

**Exhibit A**  
**Scope of Work**  
to  
User Agreement  
Between

**Littlepay, Inc. (Contractor)**  
And  
**Nevada County Connects**  
**(Transit Authority)**

Under STD213 Agreement Number:  
MSA 5-21-70-28-06

This EXHIBIT A Scope of Work (“UASOW”) forms part of the User Agreement between:

**Nevada County Connects**, a public transportation authority operating under the laws of California with a registered address of 12350 La Barr Meadows Road, Grass Valley, CA 95949, contactable for notice at the following email address: robin.vanvalkenburgh@nevadacountyca.gov

- (a) **Nevada County Connects (“Transit Authority”)**; and
- (b) **Littlepay, Inc.**, a Delaware corporation with a Branch in California (File number: C4769096) with an address of 915 L. Street, Suite C #441, Sacramento, CA 95814, USA, contactable for notice at the following email address: [legal@littlepay.com](mailto:legal@littlepay.com) (“**Littlepay**”),

each a “party” and together the “parties”.

## **BACKGROUND**

- (A) The Transit Authority is a public transportation operator, providing public transit to Transit Customers. The Transit Authority wishes to offer Transit Customers the option to pay by way of contactless EMV Cards.
- (B) Littlepay sells payment processing and ancillary services and has been awarded a Master Services Agreement number 5-21-70-28-06 as the same may be amended in accordance with its terms from time to time (“**DGS MSA**”) by the Department of General Services (“**DGS**”), State of California in Category B “Transit Processor Services”. The Transit Authority wishes to procure these services in compliance with the terms and conditions agreed under the DGS MSA.
- (C) The Agreement entered into by the parties (which comprises the STD 213 Form and the Exhibits referred to therein, including this Exhibit A) constitutes the “**User Agreement**” between the parties as contemplated in the DGS MSA framework.
- (D) The Transit Authority has separate arrangements with third parties under which it receives merchant acquiring and payment gateway services. The User Agreement manages the relationship of the Transit Authority and Littlepay, being the terms upon which Littlepay offers payment processing and any ancillary services to the Transit Authority.
- (E) Littlepay may subcontract certain aspects of its processing and other system management obligations herein to Littlepay Pty Ltd, a company incorporated under the laws of Australia and under common control with Littlepay.
- (F) Pursuant to Section 10 of Exhibit A to the DGS MSA, the DGS MSA is incorporated into the User Agreement, such that applicable general provisions in the DGS MSA that refer to “the State” shall be understood to refer to the Transit Authority.

## **And WHEREAS:**

- (A) In the event of any inconsistency between the User Agreement and the Card Scheme Rules, the Card Scheme Rules will prevail.
- (B) In the event of any inconsistency between this Agreement and the DGS MSA, the DGS MSA will prevail (subject to the provisions of Appendix 1 hereto).

## **AGREED TERMS**

### **1. INTERPRETATION**

1.1 The following definitions apply in this UASOW:

**Acquirer:** a bank or financial institution that allows the Transit Authority to accept Card payments from an Issuer which, for the purposes of this Agreement, is deemed to be Elavon, Inc.

**Authorization:** means an affirmative response, by or on behalf of an Issuer, to a request to effect a Transaction

on a Card and that the Card has sufficient funds available for the Transaction and has not been blocked for any reason or reported by the Cardholder as lost or stolen.

**Authorization Request:** means a message sent to the card scheme to validate a Card. Authorization Requests are performed in compliance with the Card Scheme Rules and in agreement with Financial Processors.

**Business Day:** a day other than a Saturday, Sunday or public holiday in California when banks in California are open for business.

**Card:** means a valid and current credit, debit, prepaid, commercial or any other payment Card issued by the Issuer.

**Card Scheme:** means Mastercard, Visa or any other Card Scheme otherwise agreed in writing between the parties from time to time.

**Card Scheme Rules:** means the rules and operating instructions issued by particular Card Schemes from time to time.

**Cardholder:** means an individual, company, firm or other body to whom a valid Card has been issued by a financial institution which is a member of one or more of the Card Schemes. For the purposes of this Agreement, all Cardholders who use a Card to purchase services from the Transit Authority will also be a Transit Customer.

**Charges:** the standard charges for the Services (both General Services and Value Added Services, collectively) as set forth in Exhibit B to the User Agreement and any applicable Statement of Work attached hereto and any other monies that may fall due under this Agreement.

**EMV:** means, in relation to this Agreement, the Europay, MasterCard and Visa standard, a secure technology used worldwide for all payments done with credit, debit and prepaid Europay, Mastercard and Visa smart Cards.

**General Services:** those services described in Section 3.A.

**Issuer:** means an organization that issues Cards and whose name appears on the Card as the issuer of such Card and who is a member of a Card Scheme, that enters into a contractual relationship with a Cardholder for the issuance and use of one or more Cards.

**Mobile Inspection Device:** Equipment validating the right to travel associated with a contactless EMV payment credential.

**MVP Phase:** An initial discovery period during which only registered riders can use the service.

**Settlement:** means the payment made to the Acquirer to the value of a Transaction.

**STD 213 Form:** refers to the State of California – Department of General Services Standard Agreement Form (Rev. 04/2020) (or equivalent) executed by the parties.

**Terminal:** means an electronic device used at the point of Transaction that has the capability to capture Card details, process electronic data, obtain an Authorization and provide Transaction receipt data.

**Transaction:** means the acceptance of a Card or information embossed on the Card, for payment for services provided to Cardholders by the Transit Authority. For the avoidance of doubt, the term Transaction also includes credits (refunds), errors, returns and adjustments.

**Transit Customer:** The end user that is purchasing a fare for transport service provided by the Transit Authority.

**Trip:** a single Transit Customer journey. If that Transit Customer journey involves making two contactless EMV Card “taps” on on-board readers, with one tap recording the boarding stage and the other recording the alighting stage for the purposes of accurate fare calculation, those taps shall constitute one Trip.

**User Documentation:** refers to a manual maintained and published by Littlepay, and is available via Littlepay’s login credentials.

## **2. COMMENCEMENT AND DURATION**

2.1 The User Agreement follows the commencement and termination clauses as defined in the STD 213 Form.

### 3. SERVICES

#### A. LITTLEPAY'S CATEGORY B TRANSIT PROCESSOR SERVICES

1. In consideration of the Charges payable under the User Agreement Littlepay shall provide to the Transit Authority during the Term the Transit Processor Services as described in Section 3A.2 below (such services being the "General Services"). Littlepay shall provide the General Services subject to the terms of the User Agreement and in a manner consistent with the Customer Specific Considerations described in Appendix 1 to this UASOW.

#### 2. Littlepay General Services

Littlepay shall implement the technology, infrastructure and systems agreed between the parties from time to time as being required to facilitate the processing of contactless EMV Card payments of Transit Customers in respect of the Transit Authority's ticketing operations. Littlepay's obligations shall include, without limitation, the provision of systems and services to enable:

- (i) Transaction capture: Littlepay shall receive taps from Terminals where Terminals conform to the "Littlepay Device API" and have been previously integrated by Littlepay and duly certified;
- (ii) Aggregation: Littlepay shall, according to Card Scheme Rules and Transit Authority configurations, define a time period where multiple Transactions are aggregated together into a single Transaction that is submitted for Authorization;
- (iii) Fare Capping: Littlepay shall apply a maximum capped amount to the amount charged to the Cardholder for a defined period. Refer to User Documentation for the types of fare capping available;
- (iv) Authorization Processing: Littlepay shall, according to automated strategies, configurable settings and in compliance with Card Scheme Rules, generate the necessary Authorization Requests and exchange these with "Financial Processor(s)" (e.g. Acquirer, Gateway, Card Schemes) for approval by the Issuer;
- (v) Settlement Processing: Littlepay shall, according to configurable settings, generate and submit the necessary Settlement records to the Financial Processor(s);
- (vi) Deny List Processing: Littlepay shall manage a "Deny List" of Cards that have been declined and make the Deny List available to all Terminals on the Transit Authority's network connected to Littlepay. Once a debt is cleared, a Card is removed from the Deny List;
- (vii) Debt Recovery: Littlepay shall, via an automated strategy in compliance with Card Scheme Rules, re-present Authorization Requests that were initially declined at the time of Authorization;
- (viii) Transit Authority Portal: Littlepay shall make available to the Transit Authority an online portal to enable the required administrative functions including Transit Authority configuration, Transaction viewing, exception processing and data analytics. Refer to User Documentation for the features available;
- (ix) Passenger Portal: On request, Littlepay shall make available to Cardholders an online portal (Littlepay branded) for Cardholders to enter their Card details in a PCI-DSS secured manner and retrieve data related to their Card usage and associated Trips.

Littlepay operates a single cloud-based processing platform. New features will be introduced over time, and existing functions may be updated. Littlepay manages these changes entirely at its own discretion. Where new features are introduced to the standard platform, these will be made available to the Transit Authority without incurring additional Charges. Littlepay may also introduce premium features that

require additional Charges to access. Relevant updates to functionality shall be communicated to the Transit Authority on a timely basis. User Documentation is updated upon significant change and made available to the Transit Authority via an online repository.

### **3. The General Service Charges**

- (a) In order for Littlepay to provide the Services to the Transit Authority, the necessary Transit Authority Equipment and or Transit Authority Materials must be integrated by Littlepay. The Transit Authority shall bear responsibility for verifying with Littlepay whether the Transit Authority Equipment and or Transit Authority Materials has been, or needs to be, integrated beyond the Customer Specific Considerations described in Appendix 1 to this UASOW. Charges for integration, such as devices or third party components (software, portals, applications) are available on application by the Transit Authority (the "Integration" and, once integrated, become "Integrated") and will be charged as Custom Development Work in accordance with the User Agreement terms, as follows:
  - i. The parties will work together to agree the requirements of any project(s) required to update and/or improve the procedures and specifications needed for the Transit Authority to be able to interact with Littlepay's systems. This will include relevant Card Scheme specifications and Transit Authority operating instructions from the Acquirer where practicably possible;
  - ii. Littlepay shall work with a relationship manager representing the Transit Authority to provide an SOW for any such new projects or integrations, outlining the type of advice and technical support to be provided to the Transit Authority during the project within a reasonable timeframe of identifying a new project or integration to be undertaken;
  - iii. Custom Development Work will be charged by Littlepay as "one-off" charges in accordance with the Category B Hourly Rate Card in Exhibit B.1 of the MSA. When a device or third party component has completed Integration, it will be considered by the parties to be included as an Integrated Device and will not incur any further Charges.
- (b) All amounts invoiced by Littlepay under this section will become due 30 calendar days after the issuing of an invoice by Littlepay to the Transit Authority.
- (c) If Littlepay's performance of its obligations under this Agreement is prevented or delayed by any act or omission of the Transit Authority, its agents, subcontractors, consultants or employees then, without prejudice to any other right or remedy it may have, Littlepay shall be allowed an extension of time to perform its obligations equal to the delay caused by the Transit Authority.

### **4. TERMINATION**

- 4.1 Without affecting any other right or remedy available to it, either party may terminate the User Agreement with immediate effect by giving written notice to the other party if:
  - (a) the other party commits a material breach of any term of the User Agreement and such breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of ten Business Days after being notified in writing to do so;
  - (b) the other party becomes insolvent or admits its inability to pay its debts generally as they become due;
  - (c) the other party dissolves or liquidates or takes any corporate action for such purpose;
  - (d) the other party becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven Business Days or is not dismissed or vacated within forty-five days after filing;
  - (e) a person becomes entitled to appoint a receiver over all or any of the assets of the other party or a receiver is appointed over all or any of the assets of the other party;
  - (f) the other party makes a general assignment for the benefit of creditors;

- (g) a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the other party's assets and such attachment or process is not discharged within 20 Business Days;
  - (h) any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Section 5.1(d) to Section 5.1(g) above (inclusive); or
  - (i) the other party suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business.
- 4.2 For the purposes of Section 4.1(a) **material breach** means a breach (including an anticipatory breach) having a serious impact on the benefit which the terminating party would otherwise derive from a substantial portion of this Agreement over the Term of this Agreement. In deciding whether any breach is material no regard shall be had to whether it occurs by some accident, mishap, mistake or misunderstanding.
- 4.3 Without affecting any other right or remedy available to it, Littlepay may terminate this Agreement with immediate effect by giving written notice to the Transit Authority if the Transit Authority fails to pay any amount due under this Agreement on the due date for payment (45 days) as described in MSA Exhibit B (Payment and Budget Provisions) and remains in default not less than 10 Business Days after being notified in writing to make such payment.
- 4.4 Termination or expiration of this Agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiration, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiration.

## **APPENDIX 1**

### **Customer Specific Considerations for Category B Transit Processing Services**

The comments below address the specific requirements outlined in Nevada County Transit SOW and Littlepay's proposed approach. Signature of this document is confirmation that these statement reflect the agreed services between Littlepay and Nevada County Transit.

#### **Fare Requirements - SOW Section 2**

Typically fare capping will be delivered by both Littlepay and the chosen Category A provider. Littlepay would expect the single trip fares to be set by the Device Vendor and the Zone of the tap to be included in the message sent to Littlepay.

Nevada will be able to configure the required capping products and associated business rules via the Littlepay Control portal. Please see sections Littlepay Control and Fare Capping for further information on standard functionality.

Littlepay would like to discuss the fare capping requirements of Nevada County Transit to agree what will be possible within the current system capabilities.

#### **Discounted Fares - SOW Section 2**

Littlepay will commit to providing a standardised solution to implement the required reduced fares during the lifetime of the contract, building upon the Card As Authority to Travel functionality that has already been implemented and trialled. In order to define the exact solution to be delivered, Littlepay will hold a workshop with Nevada County Transit to:

- Understand the existing solution including verification, validation and reconciliation flows
- Understand the full requirements for support of this scheme on the open loop rails

Littlepay will provide Nevada County Transit with a proposed solution and associated timelines, where known, to meet their needs.

There will be no additional costs for the workshop, design or build of this solution, should the proposed solution be acceptable and there are no bespoke features required that would not be applicable to the wider market.

#### **State Eligibility Verification System - SOW Section 3a.**

Littlepay agree that the system will be integrated into the State Eligibility Verification System when it becomes available. This integration will be for the purpose of supporting senior citizen discounts.

#### **Deny List Processing - SOW Section 3d.**

Littlepay implement the standard deny list processing rules defined by the card networks such as Visa and Mastercard. They state that Nevada County should add cards to the deny list when a payment is declined or if an Account Verification Request (AVR) is declined on the first attempt. The AVR is a check that is done when a payment card is seen for the first time or if it hasn't been seen for a configurable number of days. It ensures that the card is genuine and isn't known to be stolen. Based on the current specifications, it will not be possible to implement a delay to add someone to the deny list. However, Littlepay would be able to support Nevada County Transit in any discussions they may wish to have with the card networks with regards to changing the specification.

#### **Settling Debt - SOW Section 3d.**

For cards that have experienced declined authorisation, there is debt outstanding. For this debt, Littlepays system retries authorisations for those transactions over 2-4 weeks as per scheme rules. There are three main modes of debt recovery which can take place.

- **System initiated:** system performs automated debt recovery re-authorisation attempts following the "Merchant Initiated Transaction" (MIT) framework
- **Cardholder-initiated, tap-based debt recovery:** system resubmits authorisation (card present) transaction almost immediately after the tap (e.g. declined transaction occurs on Day 1, a tap occurs later on Day 5, a resubmission attempt for declined payment on Day 1 is conducted on Day 5 after the passenger tries to travel again)
- **Cardholder-initiated, via call centre:** merchant can initiate a debt recovery re-authorisation attempt manually by looking up the customer in Littlepay Control (Merchant Portal)

#### **Account Management/Customer Support - SOW Section 6b.**

Littlepay offer a standard customer portal for customer service as described in the Traveler Portal section of this document. In addition, Littlepay provides hosted tokenization functionality (secure entry of payment card details) and APIs to allow Nevada to offer customer support functionality within their own web portal. Both options are inclusive of the standard fees outlined in this proposal.

#### **Other Points To Note**

The primary contact and contract manager for the Transit Authority will be;

Robin Van Valkenburgh  
Transit Services Division  
530-470-2833  
[robin.vanvalkenburgh@nevadacountyca.gov](mailto:robin.vanvalkenburgh@nevadacountyca.gov)

The primary contact for Littlepay will be:

General Commercial Queries: Brad Cecil, [brad@littlepay.com](mailto:brad@littlepay.com)  
Live Operational Phase: [support@littlepay.com](mailto:support@littlepay.com)

Notwithstanding anything in this User Agreement, the following provisions shall apply (and will prevail over section 7.2(h) of Exhibit A of MSA 5-21-70-28-06):

The Transit Processor shall provide online access for logging issues and support requests 365/24/7. The online support ticket system (currently Zendesk) shall be the main point of contact for Transit Processor support staff. Critical (Sev 1) Issues (i.e. those that prevent any systems operation) should also be raised by telephone and Transit Processor shall endeavour to respond to such critical issues within 60 minutes of such telephone call.

Telephone contact for Critical (Sev 1) Issues: +44 808 164 0262