

EXHIBIT B

Payment Terms

For the provision of all services and technology outlined in this contract, Contractor shall obtain payment exclusively from the revenue Contractor generates. There shall be no upfront systems development, licensing, conversion, equipment, travel, support, or other costs. Contract shall purchase, configure, install, and customize all systems and processes Contractor requires to provide the False Alarm Reduction Program Services described herein, based on the following revenue sharing proposal.

Cash collections are to include all payments for applicable business and user initial registration, annual renewal and reinstatement fees, late penalty, and basic false alarm fee amounts paid which are billed by Contractor net of abatements, bad checks, cancelled checks and other reductions of monthly cash collections.

All false alarm related fee collections from any payment method, including but not limited to bank lockbox and online credit card, shall be deposited, as soon as practical, in a dedicated false alarm bank account (“False Alarm Account”) to be established at a mutually agreeable Commercial Bank; the City and Contractor agree to maintain a positive balance of available funds (“Minimum Balance”) at all times in the False Alarm Account.

At the beginning of each month, Contractor will reconcile the alarm related deposits for the most recently completed month and report the same to the City. Upon the City’s approval, the City and Contractor shall authorize and cause the issuance of electronic (ACH) transfers to the City and to Contractor as follows:

- A. With regard to the transfer to Contractor, the amount will be calculated for Contractor based on the Collections Basic matrix presented below. The amount, not to exceed 20% of the revenue (net of postage, bank, credit card and collection fees, if any) collected during the preceding month, shall be transferred to a bank and account authorized by Contractor; and,
- B. The remaining balance, not less than 80% of the revenue (net of postage, bank, credit card and collection fees, if any) collected during the preceding month, shall be transferred to a bank and account authorized by the City.
- C. At the termination of this Contract, any remaining balance shall be transferred to Contractor and to the City on basis of the percentage in the matrix below.
- D. The City is a North Carolina public entity and all financial obligations extending beyond the current fiscal year are subject to funds being budgeted and appropriated therefore.

The False Alarm Reduction Program cost sharing proposal is presented in the Collections Basic matrix presented below:

Cost – Annual Percentage of Collections Basis	\$0 to \$100,000 Cash Collections – As Percentage Cash Collections to be Paid to Contractor	\$100,001 to \$200,000 Collections – As Percentage Cash Collections to be Paid to Contractor	\$200,001 to \$300,000 Collections – As Percentage Cash Collections to be Paid to Contractor	\$300,001 and Above Collections – As Percentage Cash Collections to be Paid to Contractor
Year 1 – Contractor Fee	20%	20%	20%	15%
Year 2 – Contractor Fee	20%	20%	20%	15%
Year 3 – Contractor Fee	20%	20%	20%	15%

The cash payments to be shared with the vendor are those collected pursuant to the City’s False Alarm Ordinance.

Terms: Net 30 (applicable to the vendor’s portion of revenue sharing only).

*Note: During the life of this contract the penalty violation rates charged by the City of Durham could be increased or decreased at the City’s sole discretion and the vendor’s dollar portion of the revenue sharing, proposed on the Cost Form sheet shall stay firm.*