP receives Processor Remittance attributable to Municipality's Covered Accounts for any period, FSP must pay 50% of Net Residual for that period in accordance with this Agreement. This covenant survives termination as described in Section 10.

3.5 Adjustments/True-Ups. If an error is identified, the parties will true-up under/over-payments with the next monthly payment or within 30 days after notice, whichever comes first.



4) Pause / Abeyance (Municipality Option)

4.1 Municipal Pause Right. Municipality may, at any time and for any reason (e.g., internal approvals), direct FSP in writing to pause outward payments. During a pause, FSP will accrue Rebate Amounts as "Abeyance Funds".

4.2 FSP will continue to hold Abeyance Funds until Municipality instructs payment. Abeyance Funds will be held in a segregated, non-interest bearing account (or, if interest is earned by operation of the depository institution, such interest will not be owed or paid). Abeyance Funds remain a payable obligation to Municipality and will be disbursed promptly upon Municipality's written direction, subject to applicable unclaimed-property laws.

4.3 No Waiver. A pause does not waive Municipality's right to receive amounts; it merely defers disbursement.

5) Compliance & Ethical Guardrails

5.1 Surcharging/Convenience Fee Compliance. Municipality represents that any surcharging or convenience-fee programs applicable to Covered Accounts are implemented in compliance with applicable law in the jurisdiction(s) where payments are accepted.

5.2 Procurement Disclosures; Interested Persons. The Parties will ensure that the existence and general mechanics of **Rebate Program** are accurately disclosed in, and that **no Interested Person** receives any direct or indirect benefit. The Parties will maintain reasonable controls to prevent and detect conflicts. Each Party shall promptly notify the other upon becoming aware of a potential violation.

5.3 No Kickbacks. The Parties intend and agree that **Rebate Amounts are a post-settlement rebate/refund of certain payment-acceptance fees** effectively borne by or on behalf of the Municipality, calculated by formula under this Agreement. **Rebate Amounts are not a share of FSP revenue or profits, not compensation to any individual, and not an inducement** for any official act. The Parties shall comply with all applicable ethics, conflict-of-interest, and anti-kickback rules.

6) Services; Technology; Processors

6.1 Services. FSP will (i) coordinate Processor onboarding and configuration, (ii) assist Municipality and its technology providers (e.g., gateways or platforms) to enable payment acceptance, and (iii) provide ongoing servicing as Municipality's day-to-day point of contact for payments matters that are not controlled by the Processor MPA(s).

6.2 Third-Patty Technology. Municipality may utilize third-party technology providers (e.g., MyGovBill, ParkMobile, etc.). Third-Party Costs identified in Municipality's approved proposal and charged to FSP may be deducted in calculating Net Residual (see Exhibit B).

6.3 Processor-Agnostic. FSP may work with Heartland, TSYS, or other Processors as appropriate. The Parties acknowledge that some Processor MPAs include their own terms and references to card-brand rules and may have fixed terms; the Processor MPA(s) will control those matters.



7) Verification; Records; Audit

7.1 Access to Support. FSP will provide copies of relevant Processor residual reports and supporting schedules for each month concurrently with the Monthly Rebate Statement.

7.2 Audit Right. No more than once per 12-month period (and additionally for cause), Municipality may review, at a mutually agreed time during business hours, non-public records reasonably necessary to verify the Rebate Amounts for the preceding 24 months, subject to confidentiality obligations and any Processor nondisclosure requirements. Reviews are at Municipality's expense and shall not unduly burden FSP's operations.

7.3 Retention. FSP will retain records supporting the calculation of Rebate Amounts for five (5) years (or a longer period if required by law).

8) Confidentiality; Public Records

8.1 Confidentiality. Each Party will keep confidential the other Party's non-public information, including Processor pricing/economics, proposals, and the detailed components of Net Residual, except as needed to perform this Agreement, comply with legal process, or as allowed under Section 8.2.

8.2 Public Records. Municipality may disclose records to the extent required by applicable public-records law; provided, Municipality will use commercially reasonable efforts to (i) notify FSP in advance and (ii) treat and mark FSP's trade secrets/pricing as exempt to the extent permitted by law.

9) Fees; Taxes; No Consideration from Municipality

9.1 No Fees Owed by Municipality to FSP under this Agreement. Municipality bears no payment obligation hereunder (processing and other commercial fees, if any, are governed by the Processor MPA(s)).

9.2 Taxes. Each Party is responsible for its own taxes. Rebate Amounts paid to Municipality may be subject to applicable budgetary or accounting treatment by Municipality.

10) Term; Termination; Survival

10.1 Term. This Agreement begins on the Effective Date and continues until terminated by either Party for convenience on 60 days written notice, or for cause upon a material breach not cured within 60 days after notice. (Processing terms and any fixed Processor MPA term are separate and unaffected.)

10.2 Survival of Payment Obligation. Notwithstanding termination for any reason, for so long as FSP continues to receive, or retains or holds, any Processor Remittance attributable to Municipality's Covered Accounts for any post-termination period, FSP shall continue to calculate Net Residual and pay the Rebate Amount for each such period in accordance with Section 3 (including statements and timing). This covenant is independent, unconditional, and survives termination.

10.3 Effect of Processor Changes. If Municipality moves processing to a different Processor or terminates the Processor MPA(s), FSP's payment obligation continues only to the extent FSP receives Processor Remittance related to Covered Accounts. If no Processor Remittance is received, no Rebate Amount accrues for that period.



11) Representations; Disclaimers; Indemnities

11.1 Mutual Authority. Each Party represents it has full power and authority to execute and perform this Agreement.

11.2 Municipality Representations. Municipality represents that (i) its participation in this rebate program has been or will be appropriately disclosed in procurement and approved per applicable rules; (ii) no Interested Person will receive a direct or indirect benefit from the program; and (iii) its surcharge/convenience fee program (if any) complies with law in the jurisdiction(s) of acceptance.

11.3 FSP Disclaimers. FSP is not a bank, card network, or Processor and does not control network rules or Processor decisions. FSP does not provide legal advice.

11.4 Indemnities.

(a) By FSP. FSP will defend and indemnify Municipality against third-party claims to the extent arising from FSP's (i) failure to pay Rebate Amounts when due, (ii) willful misconduct, or (iii) breach of confidentiality obligations.

(b) By Municipality. Municipality will defend and indemnify FSP against third-party claims to the extent arising from Municipality's (i) non-compliance with surcharge/convenience fee laws or ethics/procurement rules, or (ii) breach of Section 5.2 representations.

11.5 Limitation of Liability. Neither Party is liable for consequential, incidental, special, or punitive damages. Caps. Each Party's aggregate liability in any 12-month period is capped at the greater of (x) the total Rebate Amounts paid (or payable) for that period or (y) \$250,000, except that the cap does not apply to (A) FSP's payment covenant in Sections 3.4 and 10.2, (B) a Party's confidentiality breach, or (C) a Party's willful misconduct.

12) Force Majeure

Neither Party is liable for delay/failure caused by events beyond its reasonable control; provided, amounts already received by FSP as Processor Remittance remain payable per Section 3.

13) Assignment; Notices; Miscellaneous

13.1 Assignment. Neither Party may assign this Agreement without the other's consent, except FSP may assign to an affiliate or in a change-of-control transaction with notice to Municipality, provided the payment covenant remains binding on any successor.

13.2 Notices. Notices must be in writing and delivered by recognized courier or email (with confirmation) to the addresses on the signature page (or as later updated in writing).

13.3 Governing Law; Venue. This Agreement is governed by the laws of Florida, without regard to conflict-of-law rules. Exclusive venue lies in the state courts located in Hernando County, Florida (or federal courts encompassing that venue), subject to Municipality's sovereign immunity and non-appropriation laws where applicable.

13.4 Publicity. Neither Party will use the other's name, seal, or logo in press releases or marketing without prior written consent, except as required by public-records laws.



13.5 Entire Agreement; Order of Precedence. This Agreement (including Exhibits) is the Parties' entire agreement on its subject and supersedes prior or contemporaneous proposals or statements. The Processor MPA(s) govern processing-related matters and take precedence over any inconsistent processing-related statements herein. This Agreement may be amended only in a signed writing.

Exhibit A – Covered Accounts (MIDs/Channels)

Lists all MIDs, departments, and channels initially in scope. Include any later-added MIDs upon written confirmation between the Parties. Calculations aggregate across all Covered Accounts.

Exhibit B – Rebate Base Calculation & Sample Monthly Rebate Statement

Formula

- The Rebate Program operates as a **post-settlement rebate / refund** of certain payment-acceptance fees effectively borne by or on behalf of the Municipality; it is **not** a revenue-share or profit-share.

Processor Remittance (all amounts actually paid by Processor(s) to FSP for Covered Accounts this month, already net of interchange, network fees, and Processor Schedule A costs)

- minus **Third-Party Costs** (proposal-approved technology/service pass-throughs, by vendor)
- minus **Other Adjustments** (pass-through assessments that reduce FSP's Processor Remittance for the month)

= **Rebate Base**

Rebate Amount = 50% × **Rebate Base** (aggregated across all MIDs)

Sample Statement (illustrative):

- **Processor Remittance (Heartland + TSYS):** \$115,000.00
- **Third-Party Costs:** MyGovBill platform fee (\$12,500.00); Gateway fee (\$3,000.00) → Total \$15,500.00
- **Other Adjustments:** Chargeback assessment (\$1,200.00) → Total \$1,200.00
- **Net Residual:** \$98,300.00
- **Rebate Amount (50%):** \$49,150.00
- **Payment Due:** By the 25th for prior month activity; ACH to Municipality.

Exhibit C – Processor & Card-Brand Rules (Reference Only)

As is customary in government/education processor applications, public URLs for card-brand rules and American Express MOR are provided for reference (the Processor MPA controls):

(55)

- Visa Rules: <https://usa.visa.com/dam/VCOM/download/about-visa/visa-rules-public.pdf>
- Mastercard Rules: <file:///Users/jamesshepherd/Downloads/mastercard-rules.pdf>
- American Express Merchant Operating Requirements: https://icm.aexp-static.com/content/dam/gms/en_us/optblue/us-mog.pdf

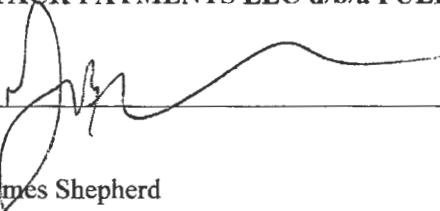
(These URLs appear on the disclosure page of certain government & education applications and are incorporated here as references only.)

Exhibit D – Compliance Guardrails & Ethical Safeguards (Rebate / Reclaim & Repurpose)

- 1) Procurement Disclosure. The Rebate Program must be disclosed in procurement submissions or approvals as required. **The Rebate Program must be characterized in procurement as a post-settlement rebate/ true-up of payment-acceptance fees, not as a revenue-share.**
- 2) Interested Person Prohibition. No procurement participant (or immediate family) may receive any direct/indirect benefit; the Parties will maintain reasonable controls to prevent such conflicts.

Signature Blocks

FULL STACK PAYMENTS LLC d/b/a FULL STACK PAYMENTS ENTERPRISE

By: 

Name: James Shepherd

Title: Managing Member

Date: September 5th, 2025

Notices: james@fullstackpayments.com

Hernando County

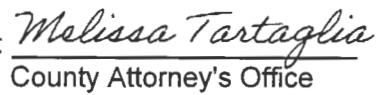
By: 

Name/Title: Jerry Campbell, Chairman

Date: December 16, 2025

Notices: _____

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: 
County Attorney's Office