

CONTRACT #6

RFS # N/A

FA # N/A

University of Tennessee

VENDOR:

**TouchNet Information Systems,
Inc.**

UT
THE UNIVERSITY of TENNESSEE
KNOXVILLE, CHATTANOOGA, MARTIN, TULLAHOMA, MEMPHIS

OFFICE OF THE TREASURER

September 1, 2010

Mr. Jim White
Executive Director
Fiscal Review Committee
320 Sixth Avenue, North – 8th Floor
Nashville, TN 37243-0057

RECEIVED
SEP 01 2010
FISCAL REVIEW

Dear Mr. White:

The University of Tennessee is respectfully submitting a fifth contract amendment for the acquisition of professional services from TouchNet Information Systems, Inc. The TouchNet solution, implemented on all University campuses, provides a credit card payment gateway, online fee statements, and offsite hosting functionality for use with the Banner Student Information System.

Amendment Five provides for research and analysis of an automated NACHA ACH file transfer process for each campus to its processing bank institution, as well as the subsequent development, testing, and implementation of the process.

If you have questions or need additional information, please let me know.

Respectfully,

Mary Carr McDonald

Mary Carr McDonald
Director of Contracts

c: Dr. Jan Simek
Anthony Haynes
Mark Paganelli
Charles M. Peccolo
Joel Reeves

**Supplemental Documentation Required for
Fiscal Review Committee**

*Contact Name:	Mary McDonald	*Contact Phone:	865-974-2302			
*Original Contract Number:	N/A	*Original RFS Number:	N/A			
Edison Contract Number: (if applicable)	N/A	Edison RFS Number: (if applicable)	N/A			
*Original Contract Begin Date:	March 1, 2005	*Current End Date:	June 30, 2013			
Current Request Amendment Number: (if applicable)	5					
Proposed Amendment Effective Date: (if applicable)	11/1/2010					
*Department Submitting:	The University of Tennessee					
*Division:	University Wide Administration					
*Date Submitted:	September 1, 2010					
*Submitted Within Sixty (60) days:	Yes					
If not, explain:						
*Contract Vendor Name:	TouchNet Information Systems, Inc.					
*Current Maximum Liability:	\$2,323,959.00					
*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)						
FY:2005	FY:2006	FY:2007	FY:2008	FY2009	FY2010	FY2011-13
\$112,500	\$18,750	\$20,750	\$23,000	\$730,211	\$690,742	\$728,006
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report)						
FY:2005	FY:2006	FY:2007	FY:2008	FY2009	FY2010	FY2011-13
\$112,499.78	\$19,153.50	\$20,647.64	\$20,647.64	\$705,091	\$443,061.47	
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:				For FYs 2005 -2009, the contract allocations included estimates for travel and freight cost to be paid by the University. If allocated travel and freight cost exceeded the actual travel and freight cost, then annual contract allocation was greater than the annual contract expenditures. FY 2010 allocations included cost of maintenance, implementation and training fees that have not yet been billed by the vendor. Any surplus at the end of a fiscal year was carried over to the next fiscal year.		

**Supplemental Documentation Required for
Fiscal Review Committee**

IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:		The unspent contract allocations are carried forward to FY2011 to cover unbilled maintenance, implementation and training fees, and anticipated travel costs.	
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:		N/A	
*Contract Funding Source/Amount:	State:	\$2,323,959	Federal:
Interdepartmental:			Other:
If "other" please define:			
Dates of All Previous Amendments or Revisions: (if applicable)		Brief Description of Actions in Previous Amendments or Revisions: (if applicable)	
September 1, 2006		Added functionality for UT Martin.	
July 1, 2007		Continued software maintenance support.	
September 2008		Expanded services to all UT campuses. This Amendment functioned as a new contract as UT Martin services were rolled into this new agreement. This new agreement had a 5 year contract period.	
December 2008		Added functionality for UT campuses	
Method of Original Award: (if applicable)		Noncompetitive	
*What were the projected costs of the service for the entire term of the contract prior to contract award?		\$2,323,959	

Supplemental Documentation Required for
Fiscal Review Committee

For all new non- competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Deliverable description:	FY:	FY:	FY:	FY:	FY:
NACHA ACH File Transfer	\$40,000				

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

Deliverable description:	FY:2011	FY:2012	FY:2013	FY:	FY:
NACHA ACH File Transfer	-\$8,800	\$31,200	\$31,200		

Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.

Proposed Vendor Cost: (name of vendor)	FY:2011	FY:2012	FY:2013	FY:	FY:
TouchNet	\$40,000	\$0	\$0		
Other Vendor Cost: (name of vendor)	FY:2011	FY:2012	FY:2013	FY:	FY:
UT manual processing	\$31,200	\$31,200	\$31,200		
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

Vendor
Company Code

1038022
UT

Name
City

TOUCHNET INFORMATION SYSTEMS INC
LENEXA

<u>DocumentNo</u>	<u>Type</u>	<u>Clrng doc.</u>	<u>Doc. Date</u>	<u>Amount in local cur.</u>	<u>LCurr</u>
2400976773	KN	2000781488	03/31/2005	-84,100.00	USD
2401014022	KN	2000809821	05/17/2005	-398.78	USD
2401015194	KN	2000820089	06/02/2005	-28,001.00	USD
2401600280	KN	2001201520	05/09/2006	-3,190.02	USD
2401600279	KN	2001201520	05/09/2006	-15,963.48	USD
2401974011	KN	2001602051	05/03/2007	-20,647.64	USD
2402201133	KN	2001806583	04/22/2008	-20,647.64	USD
2402281289	KN	2001918988	01/07/2009	-128,155.00	USD
2402302744	KN	2001943233	01/31/2009	-175,525.00	USD
2402500873	KN	2002104817	06/01/2009	-401,411.00	USD
2402604704	KN	2002229962	12/29/2009	-35,546.00	USD
2402604702	KN	2002229962	02/08/2010	-118,400.00	USD
2402634490	KN	2002262674	04/15/2010	-1,325.13	USD
2402634497	KN	2002262674	04/30/2010	-27,274.50	USD
2402634489	KN	2002262674	04/15/2010	-729.49	USD
2402634493	KN	2002262674	04/30/2010	-32,315.58	USD
2402634492	KN	2002262674	04/23/2010	-18,676.27	USD
2402634491	KN	2002262674	04/30/2010	-19,016.91	USD
2402634496	KN	2002262674	04/23/2010	-69,845.86	USD
2402634495	KN	2002262674	04/30/2010	-67,001.22	USD
2402634494	KN	2002262674	04/23/2010	-33,105.51	USD
2402625391	KN	2002415354	04/19/2010	-19,825.00	USD
				-1,321,101.03	USD

CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
UT Contract Number TBD	N/A
State Agency	State Agency Division
University of Tennessee	UT University Wide Administration
Contractor Name	Contractor ID # (FEIN or SSN)
Touchnet Information System, Inc.	<input type="checkbox"/> C- or <input type="checkbox"/> V- 48-1072951

Service Description
Purchase software, implementation services, training, & hosting for products to add to Banner Student Info System

Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
1-Mar-05	30-Jun-13		N/A

Mark Each TRUE Statement

N/A Contractor is on STARS Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
332 1	N/A	N/A	N/A	N/A	N/A

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2005-07	\$ 150,000.00				\$ 150,000.00
2007-13	\$ 90,000.00				\$ 90,000.00
2009-13	\$ 2,172,106.00				\$ 2,172,106.00
2010-13	\$ (88,147.18)				\$ (88,147.18)
2010	\$ 40,000.00				\$ 40,000.00
					\$ -
TOTAL:	\$ 2,363,958.82		\$ -	\$ -	\$ 2,363,958.82

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Mary Carr McDonald 865-974-6326
2005-13	\$ 2,323,958.82		State Agency Budget Officer Approval Charles M. Peccolo, Treasurer
2010-13		\$ 40,000.00	
			Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL:	\$ 2,323,958.82	\$ 40,000.00	
End Date	6/30/2013	6/30/2013	

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	

Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)

<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government(eg.ID,GG,GU)	<input type="checkbox"/> Other

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

The TouchNet solution, implemented on all UT campuses, provides a credit card payment gateway and online fee statements functionality to the Banner Student Information System. The TouchNet solution is also currently used by the TN Board of Regents Institutions. This amendment provides for professional services to research and analyze an automated NACHA ACH file transfer process for each campus to its processing bank institution, and then subsequently develop, implement and test the process.

**THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE AMENDMENT
CONTRACT**

1) NCJ Number:	9000004870	Fund Number:	E170163
2) Campus/Institute Name:	University-Wide Administration	IT-Chief Information Office	

EXISTING CONTRACT INFORMATION

3) Short Description:	Touchnet NACHA ACH File Transfer		
4) Proposed Vendor:	Name:	TOUCHNET INFORMATION SYSTEMS INC	
	Vendor Number:	1038022	
	Vendor ID:		
5) Original CTS Number:	8500002226		
6) Contract Start Date:	03/01/2005		
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:	06/30/2013		
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:	\$ 2,323,959.00		

PROPOSED AMENDMENT INFORMATION

9) <u>Proposed</u> Amendment #	005
10) <u>Proposed</u> Amendment Effective Date:	11/01/2010
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:	06/30/2013
12) <u>Proposed</u> Amendment Amount	\$ 40,000.00
13) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:	\$ 2,363,959.00
14) Approval Criteria:	Only one uniquely qualified provider able to furnish service
15) Description of the Proposed Amendment Effects & Any Additional Service:	<p>Purchase of a professional service package to research the feasibility of an automated NACHA ACH file transfer protocol to UT's processing bank. This package includes:</p> <p>(8) Hours of professional service time at \$1500 for each campus. The 8 hours service time is for researching the processing bank's requirements and specifications for NACHA ACH file transmission. If after analysis the file transfer is feasible, an additional \$8500 for each campus will be accessed to complete the implementation of the automated NACHA ACH file transfer. The cost will be \$10,000 per campus to develop this service and become part of the routine operations. Campuses included: UT Knoxville, UT Martin, UT Chattanooga, and UT Health and Science Center.</p>
16) Explanation of Need for the Proposed Amendment:	To minimize exposure of sensitive credit card information on UT servers as part of our Payment Card Industry (PCI) compliance requirement.
17) Name & Address of Vendor/Contractor's Current Principal Owner(s): (not required if proposed contractor is a state education institution)	<p>TOUCHNET INFORMATION SYSTEMS INC</p> <p>15520 COLLEGE BLVD</p> <p>LENEXA KS 66219</p> <p>US USA</p>
18) Documentation of Office for Information Resources Endorsement: (required only if the subject service involves information technology)	N/A

19) Documentation of Department of Personnel Endorsement: N/A
(required only if the subject service involves training for state employees)

20) Documentation of State Architect Endorsement: N/A
(required only if the subject service involves construction or real property related services)

21) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives:

Our system is hosted by Touchnet. They are the only people who can initiate the transfer.

22) Justification for the Proposed Non-Competitive Amendment:

Our system is hosted by Touchnet. They are the only people who can initiate the transfer.

**THE UNIVERSITY OF TENNESSEE
CONTRACT AMENDMENT**

This amendment is to the Contract between the University of Tennessee (hereinafter University) and TouchNet Information Systems, Inc. (hereinafter Contractor), which Contract was entered into on March 3, 2005 (Software License Agreement) and amended on December 29, 2008 (First Addendum to the Supplemental Agreement).

This Contract amendment consists of this cover page, the University's Standard Terms and Conditions and 0 additional pages.

By mutual agreement, the University and the Contractor agree to the following amendment:

For each of the four University campuses, TouchNet will research the feasibility of an automated NACHA ACH file transfer protocol to the campus's processing bank. Eight (8) hours of service per campus will be provided to research the processing bank's requirements and specifications for NACHA ACH file transmission for a fee of \$1500 per campus. If it is determined that the file transfer customization is feasible, an additional \$8500 fee per campus will be charged to complete the implementation and testing of the automated NACHA ACH file transfer.

The maximum compensation for the services provided to the University in this amendment is \$40,000.00, thereby increasing the Maximum License and Services Compensation to Two Million Three Hundred Sixty-Three Thousand Nine Hundred Fifty Nine and no cents (\$2,363,959.00).

All other terms remain unchanged.

In witness of their acceptance of the terms of this agreement, the parties have had this Contract executed by their duly authorized representatives.

FOR CONTRACTOR:

_____ Signature	_____ Printed Name	_____ Date
_____ Title	_____ Federal ID	_____ Telephone
_____ Address		

FOR UNIVERSITY:

_____ Department Name	_____ Department Responsible Fund	_____ Departmental Signature (optional)
_____ University Authorized Official Signature	_____ Printed Name / Title	_____ Date

UNIVERSITY'S STANDARD TERMS AND CONDITIONS

1. The University is not bound by this Contract until it is approved by the appropriate University official(s) indicated on the signature page of this Contract
 2. This Contract may be modified only by a written amendment which has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.
 3. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the University.
 4. Unless otherwise indicated on the reverse, if this Contract provides for reimbursement for travel, meals or lodging, such reimbursement must be made in accordance with University travel policies
 5. The Contractor warrants that no part of the total Contract amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to Contractor in connection with any work contemplated or performed relative to this Contract, and that no employee or official of the State of Tennessee holds a controlling interest in the Contractor. If the Contractor is an individual, the Contractor certifies that he/she is not presently employed by the University or any other agency or institution of the State of Tennessee; that he/she has not retired from or terminated such employment within the past six months; and that he/she will not be so employed during the term of this Contract.
 6. The Contractor shall maintain documentation for all charges against the University under this Contract. The books, records and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the University or the Comptroller of the Treasury, or their duly appointed representatives. These records shall be maintained in accordance with generally accepted accounting principles.
 7. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract. The Contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notice of nondiscrimination.
 8. The Contractor, being an independent contractor, agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all taxes incident to this Contract. The University shall have no liability except as specifically provided in this Contract
 9. The Contractor shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.
 10. This Contract shall be governed by the laws of the State of Tennessee, which provide that the University has liability coverage solely under the terms and limits of the Tennessee Claims Commission Act.
 11. The Contractor shall avoid at all times any conflict of interests between his/her duties and responsibilities as a Contractor and his/her interests outside the scope of any current or future Contracts. The following principles define the general parameters of a conflict of interests prohibited by the University:
 - a. Contractor's outside interests shall not interfere with or compromise his/her judgment and objectivity with respect to his/her duties and responsibilities to the University.
 - b. A Contractor shall not make or influence University decisions or use University resources in a manner that results in:
 - Financial gain outside any current or future Contracts for either the Contractor or his/her relatives or
 - Unfair advantage to or favored treatment for a third party outside the University
 - c. A Contractor's outside financial interests shall not affect the design, conduct, or reporting of research.
- The Contractor certifies that he/she has no conflicts of interests and has disclosed in writing the following:
- a. Any partners or employees of the Contractor who are also employees of the University
 - b. Any relatives of the Contractor's partners or employees who work for the University.
 - c. Any outside interest that may interfere with or compromise his/her judgment and objectivity with respect to his/her responsibilities to the University
12. If the Contractor fails to perform properly its obligations under this Contract or violates any term of this Contract, the University shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services. The Contractor shall not be relieved of liability to the University for damages sustained by breach of this Contract by the Contractor.
 13. It is understood by the Contractor that the University will possess all rights to any creations, inventions, other intellectual property, and materials, including copyright or patents in the same, which arise out of, are prepared by, or are developed in the course of the Contractor's performance under this Contract. The Contractor and the University acknowledge and agree that the Contractor's work under this Contract shall belong to the University as "work-made-for-hire" (as such term is defined in U.S. Copyright Law).
 14. For personal, professional, and consultant services, the Contractor shall submit brief, periodic progress reports to the University as requested.
 15. In compliance with the requirements of Chapter 878, Public Acts of 2006 of the State of Tennessee, for any contract for goods or services purchased by the University, the Contractor hereby attests that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performances of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of the Contract.



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North - 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Sen. Bill Ketron, Chairman
Senators

Douglas Henry Reginald Tate
Doug Jackson Ken Yager
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

Rep. Charles Curtiss, Vice-Chairman
Representatives

Harry Brooks Donna Rowland
Curtis Johnson Tony Shipley
Steve McManus Curry Todd
Mary Pruitt Eddie Yokley
Craig Fitzhugh, *ex officio*
Speaker Kent Williams, *ex officio*

M E M O R A N D U M

TO: Dr. Jan Simek, Interim President
 University of Tennessee

FROM: Bill Ketron, Chairman, Fiscal Review Committee
 Charles Curtiss, Vice-Chairman, Fiscal Review Committee *BK CC*

DATE: December 16, 2009

SUBJECT: **Contract Comments**
 (Fiscal Review Committee Meeting 12/15/09)

RFS# N/A

Department: University of Tennessee

Contractor: TouchNet Information Systems, Inc.

Summary: The vendor is currently responsible for the provision of software designed to interface with the Banner System utilized at the UT-Martin campus. The proposed authorizes the University to purchase the TouchNet cashiering module for the UT-K campus; shifts web-based program hosting services to the vendor; allows electronic payments for admissions (UT Health Science Center) and transcripts (UT-Martin); and decreases the maximum liability by \$88,147.

Maximum liability: \$2,412,106

Maximum liability w/amendment: \$2,323,959

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: Ms. Mary McDonald, Director of Contracts, University of Tennessee

UT
THE UNIVERSITY of TENNESSEE
KNOXVILLE, CHATTANOOGA, MARTIN, TULLAHOMA, MEMPHIS

OFFICE OF THE TREASURER

December 3, 2009

Mr. Jim White
Executive Director
Fiscal Review Committee
320 Sixth Avenue, North – 8th Floor
Nashville, TN 37243-0057

RECEIVED

DEC 08 2009

FISCAL REVIEW

Dear Mr. White:

The University of Tennessee is respectfully submitting a revised fourth contract amendment for the acquisition of additional software functionality from TouchNet Information Systems, Inc. This is a revised submission of contract amendment information originally presented to the Fiscal Review Committee September 29, 2009

The TouchNet solution, being implemented on all UT campuses, provides a credit card payment gateway, online fee statements, and offsite hosting functionality for use with the Banner Student Information System. Specifically, Amendment Four provides for the acquisition of TouchNet Cashiering for use by the UT Knoxville campus, hosting services for the UT Martin campus and online payments for admissions and transcripts by UT Martin and online payments for admissions by UT Health Science Center.

By utilizing TouchNet for these functionalities, we are able to reduce the need to build and support custom programming. Adding the hosting functionality for UT Martin ensures that the software is hosted by TouchNet for all University of Tennessee campuses, which reduces the security risk for credit card and other sensitive data. Adding the capability for on-line payments for admissions and transcripts for UT Martin and UT Health Science Center provides students with an additional payment option and allows departments a uniform and secure manner to process payments on-line. Adding the cashiering functionality is needed on the UT Knoxville campus due to its large size.

Last fiscal year, the previous Amendment Three that was approved by the Fiscal Review Committee had a maximum liability of \$2,412,106. The costs of the overall contract have been recalculated as part of the detailed analysis of costs done in preparing the December presentation of revised Amendment Four. The cumulative maximum liability needed for the total contract from 2005 through 2013 is now determined to be \$2,323,958.82. Thus, the maximum liability has been reduced by \$88,147.00 from the \$2,412,106 reported to the Fiscal Review Committee last year.

If you have questions or need additional information, please let me know.

Respectfully,

Mary Carr McDonald

Mary Carr McDonald
Director of Contracts

c: Dr. Jan Simek
Joel Reeves
Anthony Haynes
Charles M. Peccolo

**Supplemental Documentation Required for
Fiscal Review Committee**

*Contact Name:	Mary McDonald	*Contact Phone:	865-974-2302		
*Original Contract Number:	N/A	*Original RFS Number:	N/A		
Edison Contract Number: <i>(if applicable)</i>	N/A	Edison RFS Number: <i>(if applicable)</i>	N/A		
*Original Contract Begin Date:	March 1, 2005	*Current End Date:	June 30, 2013		
Current Request Amendment Number: <i>(if applicable)</i>	4				
Proposed Amendment Effective Date: <i>(if applicable)</i>	01/01/2010				
*Department Submitting:	The University of Tennessee				
*Division:	University Wide Administration				
*Date Submitted:	Originally submitted on August 28, 2009; resubmitted December 3, 2009				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	TouchNet Information Systems, Inc.				
*Current Maximum Liability:	\$2,412,106				
*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY:2005	FY:2006	FY:2007	FY:2008	FY2009	FY2010-13
\$112,500	\$18,750	\$20,750	\$23,000	\$730,211	\$1,506,895
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report)					
FY:2005	FY:2006	FY:2007	FY:2008	FY2009	FY2010-13
\$112,499.78	\$19,153.50	\$20,647.64	\$20,647.64	\$705,091.00	
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			For FYs 2005 -2008, the contract allocations included estimates for travel and freight cost to be paid by the University. If allocated travel and freight cost exceeded the actual travel and freight cost, then annual contract allocation was greater than the annual contract expenditures. Any surplus at the end of a fiscal year was carried over to the next fiscal year.		

**Supplemental Documentation Required for
Fiscal Review Committee**

		<p>The maximum liability through the previous executed contract amendment was \$2,412,106.</p> <p>The maximum liability has been re-analyzed for the presentation of Amendment 4. The actual maximum liability needed from 2005 through the remainder of the contract with the inclusion of this proposed Amendment 4, is \$2,323,959.00, or \$88,147.00 less than the maximum liability amount as of previously executed Amendment 3.</p>		
<p>IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:</p>		<p>The FY2009 unspent contract allocation of \$27,171 is carried forward to FY2010 to cover anticipated travel costs.</p>		
<p>IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:</p>		<p>N/A</p>		
<p>*Contract Funding Source/Amount:</p>	<p>State:</p>	<p>\$2,323,959</p>	<p>Federal:</p>	
<p>Interdepartmental:</p>			<p>Other:</p>	
<p>If "other" please define:</p>				
<p>Dates of All Previous Amendments or Revisions: (if applicable)</p>		<p>Brief Description of Actions in Previous Amendments or Revisions: (if applicable)</p>		
<p>September 1, 2006</p>		<p>Added functionality for UT Martin.</p>		
<p>July 1, 2007</p>		<p>Continued software maintenance support.</p>		
<p>September 2008</p>		<p>Expanded services to all UT campuses. This Amendment functioned as a new contract as UT Martin services were rolled into this new agreement. This new agreement had a 5 year contract period.</p>		
<p>Method of Original Award: (if applicable)</p>		<p>Noncompetitive</p>		
<p>*What were the projected costs of the service for the entire term of the contract prior to contract award?</p>		<p>Total projected costs through Amendment 3 at the time of the awarding of Amendment 3 were \$2,412,106. These projected costs through Amendment 3 have been re-analyzed and are now projected to be \$1,823,744.</p>		

Supplemental Documentation Required for Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Deliverable description:	FY:	FY:	FY:	FY:	FY:
See attached <i>Agreed Upon TouchNet Expenditures and Calculation of Total Maximum Liability</i>					

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

Deliverable description:	FY:	FY:	FY:	FY:	FY:
See attached <i>Savings and Cost Comparison</i>					

Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.

Proposed Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
See attached <i>Savings and Cost Comparison</i>					

Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

AGREED UPON TOUCHNET EXPENDITURES & CALCULATION OF TOTAL MAXIMUM LIABILITY:

Maximum Liability - Master License 2005 through 2008 Amendment Number 2	240000
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REVISED TouchNet Information Systems 2008 Supplemental Agreement Allocation (Amendment No. 3) Total

	<u>7/1/08- 6/30/09</u>	<u>7/1/09- 6/30/10</u>
TouchNet Payment Gateway: Credit Card/ACH & Debit		
UT Knoxville	91600	
UT Chattanooga	68800	
UT Health Science	35400	
UT Martin (Debit Only)	38600	
UT Discount	-55560	

TouchNet Bill + Payment Suite: Student & Installments

UT Knoxville	162200
UT Chattanooga	117500
UT Health Science	69700
UT Martin (Debit Only)	56700
UT Discount	-83440

Software License Fees	501500	501500
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One Time Professional Service Fees (Implementation and Training)

UT Knoxville	59450
UT Chattanooga	42950
UT Health Science	25275
UT Martin	19825
Conference Comtec	2780

Total Prof Services Fee	150280	150280
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Annual Maintenance & Support Fees **

** paid in month prior to annual term

	<u>FY10 paid FY09</u>	<u>FY11 paid FY10</u>	<u>FY12 paid FY11</u>	<u>FY13 paid FY12</u>
UT Knoxville	43146	47,461	52,207	57,427
UT Chattanooga	31671	34,838	38,322	42,154
UT Health Science	17867	19,654	21,619	23,781
UT Martin	16201	17,821	19,603	21,564

Annual Maint/Suppt	108885	119,774	131,751	144,926	505335
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Annual Hosting Services Fees **

** paid in month prior to annual term

	<u>FY10 paid FY09</u>	<u>FY11 paid FY10</u>	<u>FY12 paid FY11</u>	<u>FY13 paid FY12</u>
UT Knoxville	42804	47,084	51,793	56,972
UT Chattanooga	30924	34,016	37,418	41,160
UT Health Science	18198	20,018	22,020	24,222

Total Hosting Services	91926	101,119	111,230	122,354	426629
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Total	702311	371,172	242,981	267,279	1583744
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Maximum Liability - Amendment Number 3	1583744
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TouchNet Information Systems 2009 First Addendum to Supplemental Agreement (Amendment No. 4)**Total**

	<u>7/1/09 - 6/30/10</u>	<u>FY11 paid FY10</u>	<u>FY12 paid FY11</u>	<u>FY13 paid FY12</u>	
<u>TouchNet Cashiering</u>					
UT Knoxville	118400				118400
<u>One Time Equipment & Seat License</u>					
UT Knoxville	26910				26910
<u>Professional Service Fees - Implementation & Training</u>					
UT Knoxville	29600				29600
UT Martin	25913				25913
UT Health Service	5000				5000
<u>Annual Maintenance & Support Fees **</u>					
			** paid in month prior to annual term		
	<u>1/2 YR FY 10 & FY11 paid FY10</u>	<u>FY12 paid FY11</u>	<u>FY13 paid FY12</u>		
UT Knoxville - add'l fees for cashiering	37888	28,652.80	31,518.08		98058.88
<u>Annual Hosting Fees **</u>					
			** paid in month prior to annual term		
	<u>1/2 YR FY 10 & FY11 paid FY10</u>	<u>FY12 paid FY11</u>	<u>FY13 paid FY12</u>		
UT Knoxville - add'l fees for cashiering	34099.2	25,787.52	28,366.27		88252.99
UT Martin	41760	31,581.00	34,739.10		108080.1
Maximum Liability - Amdmt # 4					
	319570.2	86021.32	94623.452		500215
TOTAL MAXIMUM LIABILITY OF TOTAL CONTRACT AGREEMENT					
					2323959

TOUCHNET CONTRACT ALLOCATIONS & EXPENDITURES

ORIGINAL TouchNet Information Systems - Contract Allocations versus Expenditures To Date Detail through Amend

	Funding Periods & Amounts		FY2005	FY2006	FY2007	FY200
	2005-2007	2007-2010				
Original Contract	150,000	-	112,500	18,750	18,750	
Amendment Number One	-	-				
Amendment Number Two	90,000	240,000	112,500	18,750	20,750	2,000
Subtotal						
Amendment Number Three	2,172,106		112,500	18,750	20,750	
Maximum Liability	2,412,106					

Expenditures by Fiscal Year:

Over/Under Per FY	112,499.78	19,153.50	20,647.64	2
	0.22	(403.50)	102.36	

Cumulative Over/Under

	0.22	(403.28)	(300.92)	
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CORRECTED TouchNet Information Systems - Contract Allocations Detail through Amendment 4 to be signed in Dec

Allocations By Fiscal Year:

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2011
Original Contract	112,500.00	18,750.00	18,750.00			
Amendment Number One			2,000.00	23,000.00	27,000.00	3
Amendment Number Two					702,311.00	37
Amendment Number Three						
Subtotal	112,500.00	18,750.00	20,750.00	23,000.00	729,311.00	40
Amendment Number Four						31
Total	112,500.00	18,750.00	20,750.00	23,000.00	729,311.00	72

SAVINGS AND COST COMPARISON

Savings Resulting from TouchNet Products

Hosting

The University has purchased TouchNet hosting services to eliminate the risk of a security breach/identity theft situation. In 2008, all University campuses except UT Martin purchased the hosting services. These services are now being purchased for UT Martin.

TouchNet is PCI-PA-DSS compliant. This is the highest level of PCI standards. It meets the Red Flag requirements that go into effect June 1, 2010 and the new PCI-PA-DSS requirements that go into effect in July 2010. The software is up-dated with changes to Federal Regulations or to Banner.

Using the TouchNet hosting services reduces personnel time in maintaining software. Direct equipment expenditures at UT Martin will be reduced by approximately \$10,000 by eliminating the need to replace the outdated server currently used for the software. Additionally, for each online payment site provided, having a hosted service eliminates \$100 per scan charges (required by PCI), 20 hours of effort each year per site to maintain compliance documentation and minimizes breach risk that is calculated at the industry estimate of \$2.50 for every transaction processed. Last year UT Martin processed approximately 11,000 online payment transactions in their own onsite system, which equates to an annual cost of \$27,500.

Cashiering

TouchNet Cashiering is a very detailed, customer oriented cashier system. The cashiering equipment purchased with the system allows for the student ID to be scanned without verbally communicating the information to the staff member, thus reducing keying errors. The equipment is also portable. By purchasing TouchNet Cashiering, UT Knoxville can set up a cashiering station anywhere on campus with a secure internet connection. The equipment captures a copy of the check used to pay the account. The staff can pull up an image of the document immediately to verify validity of signature and posting. The equipment also allows the staff to capture an electronic copy of the student's signature reducing the likelihood of fraud. Also, UT Knoxville would be able to add student cashier stations in other offices for minimal cost such as Admissions and the Student ID Office.

TouchNet will improve the UT Knoxville's customer service with its 24/7 processing of payments. TouchNet is the only cashiering system allowed to directly access and post to Banner's data tables. This enables real-time posting of a student's charges and payments.

A student can walk to the window and make a payment and the parent at home can see that payment immediately if the student has given them access to his account or vice-versa. With TouchNet, there is one summary screen displayed when the staff member swipes the student ID card. From this one screen, the staff member can add charges, make adjustments, take payments, and give the student their account details. This one screen also presents the cashier the up-to-the-minute status of her cash drawer, allowing UT Knoxville to process payments in a timely and accurate manner reducing the amount of time the student spends waiting in lines during due dates and financial aid disbursements.

TouchNet Cashiering is much needed for the UT Knoxville campus due to its size. For the month of August 2009 alone, the UTK Bursar's staff processed \$14,361,970.31 in cash and checks at our 211 Student Services Building location. This was a 21% increase over in-person collections from the previous year. Over the Fall Semester 2009 due dates of August 7-11, a total of \$7,083,485.77 was manually processed in student payments. TouchNet will enable UT Knoxville to process check payments over the phone during the peak payment deadline processing, thus reducing cancellations for students who wait until the last minute to pay and ease some of the student and parent's frustration. Once a student's schedule is cancelled for non-payment of fees, the student has to re-register during late registration when classes are limited or completely full.

Savings from use of TouchNet Cashiering include reduced staff time in handling phone calls, processing of refunds to credit cards for multiple payments, exception processing by a Bursar's staff person and fewer problems for the staff, students, and parents as a result of the direct real-time posting to the student's account

By purchasing TouchNet Cashier, UT Knoxville will be able to eliminate the Lockbox service which reduces employee and funds float time. Lockbox posting errors must be researched and corrected by the Bursar's Office staff to avoid having erroneous refunds issued. The cashiering equipment permits the processing of checks via ACH directly to the bank, allowing UT Knoxville to deliver the money to the bank more securely and in a timelier manner by reducing the 1 day lag in deposits. The elimination of the lockbox reduces direct lockbox rental of approximately \$15,000.

The capture of the ACH agreement allows UT Knoxville to recover collection costs from delinquent students when necessary. This results in a savings of the 20 to 30% fee that is charged by outside collection agencies. By using the TouchNet cashiering system, we are able to deter repeat returned check offenders from paying with another check. This will eliminate staff collection efforts directed towards the same students over and over.

The ACH agreement can be printed on the back of the check, the student's signature captured electronically, and the check handed back to the student as his receipt, reducing record retention space required by the state and federal regulations and fiscal policy.

Without TouchNet cashiering, UT Knoxville would have to expend six to nine months of programming time to provide the functionality that TouchNet cashiering provides. The University is trying to avoid costly modifications to baseline Banner. These programming modifications are time intensive and costly to maintain as baseline Banner programs are changed. Modifications would have to be reviewed, modified, and tested before each new upgrade from SunGard Higher Education could be installed. With TouchNet, the work is done by TouchNet programmers and is part of the annual maintenance fee.

Costs from Other Options

This amendment is adding software components to existing proprietary software currently purchased from TouchNet. We could not compare the costs of other options due to the TouchNet software being proprietary and products that provide similar functionality from other companies would not be compatible to the TouchNet software already purchased.

ADDITIONAL INFORMATION AS REQUESTED IN PREVIOUS PRESENTATION

Explanation of Convenience Fees and the TouchNet Contract

Convenience fees on tuition credit card payments are not part of the TouchNet contract. On the Knoxville campus, Elavon as the credit card processor charges students a convenience fee when students make tuition payment by credit card. The convenience fees do not pass through the Knoxville campus but are paid directly by the students to Elavon. Thus, there is no convenience fee revenue that can be used to fund the cost of the TouchNet contract.

Moreover, there are no reserves built up or surpluses generated from convenience fees. Elavon was chosen as the credit card processor via a competitive Request for Proposal process.

On other campuses the convenience fee is not charged to students. These campuses pay the fee for processing credit card tuition payments to the credit card processor out of their campus bursar's office budget.

Contract Allocation for TouchNet Contract

The University of Tennessee does not allocate costs by Fiscal Year in the same manner as other State agencies. The University considers the amount of contract obligated at the time the contract is signed based on the agreed-upon costs of services as defined in the contract. The difference between the obligated contract amount and the cumulative expenditures at the end of a Fiscal Year is intended to be used in future years and is not reallocated to other projects.

At the request of the Fiscal Review Committee, we re-analyzed the obligated contract costs and created a schedule of costs entitled, *Agreed Upon TouchNet Expenditures and Calculation of Total Maximum Liability*. Based on this schedule we have revised our maximum liability on the contract to \$2,323,959.00. This new maximum liability reflects the total costs we anticipate spending through the end of the contract period on June 30, 2013.

This schedule is also used to report the allocation of the contract costs by fiscal year in the Supplemental Documentation Required for Fiscal Review Committee based on when anticipated payments will be made. Since the annual maintenance and hosting fees are paid a month in advance (June) there are no costs allocated for Fiscal Year 2013.

Other Institutions Using TouchNet

The Tennessee Board of Regents schools use a variety of TouchNet products. A listing of these products is included in the schedule entitled "Tennessee Board of Regents Current TouchNet Version Information."

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Tennessee Board of Regents

Current TouchNet Version Information

10/1/2009

Austin Peay State University		Hosted
CC: TSYS	Debit: N/A	
webCheck	webCheck 4.8 L8	
Banner Connect	Banner Connect 5.0 G8	
Bill+Payment	Bill+Payment 5.0 G2	
Payment Gateway	Payment Gateway 5.0 WIN G2	
Marketplace Suite	Marketplace Suite 5.0 HHF8	
Cashiering BOE	Cashiering Business Office Edition 5.0 HHF08	
Chattanooga State Technical Community College		Hosted
CC: Elavon	Debit: N/A	
Cashiering BOE	Cashiering Business Office Edition 5.0 G2	
Bill+Payment	Bill+Payment 5.0 G2	
Banner Connect	Banner Connect 5.0 G7	
Payment Gateway	Payment Gateway 5.0 WIN HHF17	
Cleveland State Community College		Hosted
CC: TSYS	Debit: N/A	
Cashiering BOE	Cashiering Business Office Edition 3.0.0 HHF16	
Bill+Payment	Bill+Payment 3.0 Java HHF34	
Banner Connect	Banner Connect 5.0 G1	
Payment Gateway	Payment Gateway 4.8 WIN HHF38	
Columbia State Community College		Hosted
CC: Elavon	Debit: N/A	
Cashiering BOE	Cashiering Business Office Edition 3.0.0 HHF23	
Payment Gateway	Payment Gateway 5.0 WIN HHF27	
Banner Connect	Banner Connect 5.0 G9	
Bill+Payment	Bill+Payment 5.0 HHF18	
Dyersburg State Community College		On Campus
CC:	Debit:	
Banner Connect	Banner Connect 2.6.6 G0	
Cashiering BOE	Cashiering Business Office Edition 2.0 JAVA HHF25	
Payment Gateway	Payment Gateway 4.8 WIN HHF35	
Bill+Payment	Bill+Payment 3.0 Java HG3HF23	
East Tennessee State University		Hosted
CC: First Horizon	Debit: Elavon	
Banner Connect	Banner Connect 5.0 G2	
Bill+Payment	Bill+Payment 3.0 Java HHF34	

Marketplace Suite	Marketplace Suite 4.0 G6
XOS Technologies (JumpTV)	XOS Technologies (JumpTV)
Payment Gateway Web Service Interface	Payment Gateway Web Service Interface 2.0 JAVA G1
webCheck	webCheck 4.7 G4
Payment Gateway	Payment Gateway 4.8 WIN HHF38
ACEware Systems	ACEware Systems
TLink	TLink 2.0
Pinless Debit	Pinless Debit

Jackson State Community College	Hosted
CC: Elavon	Debit: N/A

Payment Gateway	Payment Gateway 4.8 WIN HHF46
Cashiering BOE	Cashiering Business Office Edition 3.0.0 HHF12
LDAPConnect	LDAPConnect 1.7 L1
Banner Connect	Banner Connect 5.0 G1
Bill+Payment	Bill+Payment 3.0 Java G9

Middle Tennessee State University	Hosted
CC: FDC Nashville	Debit: N/A

Marketplace Suite	Marketplace Suite 5.0 G2
Bill+Payment	Bill+Payment 3.0 Java HHF32
Banner Connect	Banner Connect 5.0 G5
Payment Gateway	Payment Gateway 4.8 WIN HHF46

Motlow State Community College	On Campus
CC:	Debit:

Payment Gateway	Payment Gateway 4.8 WIN HHF35
Banner Connect	Banner Connect 5.0 G1
Bill+Payment	Bill+Payment 3.0 Java HG3HF18
Cashiering BOE	Cashiering Business Office Edition 2.0 JAVA GSP4

Nashville State Technical Community College-Nashville	Hosted
CC: Elavon	Debit: N/A

Banner Connect	Banner Connect 2.6.6 G0
Cashiering BOE	Cashiering Business Office Edition 2.0 JAVA GSP5
Payment Gateway	Payment Gateway 4.7 WIN HHF23
Bill+Payment	Bill+Payment 3.0 Java HHF34

Northeast State Technical Community College	Hosted
CC: TSYS	Debit: N/A

Cashiering BOE	Cashiering Business Office Edition 3.0.0 HHF26
Banner Connect	Banner Connect 5.0 G7
Payment Gateway	Payment Gateway 4.8 WIN HHF23
webCheck	webCheck 4.7 G4

Mississippi State Technical Community College **Hosted**

CC: First Horizon	Debit: N/A
webCheck	webCheck 4.7 G4
Bill+Payment	Bill+Payment 3.0 Java HHF34
Cashiering BOE	Cashiering Business Office Edition 2.0 JAVA GSP5
Banner Connect	Banner Connect 5.0 G5
Payment Gateway	Payment Gateway 4.8 WIN HHF46

Roane State Community College - District Office **Hosted**

CC: Elavon	Debit: N/A
Cashiering BOE	Cashiering Business Office Edition 2.0 JAVA GSP5
Bill+Payment	Bill+Payment 3.0 Java HG3HF18
Banner Connect	Banner Connect 2.6.7 G0
Payment Gateway	Payment Gateway 4.8 WIN HHF46

Southwest Tennessee Community College **On Campus**

CC:	Debit:
webCheck	webCheck 4.7 G4
Banner Connect	Banner Connect 5.0 G7
Bill+Payment	Bill+Payment 5.0 HHF3
Payment Gateway	Payment Gateway 5.0 WIN G1
Xenegrade	Xenegrade
Payment Gateway Web Service Interface	Payment Gateway Web Service Interface 2.0 JAVA G1
Cashiering BOE	Cashiering Business Office Edition 5.0 HHF08

Tennessee State University **Hosted**

CC: Elavon	Debit: N/A
Cashiering BOE	Cashiering Business Office Edition 3.0.0 HHF16
Bill+Payment	Bill+Payment 3.0 Java HHF34
Payment Gateway	Payment Gateway 4.8 WIN HHF46
Banner Connect	Banner Connect 5.0 G1

Tennessee Technological University **Hosted**

CC: First Horizon	Debit: N/A
Payment Gateway	Payment Gateway 4.8 WIN HHF38
Bill+Payment	Bill+Payment 3.0 Java HHF34
Marketplace Suite	Marketplace Suite 4.0 HHF11
Banner Connect	Banner Connect 5.0 G6

University of Memphis **Hosted**

CC: First Horizon	Debit: N/A
U.Commerce Central	U.Commerce Central 5.0 G0
Banner Connect	Banner Connect 5.0 G8
Payment Gateway	Payment Gateway 5.0 WIN HHF12
Cashiering BOE	Cashiering Business Office Edition 5.0 HHF08

TLink	TLink 5.0 L4
Payment Gateway Web Service Interface	Payment Gateway Web Service Interface 2.1 JAVA H1
Marketplace Suite	Marketplace Suite 5.0 G2
Bill+Payment	Bill+Payment 5.0 HHF18

Volunteer State Community College	Hosted
CC: Elavon	Debit: N/A

Bill+Payment	Bill+Payment 5.0 G2
Cashiering BOE	Cashiering Business Office Edition 5.0 G2
webCheck	webCheck 4.7 G4
Banner Connect	Banner Connect 5.0 G8
Payment Gateway	Payment Gateway 5.0 WIN HHF12

Walters State Community College	Hosted
CC: Tsys	Debit: N/A

TEL STUDENT SCTPL	TEL STUDENT SCTPL 2.1 JSP G1
Payment Gateway	Payment Gateway 4.7 WIN G4

**THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE AMENDMENT
CONTRACT**

1) NCJ Number:	9000002590	Fund Number:	E170163
2) Campus/Institute Name:	University-Wide Administration	IT-Chief Information Office	

EXISTING CONTRACT INFORMATION

3) Short Description:	Add Software Functionality: Hosting, Cashiering, and Online Applications		
4) Proposed Vendor:	Name:	TOUCHNET INFORMATION SYSTEMS INC	
	Vendor Number:	1038022	
	Vendor ID:		
5) Original CTS Number:	0000000000		
6) Contract Start Date:	03/01/2005		
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:	06/30/2013		
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:	\$ 1,823,744.00		

PROPOSED AMENDMENT INFORMATION

9) <u>Proposed</u> Amendment #	004
10) <u>Proposed</u> Amendment Effective Date:	01/01/2010
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:	06/30/2013
12) <u>Proposed</u> Amendment Amount	\$ 500,215.00
13) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:	\$ 2,323,959.00

14) Approval Criteria: Only one uniquely qualified provider able to furnish service

15) Description of the Proposed Amendment Effects & Any Additional Service:

Amendment to Contract#: 105628 Amendment will be used to contract with TouchNet Information Systems for the acquisition of additional \$500,215 in Software License, Equipment, Implementation and Training, Software Maintenance, and Hosting Services in support of the University Wide Banner Implementation project.

Software License for:
Cashiering Function - UT Knoxville;
Add Feature to accept Admissions Application Fees - UTHS;
Add Feature to accept Admissions Application Fees & Transcript Request Fees - UT Martin

Equipment: Cashiering Stations with Readers/Printers

Implementation & Training: To implement and provide training for Software (Cashiering, Admissions Applications and Transcript functionality)

Annual Software Support: Annual maintenance for Cashiering software

Hosting Services: Add Hosting services to for Cashiering function for UTK and Host all TouchNet functionality for UTM

The maximum liability through Amendment 3 prior to this Amendment 4 was \$2,412,106. However, the total maximum costs through Amendment 3 is now determined to be \$1,823,744. thus, with the additional functionality being purchased with Amendment 4 of \$500,215, the total maximum costs from 2005 through June 2013 is now determined to be \$ 2,323,959.

16) Explanation of Need for the Proposed Amendment:

The amendment to the contract is required to acquire new functionality and services that meet system requirements for integration with other TouchNet products into the new Banner Student Information System project.

17) Name & Address of Vendor/Contractor's Current Principal Owner(s): (not required if proposed contractor is a state education institution)

TOUCHNET INFORMATION SYSTEMS INC

15520 COLLEGE BLVD

LENEXA

KS

66219

US

USA

18) Documentation of Office for Information Resources Endorsement: N/A
(required only if the subject service involves information technology)

19) Documentation of Department of Personnel Endorsement: N/A
(required only if the subject service involves training for state employees)

20) Documentation of State Architect Endorsement: N/A
(required only if the subject service involves construction or real property related services)

21) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives:

TouchNet products and services are already in place for UT Knoxville, UT Chattanooga, UT Martin and UT Health Science campuses. Acquisition from TouchNet is required due to software compatibility of existing installations.

22) Justification for the Proposed Non-Competitive Amendment:

TouchNet products and services are in place across the UT System. Acquisition from TouchNet is required due to software compatibility of existing installations. The modification of the existing TouchNet contract is in support of the the overall Banner Student Information System project.

FIRST ADDENDUM TO SUPPLEMENTAL AGREEMENT

This First Addendum ("First Addendum") to the Supplemental Agreement ("Supplemental Agreement") dated December 29, 2008, is made between TouchNet and the University of Tennessee System Office, for and on behalf of the University of Tennessee at Knoxville, Martin, and Health Science ("Client"), as of the "Effective Date" which is the last date shown in the signature block hereto

TouchNet

TouchNet Information Systems, Inc.
15520 College Boulevard
Lenexa, Kansas 66219
Phone: (913) 599-6699

Client

University of Tennessee System Office,
for and on behalf of the University of
Tennessee at Knoxville, Martin, and
Health Science
2309 Kingston Pike
Knoxville, TN 37996-1711
Phone: (865) 974-1000

WHEREAS, TouchNet and Client entered into a Software License Agreement dated March 3, 2005 ("Master License"), under which TouchNet agreed, as the provider of various specified products and services identified in the Master License, to furnish to identified Client Schools, each such Client School being within the university system and under the direction and control of the university system, the University of Tennessee System Office having the legal authority to enter and execute contracts on behalf of the Client Schools, and such a contract was entered between TouchNet and the University of Tennessee System Office on behalf of the University of Tennessee at Knoxville, Martin, and Health Science, as referenced above;

WHEREAS, the University of Tennessee System Office, for and on behalf of the University of Tennessee at Knoxville, Martin, and Health Science, Client Schools, now desires to license, use and access remotely on TouchNet's servers, some or all of the Licensed Software described in the First Addendum to Schedule A hereto, in addition to those services and Licensed Software described in Schedule A of the Supplemental Agreement.

TouchNet, subject to the provisions of the Master License and the Supplemental Agreement, desires to grant to the University of Tennessee at Knoxville, Martin, and Health Science only, license, use and access rights to the Licensed Software identified in the First Addendum to Schedule A hereto, as more specifically provided for herein.

NOW, THEREFORE, the parties, intending legally to be bound, agree as follows:

1 **Definitions** Unless otherwise defined herein, all terms defined in the Supplemental Agreement shall have the meaning ascribed to such terms in the Supplemental Agreement when used in this First Addendum.

2 **Modification of the Supplemental Agreement.**

(a) The attached First Addenda to Schedules A, D, E and F are added to the Supplemental Agreement for the University of Tennessee at Knoxville, Martin, and Health Science only.

(b) The first paragraph of Section 5 (Term and Termination) of the Supplemental Agreement is amended as follows:

Term and Termination The Supplemental Agreement, which commenced upon December 29, 2008, and this First Addendum, which commences upon the Effective Date hereof, shall continue through June 30, 2013, unless otherwise

terminated as provided below. Notwithstanding the foregoing, all Licensed Software procured under the Supplemental Agreement and this First Addendum having perpetual license terms will remain in full force and effect in perpetuity, subject to the terms and conditions of the applicable agreement between the parties.

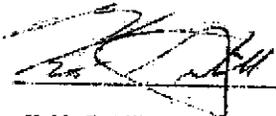
(c) The following provision is added as Section 6.6 of the Supplemental Agreement:

Maximum License and Services Compensation. The maximum compensation for the Software Licenses and services provided for this Client only pursuant to the Software License Agreement dated March 3, 2005 ("Master License"), the Supplemental Agreement dated December 29, 2008 ("Supplemental Agreement"), and this First Addendum to the Supplemental Agreement ("First Addendum") as of the Effective Date hereof through June 30, 2013 is Two Million Three Hundred Twenty-Three Thousand Nine Hundred Fifty Nine dollars and no cents (\$2,323,959.00).

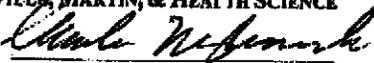
3. **Integration Provision.** Except as expressly modified by this First Addendum, the Supplemental Agreement shall remain in full force and effect. As of the Effective Date of this First Addendum, the Supplemental Agreement, as amended by this First Addendum constitutes the entire understanding of the parties hereto as regards the subject matter hereof with respect to these parties only and cannot be modified except by written agreement of the parties.

IN WITNESS WHEREOF, the parties have executed this First Addendum through the signatures of their respective authorized representatives as of the respective dates shown below.

TOUCHNET INFORMATION SYSTEMS, INC.

By: 
Name: Keith Grabill
Title: VP of Finance/Admin
Date: 12/22/2009

UNIVERSITY SYSTEM OF TENNESSEE, FOR AND ON BEHALF OF THE UNIVERSITY OF TENNESSEE AT KNOXVILLE, MARTIN, & HEALTH SCIENCE

By: 
Name: Charles M. Peccolo
Title: Treasurer
Date: DEC 23 2009

FIRST ADDENDUM TO SCHEDULE A

LICENSED SOFTWARE, TERM, AND SETUP SITE

License Term:

The license granted in the First Addendum to which this Schedule is attached commences on the Effective Date and continues in perpetuity.

Setup Site:

The Setup Site for the Licensed Software shall be as follows:

TouchNet DataCenter

Licensed Software:

The Licensed Software shall be as described below:

For the University of Tennessee at Martin:

Bill+Payment Client. Bill+Payment Client is the payment application of the Bill+Payment Suite that enables a secure link from SunGard Self-Service Banner in order to collect and process payment card data. Bill+Payment Client is restricted for use with the six (6) payment points from SunGard Self Service Banner (as noted below) and is not for use in integration of additional payments. This functionality includes the following:

- Real-time posting of payment transactions to Banner
- Selection of credit/debit card, ACH, and PIN (and PIN-less) debit payment methods provided each of the payment methods is properly licensed within TouchNet Payment Gateway
- Maintains institutions logo, header and footer for branding purposes
- Payment points from SunGard Self-Service Banner¹
 - Student tuition
 - Admissions application fees
 - Alumni donations
 - Registrar transcript request fees
 - Graduation application fees
 - Enrollment verification fees
- 1 Campus Entity
- 1 Production Environment
- 1 Test Environment

Professional services for implementation of each payment point from SunGard Self-Service Banner will apply

For the University of Tennessee at Health Science:

Bill+Payment Client. Bill+Payment Client is the payment application of the Bill+Payment Suite that enables a secure link from SunGard Self-Service Banner in order to collect and process payment card data. Bill+Payment Client is restricted for use with the six (6) payment points from SunGard Self Service Banner (as noted below) and is not for use in integration of additional payments. This functionality includes the following:

- Real-time posting of payment transactions to Banner
- Selection of credit/debit card, ACH, and PIN (and PIN-less) debit payment methods provided each of the payment methods is properly licensed within TouchNet Payment Gateway
- Maintains institutions logo, header and footer for branding purposes
- Payment points from SunGard Self-Service Banner²

¹ Client is purchasing admissions application fees and registrar transcript request fees payment points in this First Addendum only for and on behalf of the University of Tennessee at Martin only.

- Student tuition
 - Admissions application fees
 - Alumni donations
 - Registrar transcript request fees
 - Graduation application fees
 - Enrollment verification fees
- 1 Campus Entity
 - 1 Production Environment
 - 1 Test Environment

Professional services for implementation of each payment point from SunGard Self-Service Banner will apply

For the University of Tennessee at Knoxville:

TouchNet Cashiering Software is composed of two Modules, Business Office Edition (BOE) and Campus Merchant Edition (CME). The modules can be licensed individually or as a whole. The TouchNet Cashiering Licensed Software is restricted to one (1) Campus Entity, one (1) Production Environment and one (1) Test Environment. Client is only purchasing the Business Office Edition Module in this First Addendum. Its functionality is described below.

TouchNet Cashiering. (Note: These functions apply to both modules available in the Suite)

- *Secure Payment Processing:* Tender payments received inline or through the mail/dropbox in a secure manner.
- *Real Time Credit Card Authorization:* Encumber funds on cards while posting payments in one step
- *Support for PIN Debit Processing:* Reduce Merchant fees by utilizing PIN Debit (Note: Requires a license for Debit in the TouchNet Payment Gateway)
- *Support for ACH Check Conversion:* Submit check payments electronically by converting them to ACH. (Note: Requires a license for ACH in the TouchNet Payment Gateway)
- *Close and Balance Procedures:* Require cashiers to complete close and balance procedures.
- *Audit Logs:* Access audit trails of all system access.
- *Reporting Functionality:* Report on all payments received through the software across campus.

Business Office Edition: Designed to receipt receivable payments on student accounts and manually enter Departmental Deposit (Miscellaneous Revenue).

- Real Time Integration to ERP-Student System
 - For accessing and viewing Accounts
 - For posting payments on Student & Non-Student Accounts
 - For validating and posting miscellaneous revenue payments (Departmental Deposits)

Business Office Edition has a per-station software license fee. Client may only use the Business Office Edition software on the hardware devices licensed with TouchNet. Client is purchasing 18 Business Office Edition seat licenses.

² Client is purchasing admissions application fees payment point in this First Addendum only for and on behalf of the University of Tennessee at Health Science only.

**FIRST ADDENDUM TO SCHEDULE D
LICENSE FEES**

TouchNet will invoice and Client is obligated to make payments according to the following:

Equipment and Licensed Software³

TouchNet will invoice Client for all Equipment and Licensed Software upon shipment or when loaded at the TouchNet DataCenter, whichever is applicable. Client shall pay the invoice within thirty (30) days of its receipt

Professional Services

Implementation Services

TouchNet will invoice Client for all Professional Services, including Implementation Services, upon performance of services. Client shall pay the invoice within thirty (30) days of its receipt.

Hosting Services

TouchNet will invoice Client for the Hosting Services following the execution of this First Addendum. Client shall pay the invoice within thirty (30) days of its receipt. The initial annual Hosting Services Fee will be prorated to come due in concordance with invoicing for Client's existing Hosting Services anniversary date, where applicable. In order to synchronize the billing period with the period for the Client's existing Hosting Services, the invoice for the initial period of the Hosting Services pursuant to this First Addendum may include more than six (6) months but not more than eighteen (18) months for the billable period.

Annual Maintenance and Support

TouchNet will invoice Client for the first year's Annual Maintenance and Support upon execution of this First Addendum. Client shall pay the invoice within thirty (30) days of its receipt. The initial annual Maintenance and Support Fee will be prorated to come due in concordance with invoicing for Client's existing Maintenance and Support Services anniversary date. In order to synchronize the billing period with the period for the Client's existing Maintenance and Support Services, the invoice for the initial period of the Maintenance and Support Services pursuant to this First Addendum may include more than six (6) months but not more than eighteen (18) months for the billable period

Total One-Time Software License Fees:

Product	Quantity	Unit Cost	Total
TouchNet Payment Client			
UT Martin (including admissions application fees and registrar transcript request fees payment points)	1	waived	waived
UT Health Science (including admissions application fees payment point)	1	waived	waived
TouchNet Cashiering: Business Office Edition			
UT Knoxville	1	\$118,400	\$118,400
Total TouchNet Software License Fees			\$118,400

Total One-Time Equipment & Seat License Fees:

Product	Quantity	Unit Cost	Total
UT Knoxville			
Cashiering stations with readers/printers	18	\$1,495	\$26,910
Cashiering – Business Office Edition Seat Licenses	18	\$1,150	waived
Total TouchNet Equipment Fees			\$26,910

³ All pricing will expire if contract is not executed on or before December 31, 2009

Total One-Time Professional Services Fees (Implementation and Training):

Product	Quantity	Unit Cost	Total
UT Knoxville	1	\$29,600	\$29,600
UT Martin	1	\$25,913	\$25,913 ⁴
UT Health Science	1	\$5,000	\$5,000
Total TouchNet Professional Services Fees			\$60,513

Total Annual Maintenance and Support Fees:

Product	Quantity	Unit Cost	Total
UT Knoxville	1	\$23,680	\$23,680
Total TouchNet Annual Maintenance and Support Fees			\$23,680

Total Annual Hosting Services Fees:

Product	Quantity	Unit Cost	Total
UT Knoxville	1	\$21,312	\$21,312
UT Martin	1	\$26,100	\$26,100
TouchNet Annual Hosting Services Fees			\$47,412

Summary:

Product	Total
TouchNet System Fees	\$118,400
TouchNet Equipment Fees	\$26,910
TouchNet Professional Services Fees	\$60,513
TouchNet Annual Maintenance and Support Fees	\$23,680
TouchNet Annual Hosting Services Fees	\$47,412
Grand Total of the System	\$276,915

*Client is responsible for actual freight and travel charges, if applicable. In connection therewith, freight charges are subject to Client's pre-approval and reimbursement of travel costs shall be in accordance with the Client's published travel policies.

⁴ This figure includes a re-implementation fee for the TouchNet Payment Gateway Credit Card, ACH, and Debit Modules and the TouchNet Bill+Payment Student and Installments Modules in order for the software to be hosted in the TouchNet DataCenter.

**FIRST ADDENDUM TO SCHEDULE E
SOFTWARE MAINTENANCE AGREEMENT**

- I. The following is added to Section 2 of the Software Maintenance Agreement (attached as Schedule E to the Supplemental Agreement):

For the University of Tennessee at Martin:

TouchNet Payment Client (including admissions application fees and registrar transcript request fees payment points) Software Maintenance and Support

Unlimited Telephone Support. TouchNet shall provide the Client with unlimited telephone support over its technical support line during Normal Business Hours (Monday – Friday, 7-7 CST or CDT).

Software Updates. TouchNet shall provide to the Client all updates, error corrections, and enhancements (as and when generally made available to TouchNet's clients) for Licensed Software. TouchNet shall notify the Client when such Licensed Software is available and, upon the Client's request, ship the same to the Client for setup (together with setup instructions) or make available via file transfer.

For the University of Tennessee at Health Science:

TouchNet Payment Client (including admissions application fees payment point) Software Maintenance and Support

Unlimited Telephone Support. TouchNet shall provide the Client with unlimited telephone support over its technical support line during Normal Business Hours (Monday – Friday, 7-7 CST or CDT).

Software Updates. TouchNet shall provide to the Client all updates, error corrections, and enhancements (as and when generally made available to TouchNet's clients) for Licensed Software. TouchNet shall notify the Client when such Licensed Software is available and, upon the Client's request, ship the same to the Client for setup (together with setup instructions) or make available via file transfer.

For the University of Tennessee at Knoxville:

TouchNet Cashiering – Business Office Edition Software Maintenance and Support

Unlimited Telephone Support. TouchNet shall provide the Client with unlimited telephone support over its technical support line during Normal Business Hours (Monday – Friday, 7-7 CST or CDT).

Software Updates. TouchNet shall provide to the Client all updates, error corrections, and enhancements (as and when generally made available to TouchNet's clients) for Licensed Software. TouchNet shall notify the Client when such Licensed Software is available and, upon the Client's request, ship the same to the Client for setup (together with setup instructions) or make available via file transfer.

- II. The first paragraph of Section 7 (Term and Termination) of the Software Maintenance Agreement (attached as Exhibit E to the Supplemental Agreement) is deleted and replaced with the following language:

Term and Termination. The initial Term of this Software Maintenance Agreement shall commence on July 1, 2009 and it will conclude on June 30, 2010. The Software Maintenance Agreement may be renewed for up to four (4) additional one (1) year Terms on the same terms and conditions set forth herein by a written renewal notice sent to TouchNet by Client, but the renewals may not extend past June 30, 2013. Client may terminate this Software Maintenance Agreement at any time (with or without cause) by giving TouchNet sixty (60) days advance written notice. TouchNet agrees to reimburse Client for all unused services on a prorated basis effective as of the termination date.

III The following is added to Annex A of the Software Maintenance Agreement (attached as Exhibit E to the Supplemental Agreement):

TouchNet will provide the Client with the Services detailed in Section 2 of the Software Maintenance Agreement. The initial annual term of the Maintenance and Support Services will commence upon the Effective Date of this First Addendum. The fee for Standard Service is based on the total Equipment and Licensed Software list price at the rate set forth below for the designated time period. TouchNet reserves the right to increase the annual fee for maintenance by not more than ten (10%) of the fee due under this Software Maintenance Agreement on the immediately preceding year. Payment terms for Year 1 maintenance are listed in the First Addendum to Schedule D of the Supplemental Agreement. Payment of maintenance and support fees for Years 2 and after shall be made annually in advance.

Total Annual Maintenance and Support Fees:

Software Maintenance & Support	Annual Fee
UT Knoxville	\$23,680

**FIRST ADDENDUM TO SCHEDULE F
HOSTING SERVICES AGREEMENT**

I. Section 8 (Term) of Schedule F of the Hosting Services Agreement (attached as Schedule F to the Supplemental Agreement) is replaced with the following provision:

Term. The Licensed Software will be hosted by TouchNet, unless sooner terminated as permitted in Section 10 hereof, for a period of one (1) year commencing July 1, 2009 (the "Initial Hosting Term") This Hosting Agreement shall automatically renew, unless sooner terminated as permitted in Section 10 hereof, for up to four (4) additional one (1) year renewal periods thereafter ("Renewal Hosting Terms") unless either TouchNet or Client furnishes written notice of non-renewal at least sixty (60) days prior to the end of the Initial Hosting Term or the then Renewal Hosting Term, as the case may be, but the Renewal Hosting Terms shall not extend beyond June 30, 2013

II The following is added to Annex A of the Hosting Services Agreement (attached as Schedule F to the Supplemental Agreement):

TouchNet will provide the Client with the Services detailed in Section 3 of the Hosting Services Agreement. The initial annual term of the Hosting Services will commence upon the Effective Date of this First Addendum. The initial annual fee for Hosting Services is \$47,412.00. TouchNet reserves the right to increase the annual fee for Hosting Services by not more than ten (10%) percent of the fee due under the Hosting Services Agreement on the immediately preceding year. Payment terms for Year 1 fees are listed in the First Addendum to Schedule D of the Supplemental Agreement. Payment of Hosting Services fees for Years 2 and after shall be made annually in advance

Total Hosting Services Fees:

Hosting Service	Annual Fee
UT Knoxville	\$21,312
UT Martin	\$26,100

III. The following is added to Annex B of the Hosting Services Agreement (attached as Schedule F to the Supplemental Agreement):

TouchNet will host the following Licensed Software, including a Test Environment, and without data migration, in TouchNet's DataCenter:

University of Tennessee at Knoxville

- TouchNet Cashiering – Business Office Edition Module

University of Tennessee at Martin

- TouchNet Payment Gateway Credit Card Module
- TouchNet Payment Gateway ACH Module
- TouchNet Payment Gateway PIN Debit Module
- TouchNet Bill+Payment Client Module
- TouchNet Bill+Payment Account Center Module
- TouchNet Bill+Payment eSeries Module (including eRefunds, eDeposits, & eBill)
- TouchNet Bill+Payment Plan Manager Module

Attachment 1

- A. The first sentence of Section 5 of the Supplemental Agreement, **Term and Termination**, "This Supplemental Agreement commences on the Effective Date and continues until terminated as provided below" is hereby deleted and replaced with:

Term and Termination: This Supplemental Agreement commences on the Effective Date and grants the right to the University of Tennessee to obtain additional improvements and services through June 30, 2013 or unless terminated as provided below. Notwithstanding the foregoing, all licensed software procured under this agreement prior to the term expiration of this agreement and having a perpetual license terms will remain in full force and effect in perpetuity, subject to the terms and conditions of the applicable agreement between the parties. All licensed software granted for a defined term of years and procured under this agreement prior to the term expiration of this agreement will remain in full force and effect, subject to the terms and conditions of the applicable agreement between the parties and will expire in accordance with the respective terms of the license grant.

- B. The second sentence of Section 7 of Schedule E, **SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT**, "The Software Maintenance Agreement may be renewed for up to five (5) additional one (1) year terms on the same terms and conditions set forth herein by a written renewal sent to TouchNet by Client" is hereby deleted and replaced with:

The Software Maintenance Agreement may be renewed for up to four (4) additional one (1) year terms through June 30, 2013, on the same terms and conditions set forth herein by a written renewal sent to TouchNet by Client.

- C. The second sentence of Section 8 of Schedule F, **HOSTING SERVICES AGREEMENT**, "This Hosting Agreement shall automatically renew, unless sooner terminated as permitted in Section 10 hereof, for additional one (1) year renewal periods thereafter ("Renewal Hosting Terms") unless either TouchNet or Client furnishes written notice of non-renewal at least sixty (60) days prior to the end of the Initial Hosting Term or the then Renewal Hosting Term, as the case may be" is hereby deleted and replaced with:

This Hosting Agreement shall automatically renew, unless sooner terminated as permitted in Section 10 hereof, for up to four (4) additional one (1) year renewal periods, through June 30, 2013, thereafter ("Renewal Hosting Terms") unless either TouchNet or Client furnishes written notice of non-renewal at least sixty (60) days prior to the end of the Initial Hosting Term or the then Renewal Hosting Term, as the case may be.

D. Section 6.6 is added to the Supplemental Agreement.

6.6 Maximum Liability. The maximum liability of the total agreement including the Software License Agreement dated March 3, 2005 (the "Master License"), the Supplemental Agreement, effective December 29, 2008, and the First Addendum effective _____, is Two Million Three Hundred Twenty-Three Thousand Nine Hundred Fifty Nine and no cents (\$2,323,959.00).



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Sen. Bill Ketron, Chairman
Senators
Douglas Henry Reginald Tate
Doug Jackson Ken Yager
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

Rep. Charles Curtiss, Vice-Chairman
Representatives
Harry Brooks Donna Rowland
Curtis Johnson Tony Shipley
Steve McManus Curry Todd
Mary Pruitt Eddie Yokley
Craig Fitzhugh, *ex officio*
Speaker Kent Williams, *ex officio*

M E M O R A N D U M

TO: Dr. Jan Simek, Interim President
 University of Tennessee

FROM: Bill Ketron, Chairman, Fiscal Review Committee *BK*
 Charles Curtiss, Vice-Chairman, Fiscal Review Committee *CC*

DATE: September 30, 2009

SUBJECT: **Contract Comments**
 (Fiscal Review Committee Meeting 9/29/09)

RFS# N/A

Department: University of Tennessee

Contractor: TouchNet Information Systems, Inc.

Summary: The vendor is currently responsible for the provision of software designed to interface with the Banner System utilized at the UT-Martin campus. The proposed amendments allow for the acquisition of TouchNet Marketplace Suite to allow Web-based storefronts, provide funding for data migration, and purchase additional features to allow for the collection of on-line payments for admissions and transcripts. The proposed amendments increase the maximum liability by \$306,809.

Maximum liability: \$2,412,106

Maximum liability w/amendment: \$2,718,915

After review, the Fiscal Review Committee voted to postpone consideration of this contract amendment until its next meeting to receive additional information from the University of Tennessee.

cc: Ms. Mary McDonald, Director of Contracts, University of Tennessee



THE UNIVERSITY of TENNESSEE

KNOXVILLE • CHATTANOOGA • MARTIN • MEMPHIS • TULLAHOMA

Office of Information Technology

MEMORANDUM

TO: Sylvia Davis

FROM: Joel Reeves 

SUBJECT: Touchnet Agreement, December, 2008

DATE : December 30, 2008

On October 7, 2008, I took to the Fiscal Review committee a proposed agreement with Touchnet Information Systems for software to support the student information system project. The original amount (software, implementation services, maintenance and hosting for 5 years) was calculated to be \$2,617,745. Since getting approval from Fiscal Review to proceed, the respective campus representatives have decided not to go forward with the purchase of the Cashiering module. Given this change in scope, the total agreement amount is now equal to \$2,172,106.

I understand you have apprised the appropriate representatives of this change. Please let me know if you have further questions.



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Rep. Charles Curtiss, Chairman
Representatives
Curt Cobb Donna Rowland
Curtis Johnson David Shepard
Gerald McCormick Curry Todd
Mary Pruitt Eddie Yokley
Craig Fitzhugh, *ex officio*
Speaker Jimmy Naifeh, *ex officio*

Sen. Douglas Henry, Vice-Chairman
Senators
Bill Ketron Reginald Tate
Doug Jackson Jamie Woodson
Paul Stanley
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

M E M O R A N D U M

TO: Dr. John Petersen, President
University of Tennessee

FROM: Charles Curtiss, Chairman, Fiscal Review Committee
Bill Ketron, Chairman, Contract Services Subcommittee

DATE: October 9, 2008

SUBJECT: **Contract Comments**
(Contract Services Subcommittee Meeting 10/7)

*cc
BK*

RFS# N/A
Department: University of Tennessee
Contractor: TouchNet Information System, Inc.
Summary: The original contract was for the provision of software designed to interface with the Banner System utilized at the UT Martin Campus. These components allowed students to pay tuition over the internet and enabled the University to disburse refunds to students electronically. The proposed amendment will allow the University to expand the use of the program software to other universities within the UT system.
Maximum liability: \$240,000
Maximum liability w/amendment: \$2,860,535

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: Ms. Sylvia S. Davis, Vice President for Administration & Finance

**Supplemental Documentation Required for
Fiscal Review Committee**

*Contact Name:	Sylvia Davis	*Contact Phone:	865-974-2244		
*Contract Number:		*RFS Number:	N/A		
*Original Contract Begin Date:	March 1, 2005	*Current End Date:	Open		
Current Request Amendment Number: <i>(if applicable)</i>	3				
Proposed Amendment Effective Date: <i>(if applicable)</i>	December 1, 2008				
*Department Submitting:	The University of Tennessee				
*Division:	University-wide Administration				
*Date Submitted:	September 29, 2008				
*Submitted Within Sixty (60) days: <i>If not, explain:</i>	Yes N/A				
*Contract Vendor Name:	TouchNet Information Systems, Inc.				
*Current Maximum Liability:	\$240,000				
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Contract Summary Sheet)</i>					
FY: 2005	FY: 2008-13	FY:	FY:	FY	FY
\$150,000	\$ 90,000	\$	\$	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY: 2005	FY: 2006	FY: 2008	FY: 2009	FY	FY
\$112,499.78	\$19,153.50	\$20,647.69	\$20,647.64	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Contract is still in force and full expenditure of funds is anticipated by the end of the contract term		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			N/A		
*Contract Funding Source/Amount:	State:	\$240,000	Federal:		
Interdepartmental:			Other:		
If "other" please define:					

**Supplemental Documentation Required for
Fiscal Review Committee**

Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>	Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>
September 1, 2006	Added functionality
July 1, 2007	Continues software maintenance support
Method of Original Award: <i>(if applicable)</i> Non-competitive Contract	


THE UNIVERSITY of TENNESSEE
KNOXVILLE, CHATTANOOGA, MARTIN, TULLAHOMA, MEMPHIS

VICE PRESIDENT FOR STRATEGIC PLANNING AND OPERATIONS

September 29, 2008

RECEIVED

SEP 29 2008

Mr. Jim White
Executive Director
Fiscal Review Committee
320 Sixth Avenue, North – 8th Floor
Nashville, TN 37243-0057

FISCAL REVIEW

Dear Mr. White:

The University of Tennessee is submitting for the committee's review a non-competitively bid contract amendment with TouchNet Information Systems, Inc. to purchase software, implementation services, training, and off-site hosting for functionality supporting the university's student information system. The TouchNet solution, which will be implemented on all UT campuses, provides a credit card payment gateway, online fee statements, and cashiering functionality.

The non-competitively bid contract amendment presented for review expands the services currently provided on our UT Martin campus to include all UT campuses as part of our student system implementation project. By utilizing one vendor for these services we are able to receive volume discount pricing and implement solutions that reduce the overall cost of ownership.

If you have questions or need additional information, please let me know.

Respectfully,

Sylvia Shannon Davis

Sylvia Shannon Davis
Vice President for Strategic Planning & Operations

Attachment

c: John D. Petersen
David Millhorn
Chris Cimino
Anthony Haynes
Jesse Poore
Joel Reeves
Gary Rogers

CONTRACT SUMMARY SHEET

021408

RFS #	Contract #
Need to put UT's Tracking # Here	N/A
State Agency	State Agency Division
University of Tennessee	UT University-wide Administration
Contractor Name	Contractor ID # (FEIN or SSN)
TouchNet Information System, Inc.	<input type="checkbox"/> C- or <input type="checkbox"/> V- 48-1072951

Service Description

Purchase software, implementation services, training, and off-site hosting for products that add functionality to the Banner Student Information System. The TouchNet solution, which will be implemented on all UT campuses, provides a credit card payment gateway, online fee statements, and cashiering functionality.

Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
March 1, 2005	November 30, 2013		N/A

Mark Each TRUE Statement

N/A Contractor is on STARS Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
332.10	N/A	N/A	N/A	N/A	N/A
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2005	\$ 150,000.00				\$ 150,000.00
2008-13	\$ 90,000.00				\$ 240,000.00
2009-13	\$ 2,620,535.00				\$ 2,860,535.00
					\$ -
					\$ -
					\$ -
TOTAL:	\$ 2,860,535.00	\$ -	\$ -	\$ -	\$ 2,860,535.00

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Sylvia Shannon Davis, 865-974-2244
2005-2008	\$ 240,000.00		State Agency Budget Officer Approval
2009		\$ 1,206,900.00	VP for Strategic Planning & Operations
2010		\$ 304,597.00	
2011		\$ 335,057.00	
2012		\$ 368,562.00	
FY 2013		\$ 405,419.00	Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL:	\$ 240,000.00	\$ 2,620,535.00	
End Date	Open	30-Nov-13	

Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR) N/A

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	

Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)

<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government(eg.ID,GG,GU)	<input type="checkbox"/> Other

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

The TouchNet solution is currently used by the UT Martin campus and the Tennessee Board of Regents institutions. Other potential solutions were reviewed but it was determined that the TouchNet product provides functionality not available in the other products including the ability to update Banner tables instantly instead of through a batch process or use of temporary tables and the ability for students to confirm or commit to classes, functionally in demand on our campuses. An expansion of this solution to our other campuses all reduces the need to build and support custom programming thereby reducing costs and increase standardization of functionality.

**THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE AMENDMENT**

APPROVED:	
_____	_____
UT System Office Approval	Date

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) UT Tracking Number:	
2) Campus/Institute Name:	The University of Tennessee System

EXISTING CONTRACT INFORMATION

3) Short Description:	Purchase software, implementation services, training, and off-site hosting to supplement the Banner Student Information System. Specifically, the TouchNet solution provides the university with a credit card payment gateway, online statements, and cashiering functionality.	
4) Proposed Vendor:	Name:	TouchNet Information Systems, Inc.
	Vendor Number:	1038022
	Vendor ID:	48-1072951

5) Contract #	
6) Contract Start Date:	March 1, 2005
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:	N/A
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:	\$240,000

PROPOSED AMENDMENT INFORMATION

9) <u>Proposed</u> Amendment #	3
10) <u>Proposed</u> Amendment Effective Date:	December 1, 2008
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:	November 30, 2013
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:	\$2,860,535

13) Approval Criteria: (select one)	<input checked="" type="checkbox"/>	use of Non-Competitive Negotiation is in the best interest of the university
	<input type="checkbox"/>	only one uniquely qualified service provider able to provide the service

14) Description of the Proposed Amendment Effects & Any Additional Service

This amendment provides a system-wide contract for all UT campuses to use the TouchNet System, a product that provides functionality supporting the university's student information system. This amendment provides for the purchase of software, implementation services, training, and off-site hosting that includes a credit card payment gateway, online billing statements, and cashiering functions.

15) Explanation of Need for the Proposed Amendment:

The UT campuses, in conjunction with the student system implementation initiative, are working to employ solutions that standardize the use of software products and functionality to aid in reducing system cost, increase sharing of information, and provide consistent reporting data across campuses. This contract amendment provides a system-wide solution that supports the campus' needs at a reduced overall cost.

16) Name & Address of Vendor/Contractor's Current Principal Owner(s): (not required if proposed contractor is a state education institution)

TouchNet Information Systems, Inc.
15520 College Boulevard
Kenexa, KS 66219

17) Documentation of Office for Information Resources Endorsement: N/A
(required only if the subject service involves information technology)

18) Documentation of Department of Personnel Endorsement: N/A
(required only if the subject service involves training for state employees)

19) Documentation of State Architect Endorsement: N/A
(required only if the subject service involves construction or real property related services)

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

In May and June 2007, the UT campuses participated in product demonstrations from four vendors to learn more about their product's functionality. The campuses agreed that TouchNet provided the functionality that best met UT's needs along with the recognition of the benefits associated with maintaining a system that was already in use on the UT Martin campus. TBR institutions also used the TouchNet solution and it was this factor was viewed as statewide benefit.

21) Justification for the Proposed Non-Competitive Amendment :

The benefits of standardization and bulk pricing suggest using software already in place at the UT Martin campus is advantageous to the university and the state. Given the university's student system implementation is a two-year project with parts of the system going live in 12 -14 months, the ability to reduce the customizations required is a distinct advantage. TouchNet's synchronous and seamless interface with the Banner Student Accounts Receivable module makes this product the preferred solution.



Confidential Pricing Worksheet Option 1 for: University of Tennessee System

Worksheet: Software License Program (SLP)

Software (Enterprise) License	One-Time Fee ¹	Annual Fee ^{1, 2}
Software License Fees		
TouchNet Payment Gateway: Credit Card, ACH and Debit		
UT Knoxville	\$ 81,600	
UT Chattanooga	\$60,800	
UT Health Science	\$35,400	
UT Martin	\$32,600	
License Amount:	\$210,400	
UT Discount ▶	-\$52,600	
	\$157,800	
TouchNet Bill+Payment Suite: Student and Payment Plan		
UT Knoxville	\$156,200	
UT Chattanooga	111,000	
UT Health Science	65,700	
UT Martin	46,700	
License Amount:	\$379,600	
UT Discount ▶	-\$94,900	
	\$284,700	
TouchNet Cashiering: Business Office		
UT Knoxville	\$118,400	
UT Chattanooga	84,800	
UT Health Science	48,700	
UT Martin	73,200	
License Amount:	\$325,100	
UT Discount:	-\$81,275	
	\$243,825	
Cashiering Station and Equipment Fees		
Business Office Edition:		
Cashiering Station Fees	1 @ \$2,550	
Cashiering Station Readers/Printers	1 @ \$2,090	
Software Maintenance and Support		
UT Knoxville		\$71,750
UT Chattanooga		\$51,830
UT Health Science		\$30,470
UT Martin		\$31,020
Implementation and Training		
UT Knoxville	\$89,688	
UT Chattanooga	\$65,088	
UT Health Science	\$47,813	
UT Martin	\$38,300	
*Additional Training: TouchNet Conference Comtec (4)	\$2,780	
Hosting Fees		
UT Knoxville		\$35,416
UT Chattanooga		\$29,456
UT Health Science		\$26,964
Year 1: License, Implementation, Hosting and Maintenance	\$927,206	\$276,906
Year 2 Annual Cost: Hosting and Maintenance		\$304,597

Pricing Valid Through December 19, 2008

TouchNet reserves the right to increase annual fees by 10%



Confidential Pricing Worksheet Option 1 for: University of Tennessee System

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UT Health Science	48,700	
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Year 2 Annual Cost: Hosting and Maintenance		\$304,597

Pricing Valid Through December 19, 2008

TouchNet reserves the right to increase annual fees by 10%

SUPPLEMENTAL AGREEMENT

This Supplemental Agreement (the "Supplemental Agreement") is made and entered into as of the last of the dates shown in the signature block below (the "Effective Date") and is between Client and TouchNet as both entities are defined and described in the table below:

TOUCHNET	CLIENT
TouchNet Information Systems, Inc. A Kansas Corporation 15520 College Boulevard Lenexa, KS 66219 Attention: Daniel J. Toughey Telephone: (913) 599-6699 Facsimile: (913) 599-5588 E-mail: dtoughey@touchnet.com	University of Tennessee System Office, For and On Behalf of the University of Tennessee at Knoxville, Chattanooga, Health Science and Martin Address: 2309 Kingston Pike Knoxville, TN 37996-1711 Phone: (865) 974-1000 Fax: _____

TouchNet and Client entered into a Software License Agreement dated March 3, 2005 (the "Master License") under which TouchNet agreed to license certain software products to and furnish various specified services to identified Client Schools, each such Client School being within the university system under the direction and control of Client; and

WHEREAS, Client now desires either (i) to acquire from TouchNet other, different, or additional software and/or services or (ii) to furnish software and/or services (which may be the same as or different from the software and services furnished under the Master License) to institutions other than the Client Schools within the University System of Tennessee, as designated below; and

WHEREAS, TouchNet, subject to the terms, conditions, and limitations set forth herein, desires to furnish the software and/or services referenced in the Schedules attached hereto to the entities described herein.

NOW, THEREFORE, the parties hereto, in consideration of the mutual agreements herein contained and promises herein expressed and for other good consideration acknowledged by each of them to be satisfactory and adequate, do hereby agree as follows:

1. DEFINITIONS. The capitalized terms used herein, except where expressly defined elsewhere in this Supplemental Agreement, shall have the meanings assigned them in the Master License or as set forth below in the following subsections to this Section. In the event of conflict between any terms defined herein and any terms also defined in the Master License, the definitions set forth in this Supplemental Agreement shall control.

1.1 Effective Date. The term "Effective Date" means the last of the dates shown in the signature block at the end of this Supplemental Agreement.

1.2 Implementation Services. The term "Implementation Services" means the services and responsibilities of the respective parties as set forth on Schedule C hereto.

1.3 Maintenance Agreement. The term "Maintenance Agreement" means the separate Software Maintenance and Support Agreement attached hereto as Schedule E. The terms, conditions, and limitations of this Supplemental Agreement shall be applicable to any Maintenance Agreement, and in case of a conflict between the provisions of this Supplemental Agreement and any such Maintenance Agreement, the provisions hereof shall control, unless such Maintenance Agreement specifically provides that the parties intend to modify or otherwise supersede an expressly referenced provision of this Supplemental Agreement.

2. Relationship to Master License. The Master License is hereby ratified and reaffirmed. All its terms, conditions, and provisions are incorporated herein by reference as fully as though set forth herein in its entirety, except that none of the Schedules or Annexes to the said Master License shall be deemed incorporated herein. Rather, the respective Schedules and Annexes to this Supplemental Agreement shall be applicable to this Supplemental Agreement, and wherever a term set forth in the Master License depends, for its proper understanding, upon a Schedule, or Annex, the reference, for purposes of this Supplemental Agreement, shall be deemed to be the respective Schedules and Annexes to this Supplemental Agreement. To the extent of any inconsistency or conflict between the provisions of this Supplemental Agreement and the Master License, the provisions of this Supplemental Agreement shall control.

3. Grant of Rights. Subject to the terms and conditions of this Supplemental Agreement and the incorporated terms and conditions of the Master License, TouchNet grants to Client, and Client accepts, a non-exclusive, non-transferable license to use the Licensed Software (as described in Schedule A, attached hereto) for the term specified in Schedule A hereto at the Setup Site for the purpose of processing Client's own data. The herein grant of use rights with respect to the Licensed Software is expressly limited to equipment and operating systems meeting the Minimum System Requirements. The said license commences on the Effective Date and continues for the time period specified in Schedule A (attached hereto), unless sooner terminated as permitted in Sections 5.1 hereof.

4. Payment. Client shall be obligated to pay the total remuneration specified in Schedule D (attached hereto) at the time, in the amounts, and in the manner as specified in Schedule D. The obligation to pay shall be fixed as of the "Acceptance Date." For purposes hereof, the "Acceptance Date," shall have the meaning assigned it in Section 3.3 of the Master License.

5. Term and Termination. This Supplemental Agreement commences on the Effective Date and continues until terminated as provided below.

5.1 Mutual Right of Termination. A party has the right to terminate this Supplemental Agreement if the other party breaches a material provision of this Supplemental Agreement, the Master License, or any other agreement between the parties and, if a cure period is applicable, fails to cure the breach within the applicable cure period following Notice of the breach. If the event or condition giving rise to the right of termination is not cured within the applicable cure period, this Supplemental Agreement will automatically terminate at the end of the said cure period without need for further notice. If the Noticed breach is cured to the reasonable satisfaction of the non-breaching party within the applicable cure period (if any), then this Supplemental Agreement shall continue as though no breach had occurred.

5.2 Cure Periods. The applicable cure periods for breaches of the incorporated provisions of the Master License shall be as set forth in the Master License. The applicable cure period for failure to make any payment due under this Supplemental Agreement shall be ten (10) days. The applicable cure period for all other breaches of this Supplemental Agreement shall be thirty (30) days.

5.3 Bankruptcy. The termination right specified in Section 8.4 of the Master License shall also be applicable to this Supplemental Agreement.

6. General.

6.1 Assignment. Neither this Supplemental Agreement, nor any part hereof, may be assigned by either party without the express, written consent of the other party. Consent shall not be given unless the assignee agrees to assume all of assignor's responsibilities under this Supplemental Agreement. No assignment, even with the consent of the other party, shall relieve the assigning party from its obligations under this Supplemental Agreement.

6.2 Entire Agreement. This Supplemental Agreement, with the Master License and the attached Schedules and Annexes, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior expression of intent or understanding, oral or written (other than the Master License), relating to the subject matter of this Supplemental Agreement. Schedules and Annexes referenced herein by letter or number are incorporated into this Supplemental Agreement as though fully set out herein and are considered substitutes for the Schedules and Annexes attached to the Master License. The attached Schedules and Annexes include:

SCHEDULE	DESCRIPTION
Schedule A	Licensed Software, Term, and Setup Site
Schedule C	Equipment and Client Tasks for Set Up and Installation of Interface Software
Schedule D	License Fees
Schedule E	Software Maintenance and Support Agreement

	Annex A: Annual Maintenance Fees
Schedule F	Hosting Services Agreement
	Annex A: Annual Hosting Fees
	Annex B: TouchNet Software

6.3 **Counterparts.** This Supplemental Agreement may be executed in multiple counterparts, each of which being deemed to be an original agreement, but all of which, taken together, constituting but one, single agreement.

6.4 **Illegal Immigrants.** In compliance with the requirements of Chapter 878, Public Acts of 2006 (now T.C.A. Sec. 12-4-124), TouchNet Information Systems agrees that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of the Services to be provided pursuant to this Supplemental Agreement, and shall not knowingly utilize the services of any subcontractor who will knowingly utilize the services of an illegal immigrant in the performance of the Services to be provided pursuant to this Supplemental Agreement.

6.5 **Notices.** Any notice or communication required or permitted to be given hereunder may be hand-delivered or sent by registered or certified mail, return receipt requested, by facsimile transmission, or by email. Notices must be sent to a party at its address shown on the first page of this Supplemental Agreement, or to such other place as the party may subsequently designate in writing for its receipt of Notices. A Notice given in the manner prescribed in this Section shall be deemed received (i) when delivered, in the case of personal delivery; (ii) on the third business day following deposit of an item in the U.S. mail, properly addressed and postage prepaid; and (iii) on the date of transmission if sent by facsimile or email, provided a confirmation copy is either personally delivered or sent by U.S. mail in the manner otherwise permitted for a Notice hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Agreement as of the respective dates shown in the signature block below:

TOUCHNET INFORMATION SYSTEMS, INC.

By: _____

Name: Daniel J. Toughey

Title: President

Date: 12/19/2008

**UNIVERSITY OF TENNESSEE SYSTEM
OFFICE, FOR AND ON BEHALF OF THE
UNIVERSITY OF TENNESSEE AT KNOXVILLE,
CHATTANOOGA, HEALTH SCIENCE AND
MARTIN**

By: _____

Name: Charles M. Pewlo

Title: Vice President & Treasurer

Date: 12/29/08

SCHEDULE A

LICENSED SOFTWARE, TERM, AND SETUP SITE

License Term:

The license granted in the Software License Agreement to which this Schedule is attached commences on the Effective Date and continues in perpetuity.

Setup Site

The Setup Site for the Licensed Software shall be as follows:

TouchNet DataCenter

Licensed Software

The Licensed Software shall be as described below:

TouchNet Payment Gateway Suite is the main hub of the TouchNet Payment Gateway and Commerce Management System. It consists of the TouchNet Operations Center (the hub) and the TouchNet Credit Card and webCheck Licensed Software.

TouchNet Payment Gateway Credit Card Software. Payment Gateway Credit Card Software provides functionality with Client's Student Information System, including the ability to interface to other campus web applications and self-service systems for credit card processing purposes. Payment Gateway Software includes the following:

- 1 Campus Entity per Client School
For purposes of this Supplemental Agreement, the Client Schools will include the University of Tennessee at Knoxville, the University of Tennessee at Chattanooga, the University of Tennessee at Health Science and the University of Tennessee at Martin.
- 1 Production CPU / 1 Test CPU Environments
- 3 Merchant ID's
- License for use with other campus-wide self-service web applications
- Credit Card Payment Functionality for Student Information System
- Enhanced reporting by Merchant ID
- Interface to 1 Designated Credit Card Processor

Payment Gateway Licensed Software runs on Windows 2000 Server, and Sun standard hardware with Solaris 2.4 or higher operating platforms

Credit Card Processors supported include FDC Nashville/Envoy, FDC Telemoney, First Horizon, GPS Central, GPS East, NCR Canada, Elavon, Paymentech, and VisaNet/Vital. Credit card processor interfaces not listed may be available as a custom project and a development cost may apply.

Additional Campus Entity licenses and Merchant ID licenses are available for an additional License fee and Professional Services cost

TouchNet Payment Gateway ACH/webCheck Software. TouchNet Payment Gateway webCheck is for use with the Client's Student Information System web application and provides the following functionality:

- 1 Campus Entity per Client School
- 1 Production CPU / 1 Test CPU Environments
- Standard Reporting
- Automated Check Handling

With the web

- User interface that enables a user to enter bank routing information, account number, and check number; then express intention to create a webCheck.
- Local database that validates bank routing numbers entered by the user.

With TouchNet Payment Gateway

- The TouchNet Payment Gateway creates an Automated Clearing House (ACH) Debit Transfer file, which the Client is responsible for transmitting the ACH file and to their bank.

Additional fees will apply if the Client engages TouchNet to develop a custom file exchange program that transmits ACH files to their bank.

WebCheck Licensed Software runs on Windows 2000 Server, and Sun standard hardware with Solaris 2.4 or higher operating platforms.

Additional Campus Entity licenses and Merchant ID licenses are available for an additional License fee and Professional Services cost

TouchNet Student Account Center. TouchNet Student Account Center is the repository of the core services required by the TouchNet Bill+Payment Suite. The Student Account Center enables students to view their real-time account balance, make payments using credit cards or electronic checks, and register their parents or guardians as authorized users. Payments made through the Student Account Center are linked to an institution's credit card processor and bank for authorization and settlement via the TouchNet Payment Gateway. The Student Account Center posts successful payments to the appropriate student accounts in real-time and automatically sends email notifications to students via their school-assigned email addresses.

TouchNet e-Bill Solution Software. The TouchNet e-Bill Solution Software is restricted to one (1) Campus Entity per Client School, one (1) Production Environment, and one (1) Test Environment. It includes the following Licensed Software applications:

Student Application. The Student application contains the following functionality:

Bill Inbox performs the following functions.

- *Consolidated Statements.* The Bill Inbox lists the most recent statement(s) delivered to the student. For each bill listed, the Bill Inbox provides account summary information that includes the statement date, the statement due date, and the amount due.
- *Action Buttons.* For each bill listed in the Bill Inbox, End-Users may click the 'Pay' button for making a payment or the magnifying glass button to view the bill detail.

Bill Detail performs the following actions.

- *Bill Presentment.* The Bill Detail screen presents the most recent billing statement posted to the student account. The student bill includes all line item detail for the billing statement provided by the Student Information System. The bill is presented in PDF or HTML formats.
- *Current Activity* – Current Activity shows all activity posted to the student account after the billing date that can include charges and credits.
- *Bill History.* End-Users may access previous billing statements by clicking on the Bill History drop-down menu and selecting a bill. The End-User will be presented with the billing statement from that date.
- *Print.* End-Users may print the current or historical billing statement stored on the eBill database.

Bill Payment functionality includes:

- *Pay* – the ability to pay towards the account using a credit card or electronic checks.
- *Payment History* – the ability to lookup all payments posted to the student account through eBill.
- *Preferred Payment Methods* – Preferred Payment Methods are payment identities frequently used by the End-User. Within the credit card identity, account nicknames, name on the card, account number, and expiration date are identified. In a similar way, the checking account identity contains account nickname, the account number, and the routing number. Preferred Payment Methods are stored on the eBill database.

E-mail. Billing Profile shows the primary billing e-mail address for the student, as well as an optional secondary e-mail account. The secondary e-mail address is saved on the eBill database and will only be used for billing-related notifications.

Authorized Users. This profile allows the End-User to establish an access profile for a third-party user (i.e. parent, guardian, or an employer)

and within each profile; the name, e-mail address, username, and password for the third-party user are contained.

Operations Center. The Operations Center is the administrative function of the TouchNet eBill Software Solution. It allows the following functionality:

- Ability to view student account information by entering the student ID number, including login history, payment history, and current bills.
- Set general eBill settings, including timing for batch processes, e-mail server settings, and returned e-mail accounts.
- Schools can add a general message to the student body.
- View usage and payment activity through eBill.

TouchNet eRefunds. TouchNet eRefunds provides the functionality to distribute student refunds electronically directly into the student's bank account. TouchNet eRefunds includes the following:

- 1 Campus Entity per Client School
- 1 Production Environment
- 1 Test Environment

TouchNet eDeposits. TouchNet Bill+Payment Student enables students and parents to make deposit payments for items such as tuition, laptops, or housing through the web using credit card, electronic check, or PIN debit. Deposit payments update the school's deposit accounts in real-time.

- 1 Campus Entity per Client School
- 1 Production Environment
- 1 Test Environment

SCHEDULE C

EQUIPMENT AND CLIENT TASKS FOR SET UP AND INSTALLATION OF INTERFACE SOFTWARE

TouchNet Software Implementation Services

Defined Engagement and Project Management: A TouchNet implementation lead will work closely with the Client's project leaders to review and tailor standard project plans to illustrate key tasks, milestones and deliverables for the TouchNet implementation. The implementation lead will coordinate all TouchNet Software installation, configuration, training and "go-live" activities with the Client.

Timeline: Implementation timelines vary greatly based upon products purchased, key business drivers for when those products are implemented as well as resource availability both with the Client as well as TouchNet. TouchNet will work with the Client's key stakeholders and resources to adjust standard project plans to best accommodate resource availability and constraints.

System Testing: TouchNet will perform system integration testing after software is installed and configured to ensure integration with the host ERP. TouchNet's testing efforts are not considered to be exhaustive as subsequent testing should be conducted by the Client to ensure adherence with applicable Client business rules as well as gain familiarity with the new TouchNet Software.

Training: TouchNet's Professional Services team is committed to helping the Client get acquainted with its newly licensed software. To that end, TouchNet's standard product training employs a "train the trainer" approach, which leverages a mix of both on-site and remote training technologies, such as Microsoft LiveMeeting. The implementation manager will determine the Client's training needs during the initial project meeting with key stakeholders. More significant training, such as on-site support for the Client's "go-live," or training scheduled once the applications are in production, can be purchased at an additional cost.

User Acceptance Testing: It is the responsibility of the Client to ensure adequate resources and time is allocated to perform user acceptance testing of the new TouchNet Software. Many new business processes and functions are introduced as a part of the implementation of TouchNet Software and it is recommended highly that Client's take the time during user acceptance testing to validate and refine some of those new processes.

"Go-live" Support: The TouchNet implementation lead will be assisting throughout the implementation of the TouchNet Software. During the "go-live" and for a period of 2 weeks beyond, the TouchNet implementation lead will continue to support the Client remotely.

Client Duties During the Implementation

General

Human Resource Needs: Client will need to identify appropriate project related resources including, but not limited to, project lead, technical lead and key stakeholders to be leveraged for functional requirements and/or functional testing. Business Office or functional users of the new TouchNet Software are critical for requirements as well as testing purposes.

Physical Resource Needs: Client will need to reserve applicable training facilities for any on-site related activities (ie. training) once the specified timelines are agreed to. The facilities will need an overhead projector, workstations for attendees (if the desired environment) and preferably a whiteboard or similar drawing surface.

Payment Processing Needs: In preparation for the TouchNet implementation, the following items should be gathered as they will be critical to expediting the implementation:

- Verification of Credit Card Processor
- Merchant ID information
- Bank account and routing information and initial discussions with them regarding the transmission of any ACH related data

DataCenter Implementations

Technical Requirements: There are 3 items necessary to be completed by the Client's technical staff.

- Provide necessary IP information for TouchNet Software to access the applicable Student Information System and make necessary changes to firewall(s)
- Client will need to install a small connector piece of software which enables TouchNet Software to communicate with the Student Information System

On Campus Implementations

Technical Requirements: The Client's technical staff will need to play a much more significant role in the implementation to ensure adequate knowledge is transferred and a good understanding not only of the functional aspects of the TouchNet Software but the technical aspects as well.

Infrastructure Hardware/Software

- Procure appropriate servers (web, application and database layers) as recommended by TouchNet
- Installation and configuration of operating system on servers
- Installation and configuration of applicable database platform (MySQL, SQL Server or Oracle)
- Installation and configuration of web server (i.e. Tomcat)
- Ensure IP connectivity with Credit Card Processor

- Any load balancing or clustering that the Client would like to institute
- Ensuring all data and application information is encapsulated into any ongoing regular back ups

Support and Training

- Representatives from the technical areas of expertise should participate in all functional training courses
- Technical resources should ensure the Client project lead allocates time for technical training/education for support

Installation and Configuration

- Technical resources should be engaged during the installation process either by providing oversight of the TouchNet Software implementation specialist or by actually performing the installation
- Database resources should be readily available to execute table space needs, execute and write scripts and troubleshoot any issues associated with the database layer
- System Administrators should be readily available for any configuration and/or troubleshooting needs that would pertain to the Web or Application layer on the associated server cluster/farm

This is a basic list of duties to be performed by Client. A complete list may be obtained from the TouchNet implementation specialist assigned to the Client during installation.

If client must re-schedule an installation after a date has been determined, a surcharge of 50% of the total Implementation Services Fee will apply, and the project implementation will be rescheduled based upon TouchNet's availability at that time. The maximum time allowed per project is six (6) months; if delays beyond six (6) months are caused by Client additional Implementation fees may apply

Client is responsible for reasonable travel, lodging, and food expenses incurred by TouchNet during the on-site training. Expense reimbursement will conform to Client's travel policy (the "Travel Policy") in effect at the time the expenses are incurred. Client's Travel Policy may be found at www.tennessee.edu/policy

The Licensed Software, in some cases, will require the Client to assist TouchNet in accessing files on the Client's Student Information System to accomplish the interface between Licensed Software and other software on Client's Student Information System and to permit certain functionality to be tested. Also, it is the Client's responsibility to assist TouchNet and/or its subcontractors in setting up links between the Licensed Software and Client's Student Information System. Such responsibility includes, but is not limited to, granting remote or other access thereto, granting of administrative (or similar) rights and privileges, and assisting TouchNet (or its subcontractors) in understanding the configuration and environment of Client's Student Information System.

SCHEDULE D

LICENSE FEES*

TouchNet will invoice and Client is obligated to make payments according to the following:

Equipment and Licensed Software

TouchNet will invoice Client for all Equipment and for twenty-five percent (25%) of the Licensed Software Fees upon execution of this Supplemental Agreement. Thirty-five percent (35%) of the Licensed Software Fees will be due March 1, 2009. The remaining forty percent (40%) of the Licensed Software Fees will be due July 1, 2009. Client shall pay all invoices within thirty (30) days of receipt.

Professional Services

TouchNet will invoice Client for all Professional Services, including Implementation Services, upon performance of services. Client shall pay invoice within thirty (30) days of receipt.

Hosting Services

TouchNet shall invoice Client for all Hosting Services at least thirty (30) days in advance of the payment due date, which due date shall be July 1, 2009. Hosting Services will commence in July 2009 as reflected in Schedule F.

Annual Maintenance and Support

TouchNet will invoice Client for the first year's Annual Maintenance and Support at least thirty (30) days in advance of the payment due date, which due date shall be July 1, 2009. Client shall pay the invoice within thirty (30) days of receipt.

*All pricing will expire if contract is not executed on or before December 19, 2008.

Total One-Time Software License Fees:

Product	Quantity	Unit Cost	Total
TouchNet Payment Gateway: Credit Card, ACH and Debit			
UT Knoxville	1	\$91,600	\$91,600
UT Chattanooga	1	\$68,800	\$68,800
UT Health Science	1	\$35,400	\$35,400
UT Martin (Debit only)	1	\$38,600	\$38,600
UT Discount			(\$55,560)
TouchNet Bill+Payment Suite: Student and Installments			
UT Knoxville	1	\$162,200	\$162,200
UT Chattanooga	1	\$117,500	\$117,500
UT Health Science	1	\$69,700	\$69,700
UT Martin	1	\$56,700	\$56,700
UT Discount			(\$83,440)
Total TouchNet Software License Fees			\$501,500

100%
35% 9/14/09
25% Pd 1/23/09
Pd 6/26/09

Total One-Time Professional Services Fees (Implementation and Training)

Product	Quantity	Unit Cost	Total
UT Knoxville	1	\$59,450	\$59,450
UT Chattanooga	1	\$42,950	\$42,950
UT Health Science	1	\$25,275	\$25,275
UT Martin	1	\$19,825	\$19,825
Additional training: TouchNet Conference Comtec**	4	\$695	\$2,780
Total TouchNet Professional Services Fees			\$150,280

125,275
175,525
200,600 - 40% Pd 6/26/09

Total Annual Maintenance and Support Fees:

Product	Quantity	Unit Cost	Total
UT Knoxville	1	\$43,146	\$43,146
UT Chattanooga	1	\$31,671	\$31,671
UT Health Science	1	\$17,867	\$17,867
UT Martin	1	\$16,201	\$16,201
Total TouchNet Annual Maintenance and Support Fees			\$108,885

Pd 6/24/09 - 7/1/09 - 6/20/10

**Four additional tickets for Comtec will be provided at no charge. 4 free - 4 Pd

4 total Pd 1/23/09

Total Annual Hosting Services Fees:

Product	Quantity	Unit Cost	Total
UT Knoxville	1	\$42,804	\$42,804
UT Chattanooga	1	\$30,924	\$30,924
UT Health Science	1	\$18,198	\$18,198
TouchNet Annual Hosting Services Fees			\$91,926

PA
PA
PA 4/26/09
for 7/1/09 - 6/30/10

Summary:

Product	Total
TouchNet System Fees	\$501,500
TouchNet Professional Services Fees	\$150,280
TouchNet Annual Maintenance and Support Fees	\$108,885
TouchNet Annual Hosting Services Fees	\$91,926
Grand Total of the System	\$852,591

*Client is responsible for actual freight and travel charges, if applicable. In connection therewith, freight charges are subject to Client's pre-approval and reimbursement of travel costs shall be in accordance with the Client's published travel policies.

SCHEDULE E

SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT

This Software Maintenance and Support Agreement (the "Software Maintenance Agreement"), effective as of the last of the dates shown in the signature block hereto (the "Effective Date") is made between TouchNet and Client, as those terms are defined in the Software License Agreement effective as of March 3, 2005 (the "Master License").

TouchNet desires to render Maintenance and Support services to Client for the Licensed Software, subject to the terms of this Software Maintenance Agreement, and Client desires to receive such services and to pay TouchNet therefor, in accordance with the terms of this Software Maintenance Agreement.

NOW, THEREFORE, Client and TouchNet, intending legally to be bound, agree as follows with respect to software maintenance and support issues:

1. **Definitions.** Capitalized terms used in this Software Maintenance Agreement shall have the meanings as set forth in the Master License, except where such terms are otherwise defined in the Supplemental Agreement, above, or in the following subsections to this Section 1.
 - 1.1. **Software Updates.** The term "Software Updates" means that TouchNet shall provide to Client all updates, error corrections, and enhancements generally made available to TouchNet's clients for the Licensed Software. TouchNet shall notify Client when such updates, error corrections, and enhancements are available and, upon Client's request, either (i) ship the same to Client for setup (together with setup instructions) or (ii) make the said updates, error corrections, and enhancements available via file transfer.
 - 1.2. **Unlimited Telephone Support.** The term "Unlimited Telephone Support" means that TouchNet shall provide Client, with respect to the Licensed Software, unlimited telephone support over its technical support line during normal business hours (Monday – Friday, 7-5 Central Time).
 - 1.3. **Date of Service.** The term "Date of Service" means that the initial term of Maintenance and Support Services will commence on July 1, 2009 and continue through June 30, 2010. Thereafter, the Maintenance and Support Services will continue as reflected in Section 7 below.
2. **Standard Software Service.** In consideration for the maintenance fees as described in Annex A hereto, TouchNet shall provide, with respect to the Licensed Software, Unlimited Telephone Support and Software Updates. In all cases in which the specified support, maintenance, or other service by TouchNet requires participation or performance by Client, if Client fails (i) promptly and effectively to perform its obligations or (ii) fails to bring its hardware, software, and operating system up to a level that meets the Minimum System

Requirements (as amended from time-to-time by TouchNet) applicable to the subject version of the Licensed Software, then TouchNet shall be relieved of its responsibility for rendering the indicated maintenance, support, or other service.

3. **Intentionally Omitted.**
4. **Exclusions.** The maintenance and other services to be provided by TouchNet under this Software Maintenance Agreement shall exclude the following:
 - 4.1. **External Causes.** Maintenance and Support under this Software Maintenance Agreement shall not include malfunctions or performance problems resulting: (i) from external causes such as vandalism, civil disturbance, fire, flood, storm, or other exposure to the elements or temperature extremes; (ii) from tampering, abuse, power fluctuations, phone line problems, or misuse; (iii) from unauthorized installation, reinstallation, or repair; or (iv) from problems or errors resulting from unauthorized modification of the Licensed Software or Equipment or from malfunctions of or incompatibility of software not approved by TouchNet for use with the Licensed Software furnished by TouchNet.
 - 4.2. **Cost of Excluded Service.** Any error, corrections, repairs, or replacements required to make the Licensed Software function properly because of Client modifications to the System or other events or occurrences excluded from or otherwise not covered by this Software Maintenance Agreement, shall be provided at TouchNet's then current hourly rate for repair and other technical service and TouchNet's then standard price for replacement products. TouchNet currently charges a labor rate of One Hundred Forty-Eight dollars (\$148.00) per hour for repair and technical services. TouchNet reserves the right to increase the said rate at any time upon the giving of sixty (60) days advance notice to Client. Such notice may be furnished by posting the same on TouchNet's Website.
5. **Payment.** For the service provided by TouchNet under this Software Maintenance Agreement, Client will pay TouchNet a fee as described in Annex A for covered Support services and fees as set forth in Section 4.2 above for other Support services.
6. **Taxes.** Client is a tax-exempt entity. Notwithstanding the foregoing, however, if it is determined that Client is legally liable for taxes in connection with the Services obtained by Client pursuant to this Software Maintenance Agreement, taxes, other than taxes based on TouchNet's net income or capital stock, imposed by any taxing authority and based upon or in any way relating to this Software Maintenance Agreement, the Services provided or payments made under this Software Maintenance Agreement, will be the responsibility of Client and will be payable in addition to other fees and charges under this Software Maintenance Agreement. Client may provide TouchNet, in lieu of paying any such tax required to be paid by Client, with a certificate of exemption issued as

provided by Tennessee law; and Client may, if permitted by law, contest any such tax required to be paid by it under this Software Maintenance Agreement, provided that Client has made prior arrangements reasonably satisfactory to TouchNet so that TouchNet will suffer no damage or injury as a result of such contest. Client, upon request by TouchNet, will provide TouchNet with proof of payment, or exemption from payment, of any tax that Client would otherwise be required to pay under or in connection with this Software Maintenance Agreement.

7. **Term and Termination.** The initial term of this Software Maintenance Agreement shall commence on July 1, 2009 and it will conclude on June 30, 2010. The Software Maintenance Agreement may be renewed for up to five (5) additional one (1) year terms on the same terms and conditions set forth herein by a written renewal notice sent to TouchNet by Client. Client may terminate this Software Maintenance Agreement at any time (with or without cause) by giving TouchNet sixty (60) days advance written notice. TouchNet agrees to reimburse Client for all unused services on a prorated basis effective as of the termination date.

7.1. **No Payment.** By TouchNet, upon the giving of ten (10) days advance written notice, if Client has failed to make any payment on the due date therefor, as specified herein;

7.2. **Breach Of Agreement.** By either party, if the other party has substantially breached a material provision of this Software Maintenance Agreement (other than a promise to pay money, breach of which being covered by Section 6.1 of Schedule E of the Master License) and has failed to cure the breach to the satisfaction of the other party, as specified in the notice of breach, within thirty (30) days of the giving of the said notice; and

7.3. **Termination of License Agreement.** By TouchNet, immediately (with or without notice), if the Master License is terminated for any reason.

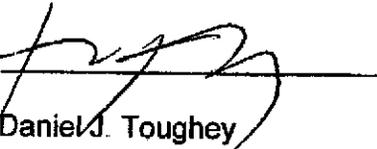
8. **License Agreement.** All relevant provisions of the Master License and Supplemental Agreement are incorporated into this Software Maintenance Agreement as though fully set forth herein. In the event of any conflict between the terms of the Master License, Supplemental Agreement and the provisions hereof, the Master License shall control, (except to the extent it has been amended by the Supplemental Agreement), unless specific reference is made to the section in the Master License and Supplemental Agreement to be overruled and the parties expressly state that the provision cited is to be overruled.

9. **Attachments.** All Annexes or Schedules referenced herein are incorporated into this Software Maintenance Agreement as though fully set forth herein.

IN WITNESS WHEREOF, the parties have executed this Software Maintenance Agreement as of the respective dates set forth in the signature block below.

TOUCHNET INFORMATION SYSTEMS, INC.

UNIVERSITY OF TENNESSEE SYSTEM OFFICE,
FOR AND ON BEHALF OF UNIVERSITY OF
TENNESSEE AT KNOXVILLE, CHATTANOOGA,
HEALTH SCIENCE, AND MARTIN

Signature: 
By: Daniel J. Toughey
Title: President
Date: 12/19/2008

By: 
Name: Charles M. Peculo
Title: Vice President & Treasurer
Date: 12/29/08

ANNEX A

ANNUAL MAINTENANCE FEES

The annual fees, payable in advance, for Maintenance and Support services, as described in the Software Maintenance and Support Agreement to which this Annex is attached, are as shown below. TouchNet reserves the right to increase the fees shown below for maintenance and support by not more than ten (10%) per year over the applicable amount for the immediately preceding year.

TouchNet will invoice Client for the first year's Annual Maintenance and Support at least thirty (30) days in advance of the payment due date, which due date shall be July 1, 2009. Client shall pay the invoice within thirty (30) days of receipt. For each subsequent year, the annual fee, adjusted by TouchNet as permitted herein, shall be payable at least thirty (30) days in advance of July 1st.

Software Maintenance and Support	Annual Fee
UT Knoxville	\$43,146
UT Chattanooga	\$31,671
UT Health Science	\$17,867
UT Martin	\$16,201

SCHEDULE F

HOSTING SERVICES AGREEMENT

This Hosting Services Agreement (the "Hosting Agreement"), effective as of the last of the dates shown in the signature block hereto (the "Effective Date") is made between TouchNet Information Systems, Inc. ("TouchNet") and University of Tennessee System Office, for and on behalf of the University of Tennessee at Knoxville, Chattanooga, Health Science and Martin ("Client"), as those terms are defined in the Supplemental Agreement ("Supplemental Agreement"), effective as of _____, and the Software License Agreement effective as of March 3, 2005 (the "Master License").

Pursuant to the terms of the Master License and Supplemental Agreement, Client has agreed to license from TouchNet the Licensed Software described therein. Rather than have the Licensed Software reside upon equipment owned or controlled by Client, the parties have elected to have the Licensed Software hosted on TouchNet equipment.

Client and TouchNet desire to set out the terms and conditions governing the said hosting of the Licensed Software by TouchNet on behalf of Client. The parties understand and agree that the Hosting Agreement is the controlling document which governs the relationship between the parties regarding the Hosting Services and the rights and obligations of the parties arising by virtue of the Hosting Agreement.

NOW, THEREFORE, the parties, intending legally to be bound, agree as follows:

1. **Definitions.** Capitalized terms used herein shall have the meanings assigned them in the Master License, as amended by the Supplemental Agreement, except where specifically defined above or elsewhere in this Hosting Agreement.
 - 1.1. **Date of Service.** The term "Date of Service" means that the initial term of Hosting Services will commence on July 1, 2009 and continue through June 30, 2010. Thereafter, the Hosting Services will continue as reflected in Section 8 below.
2. **Access.** Subject to the terms and conditions of this Hosting Agreement, TouchNet grants to Client, and Client accepts, a non-exclusive, non-transferable right to access the TouchNet Software on TouchNet's servers at the TouchNet DataCenter. Upon payment of the first annual Hosting Services Fee, as prescribed in Section 11, TouchNet shall furnish to Client access information, including appropriate IP addresses, log-on procedures, and user identification and password(s), provided that Client has taken all implementation steps as prescribed by TouchNet.
3. **Hosting Service.** TouchNet will manage the Client's Licensed Software through TouchNet's DataCenter. TouchNet, in connection with the hosting of the Licensed Software for Client, shall make available to Client all Licensed Software patches, version releases, and upgrades for Licensed Software both from

TouchNet and from Third Party Licensors, provided that Client has a current Software Maintenance and Support Agreement in effect with TouchNet. Access to all such patches, version releases, and upgrades is expressly conditioned upon the presence of such a valid Software Maintenance and Support Agreement between the parties.

4. **TouchNet Hosted Test Environment.** TouchNet will provide a test environment that will be configured the same as, or similar to, the Client's production environment hosted in TouchNet's DataCenter. The test environment will also be hosted in TouchNet's DataCenter, beginning approximately 2 weeks after the Client's production system is available for use, or 2 weeks after this Hosting Agreement has been executed, whichever occurs later. The test environment will receive a lower service level than the production environment. The test environment will not receive monitoring or critical system or services, nor will it receive 24 hour notification or support.
5. **Availability Guarantee and Credit Allowance.** TouchNet's objective is to make the Licensed Software available pursuant to this Hosting Service twenty-four hours a day, seven days a week, except for scheduled maintenance. In addition, TouchNet guarantees that Client will be able to access the Licensed Software via the Hosting Service ninety-nine percent (99%) of the time (excluding scheduled maintenance) in any given month ("Availability Guarantee"). In the event that Client's access to the Licensed Software via the Hosting Services becomes unavailable, Client shall immediately furnish notice of such unavailability to TouchNet. Unless Client's access to the Licensed Software via the Hosting Service is rendered unavailable for reasons beyond TouchNet's control, such as Catastrophic Events, if Client has furnished TouchNet with the prescribed notice and Client's access to the Licensed Software via the Hosting Services, during any month, falls below the Availability Guarantee, then TouchNet will, upon Client's request, grant to Client a credit in an amount equal to twenty percent (20%) of the Hosting Fees for the month in which Client's access fell below the Availability Guarantee. Scheduled maintenance shall not be counted in the calculation of any Credit. All Credits (based upon the Availability Guarantee) shall be calculated based on the total hours in a particular month, and all months shall be deemed to be comprised of thirty (30) days. For purposes of calculating Credits, any period of unavailability shall be counted from the time such unavailability is reported to TouchNet until such time that access is restored. TouchNet, to the extent possible, will give Client at least twenty-four (24) hours advance notice of down-time for scheduled maintenance. Except as stated in this Section 5 and Section 122, Catastrophic Events, TouchNet makes no representations or warranties with respect to up-time, availability, or the like.
6. **Scheduled Maintenance.** Client acknowledges and agrees that TouchNet will, from time to time, need to perform routine maintenance or repair, and that during such periods of maintenance or repair, the TouchNet Software may not be available for Client's use. TouchNet's objective is to minimize the duration of any such unavailability and will endeavor to perform routine maintenance outside of

Normal Business Hours TouchNet, to the extent possible, will give Client at least twenty-four (24) hours advance notice of down-time for scheduled maintenance.

7. **Backup and Retrieval.** TouchNet will perform incremental backups daily and full backups weekly. If a recovery is necessary to restore access, TouchNet will commence the recovery process within four (4) hours of request and will furnish such recovery services at no charge. In all other cases, TouchNet will commence the recovery process within forty-eight (48) hours of request and will invoice Client for all recovery services at TouchNet's then standard hourly rate for technical support. Full data tapes, magnetic discs and/or other optical media will be stored off-site in a secured vault. Off site storage of back up media shall take place at least weekly.
8. **Term.** The Licensed Software will be hosted by TouchNet, unless sooner terminated as permitted in Section 10 hereof, for a period of one (1) year commencing July 1, 2009 (the "Initial Hosting Term"). This Hosting Agreement shall automatically renew, unless sooner terminated as permitted in Section 10 hereof, for additional one (1) year renewal periods thereafter ("Renewal Hosting Terms") unless either TouchNet or Client furnishes written notice of non-renewal at least sixty (60) days prior to the end of the Initial Hosting Term or the then Renewal Hosting Term, as the case may be.
9. **Post Termination.** At the end of the Initial Hosting Term or any Renewal Hosting Term, if there is no renewal, Client, may (a) have TouchNet send the Licensed Software and transaction data electronically to the Client to be loaded in the Client's facility, (b) purchase Equipment from TouchNet to load the Licensed Software on and then have the Equipment delivered to Client to be hosted by Client Administrator, or (c) repurchase the TouchNet Hosting Services.
10. **Termination of Hosting Service.** This Hosting Agreement may be terminated:
 - 10.1. By TouchNet if Client fails to pay any amount due and payable to TouchNet hereunder and the failure continues for a period of ten (10) days following notice by TouchNet to Client of the failure. In case of termination under this Subsection 10.1 (and assuming the Master License and Supplemental Agreement are not also terminated), Client shall have available to it only the option set forth in Section 9 above.
 - 10.2. By TouchNet or Client if the other party materially breaches a provision in this Hosting Agreement and such breach is not cured to the satisfaction of the nonbreaching party within a period of thirty (30) days following the giving of written notice of the breach by the other party. Client shall have available to it the option in Section 9 above, assuming the Master License and Supplemental Agreement are not terminated.
 - 10.3. By TouchNet immediately, with or without notice, if the Master License or Supplemental Agreement is terminated. If the Master License or Supplemental Agreement is terminated, the option in Section 9 shall be available to Client.

- 10.4. By Client, after providing sixty (60) days advance written notice to TouchNet, if Client is not completely satisfied with the Hosting Service for any reason. In case of a termination under this Subsection 10.4, Client shall have available to it the option in Section 9.
11. **Hosting Service Fees.** The applicable fee for hosting services furnished hereunder are set forth on Annex A (attached hereto). The fee for the Initial Hosting Term is due and payable on July 1, 2009 and is based on the total amount of resource utilization and the list price for the Licensed Software. For Renewal Hosting Terms, the applicable fee for hosting service, less any Credits due Client from the immediately preceding term, shall be due annually at least thirty (30) days in advance of July 1st (the commencement of the Renewal Hosting Term).
12. **Catastrophic Events.** Disruptions in the interconnection with TouchNet servers resulting from "Catastrophic Events" such as power outages, wide-ranging failures in the Internet (or its successor global communications network), or in telecommunications services, and similar calamities, are outside TouchNet's control and are not TouchNet's responsibility.
13. **Taxes.** Client is a tax-exempt entity. Notwithstanding the foregoing, however, if it is determined that Client is legally liable for taxes in connection with the Services obtained by Client pursuant to this Hosting Agreement, taxes, other than taxes based on TouchNet's net income or capital stock, imposed by any taxing authority and based upon or in any way relating to this Hosting Agreement, the Services provided or payments made under this Hosting Agreement, will be the responsibility of Client and will be payable in addition to other fees and charges under this Hosting Agreement. Client may provide TouchNet, in lieu of paying any such tax required to be paid by Client, with a certificate of exemption issued as provided by Tennessee law; and Client may, if permitted by law, contest any such tax required to be paid by it under this Hosting Agreement, provided that Client has made prior arrangements reasonably satisfactory to TouchNet so that TouchNet will suffer no damage or injury as a result of such contest. Client, upon request by TouchNet, will provide TouchNet with proof of payment, or exemption from payment, of any tax that Client would otherwise be required to pay under or in connection with this Hosting Agreement.
14. **Indemnification Obligation.** TouchNet shall indemnify and hold harmless Client from and against any and all losses, expenses, damages, liabilities and obligations, including, without limitation, reasonable court costs and attorneys' fees (collectively, "Losses") suffered or incurred by Client to third parties if and only to the extent that (i) such Losses are directly caused by TouchNet's negligence or intentional misconduct, or by TouchNet's material breach of its representations, warranties or covenants in this Hosting Agreement, and (ii) such Losses arise out of injury or death to persons, or infringement upon or violation of any patent, copyright, trade secret, or similar proprietary right of any third party, or any theft or misappropriation of personal confidential data with respect to

Client's customers (other than by Client's owners, agents, employees or others under Client's direction or control).

- 14.1. If at any time a third party makes a claim against Client ("Claim") which could result in liability to TouchNet under this Hosting Agreement, Client promptly (but in no event later than thirty (30) days from the date of such Claim) shall notify TouchNet thereof, stating the basis for the Claim and the amount thereof, if known, and permit TouchNet to assume the defense of the Claim. If TouchNet fails to notify Client of its election to defend the Claim within thirty (30) days after receiving notice of the Claim from Client, TouchNet shall be deemed to have waived its right to defend such Claim.
- 14.2. If TouchNet assumes the defense of a Claim, Client, at its expense, may participate in the defense, but TouchNet shall have the right to direct and control the defense of the Claim, and Client shall cooperate with TouchNet and make available to TouchNet all of Client's books and records reasonably necessary and useful in connection with the defense. Without Client's prior written consent, TouchNet shall not consent to the entry of a judgment or award, or enter into a settlement, which does not include a release of Client of all liability with respect to the Claim. If TouchNet chooses to defend the Claim, Client shall not admit any liability with respect to, or settle, compromise or discharge the Claim, without TouchNet's prior written consent (which shall not be unreasonably withheld, conditioned or delayed). If TouchNet elects not to defend the Claim, Client may defend against the Claim in such manner as it reasonably deems appropriate.
- 14.3. In the event of an infringement claim, TouchNet will procure for Client the right to continue using the infringing TouchNet Software; or to replace or modify the TouchNet Software so as to cure the infringement without materially adversely affecting Client's use of the TouchNet Software; or, if TouchNet determines that the foregoing steps are impractical, to terminate this Hosting Agreement and refund a pro-rata portion of the fees paid by Client.
- 14.4. If (i) Client uses the TouchNet Software as part of an invention of Client (where such invention includes materials and/or methods not supplied or approved by TouchNet) or (ii) Client uses the TouchNet Software as a part of a new configuration (where such configuration includes material and/or methods not supplied or approved by TouchNet) and either of such Client uses of the TouchNet Software results in a claim of patent, copyright, trade secret, or other proprietary right claim by a third party, then Client shall be exclusively responsible therefor.
- 14.5 This Section 14 shall constitute Client's sole and exclusive remedy with respect to any Claims.

15. Assignment. Neither this Hosting Agreement, nor any part hereof, may be assigned by either party without the express, written consent of the other party.

Consent shall not be given unless the assignee agrees to assume all of assignor's responsibilities under this Hosting Agreement. No assignment, even with the consent of the other party, shall relieve the assigning party from its obligations under this Hosting Agreement.

16. **Security Standards Compliance.** TouchNet agrees to maintain compliance with the Payment Card Industry Data Security Standard (PCI).

17. **Privacy Laws.** The term "Privacy Laws" means the Gramm-Leach-Bliley Act ("GLBA"); the Children's Online Privacy Protection Act ("COPPA"); the Health Insurance Portability and Accountability Act ("HIPAA"); and the Family Educational Rights and Privacy Act ("FERPA") of 1974 (20 U.S.C. 1232g), as amended, together with regulations promulgated thereunder. The parties understand that Client is subject to FERPA and related regulations of the U.S. Department of Education (34 C.F.R. Part 99) regarding access to and privacy of certain student records. Subject to TouchNet's duties pursuant to PCI or other applicable Privacy Laws, TouchNet will maintain the confidentiality of student records protected by FERPA to the same extent as Client.

18. **Illegal Immigrants.** In compliance with the requirements of Chapter 878, Public Acts of 2006 (now T.C.A. Sec. 12-4-124), TouchNet Information Systems agrees that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of the Services to be provided pursuant to this Hosting Agreement, and shall not knowingly utilize the services of any subcontractor who will knowingly utilize the services of an illegal immigrant in the performance of the Services to be provided pursuant to this Hosting Agreement.

19. **Notices.** Any notice or communication required or permitted to be given hereunder may be hand-delivered or sent by registered or certified mail, return receipt requested, by facsimile transmission, or by email. Notices must be sent to a party at its address shown on the first page of the Supplemental Agreement, or to such other place as the party may subsequently designate in writing for its receipt of Notices. A Notice given in the manner prescribed in this Section shall be deemed received (i) when delivered, in the case of personal delivery; (ii) on the third business day following deposit of an item in the U.S. mail, properly addressed and postage prepaid; and (iii) on the date of transmission if sent by facsimile or email, provided a confirmation copy is either personally delivered or sent by U.S. mail in the manner otherwise permitted for a Notice hereunder.

IN WITNESS WHEREOF, the parties have executed this Hosting Agreement as of the respective dates shown below.

TOUCHNET INFORMATION SYSTEMS, INC.

Signature

By: Daniel J. Toughney

Title: President

Date: December 19, 2008

**UNIVERSITY OF TENNESSEE SYSTEM
OFFICE, FOR AND ON BEHALF OF THE
UNIVERSITY OF TENNESSEE AT
KNOXVILLE, CHATTANOOGA, HEALTH
SCIENCE AND MARTIN**

Signature:

By: Charles M. Piccolo

Title: Vice President & Treasurer

Date: 12/29/08

ANNEX A

Annual Hosting Fees

The Hosting Agreement is effective as of the Effective Date, which is defined in the Hosting Agreement, attached hereto. The Hosting Services commence on July 1, 2009 and continue for a period of one (1) year. Thereafter, the Hosting Agreement shall continue indefinitely, but shall be terminable upon each annual anniversary by either party upon the giving of sixty (60) days notice.

FEES

The annual Hosting Services Fee*, payable in advance, is as shown and prescribed below. TouchNet reserves the right to increase the fees shown below by not more than ten (10%) per year over the applicable amount for the immediately preceding year. TouchNet shall invoice Client for all Hosting Services at least thirty (30) days in advance of the payment due date, which due date shall be July 1, 2009. Client shall pay the invoice within thirty (30) days of receipt. Hosting Services shall begin in July 2009. For each subsequent year, the annual Hosting Services Fee, adjusted by TouchNet as permitted herein, shall be payable at least thirty (30) days in advance of July 1st. TouchNet may increase the annual Hosting Services Fees by giving Client notice thereof at least sixty (60) days in advance of July 1st annually.

Hosting Fees	Annual Fee
UT Knoxville	\$42,804
UT Chattanooga	\$30,924
UT Health Science	\$18,198

*Hosting Services Fees are in addition to maintenance fees for the respective applications.

ANNEX B

TouchNet Software

TouchNet will host the following Client licensed TouchNet Software, including a Test Environment, and without data migration, in TouchNet's DataCenter:

University of Tennessee – Knoxville

- **TouchNet Payment Gateway Credit Card Module**
- **TouchNet Payment Gateway ACH Module**
- **TouchNet Payment Gateway PIN Debit Module**
- **TouchNet Payment Gateway Bill+Payment Student Module**
- **TouchNet Payment Gateway Bill+Payment Installments Module**

University of Tennessee - Chattanooga

- **TouchNet Payment Gateway Credit Card Module**
- **TouchNet Payment Gateway ACH Module**
- **TouchNet Payment Gateway PIN Debit Module**
- **TouchNet Payment Gateway Bill+Payment Student Module**
- **TouchNet Payment Gateway Bill+Payment Instalments Module**

University of Tennessee – Health Science

- **TouchNet Payment Gateway Credit Card Module**
- **TouchNet Payment Gateway ACH Module**
- **TouchNet Payment Gateway PIN Debit Module**
- **TouchNet Payment Gateway Bill+Payment Student Module**
- **TouchNet Payment Gateway Bill+Payment Installments Module**

**THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE AMENDMENT**

APPROVED:	
_____	_____
UT System Office Approval	Date

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) UT Tracking Number:	101156
2) Campus/Institute Name:	UTMartin Information Technology Services

EXISTING CONTRACT INFORMATION

3) Short Description:	Amendment to increase liability on WebCheck, eBill, Student Disbursements, Gateway maintenance	
4) Proposed Vendor:	Name:	Touchnet Information Systems
	Vendor Number:	1038022
	Vendor ID:	48-1072951
5) Contract #	90675	
6) Contract Start Date:		2-24-05
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:		open
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:		\$150,000.00

PROPOSED AMENDMENT INFORMATION

9) <u>Proposed</u> Amendment #	90675
10) <u>Proposed</u> Amendment Effective Date:	7-1-07
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised:	open
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised:	\$240,000.00

13) Approval Criteria: (select one)	<input type="checkbox"/>	use of Non-Competitive Negotiation is in the best interest of the university
	<input checked="" type="checkbox"/>	only one uniquely qualified service provider able to provide the service

14) Description of the Proposed Amendment Effects & Any Additional Service

Continued maintenance on existing software.
15) Explanation of Need for the Proposed Amendment:
Increase liability to pay maintenance on software
16) Name & Address of Vendor/Contractor's Current Principal Owner(s): (not required if proposed contractor is a state education institution)
Touchnet, 15520 College Blvd., Lenexa, KS 66219
17) Documentation of Office for Information Resources Endorsement: N/A (required <u>only</u> if the subject service involves information technology)
18) Documentation of Department of Personnel Endorsement: N/A (required <u>only</u> if the subject service involves training for state employees)
19) Documentation of State Architect Endorsement: N/A (required <u>only</u> if the subject service involves construction or real property related services)
20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :
This is maintenance on software that has been running several years.
21) Justification for the Proposed Non-Competitive Amendment :
Maintenance on existing software.

CONTRACT AMENDMENT

This amendment #2 is to the contract between the University of Tennessee (hereinafter University) and Touchnet Information Systems (hereinafter Contractor), which Contract was signed by the University on February 24, 2005.

This Contract amendment consists of this cover page.

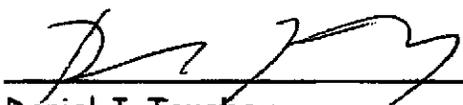
By mutual agreement, the University and the Contractor agree to the following amendment:

1. Increase maximum liability to \$240,000.00.
2. To add the following: In compliance with the requirements of Chapter 878, Public Acts of 2006, the Contractor hereby attests that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

All other terms remain unchanged.

In witness of their acceptance of the terms of this agreement, the parties have had this Contract executed by their duly authorized representatives.

FOR CONTRACTOR:



Daniel J. Toughey
President
Title

TouchNet Information Systems, Inc.
15520 College Blvd.
Lenexa, KS 66219

(913) 599-6699

Telephone Number

48-1072951

SSN or Fed. Id. No.

FOR UNIVERSITY:

INFORMATION TECHNOLOGY SERVICES

E052210 Department Name
Responsible Account
(If applicable)

Administrative Signature
(Optional)


Authorized Official

DEC 13 2007

Date

TOUCHNET API CLIENT AGREEMENT

This TouchNet API Client Agreement ("Agreement") is effective as of the last of the dates shown in the signature block hereto (the "Effective Date") and is between TouchNet and Client, as identified in the signature block below, and is an Addendum to License Agreement (the "License Agreement"), granting to Client the right to use the TouchNet Payment Gateway (the "TPG"). TouchNet, however, has also developed various applications programming interfaces ("API's") permitting other software applications to connect to and interface with the TPG and has developed certain Specifications to permit TouchNet clients (and certain others) to create interfacing applications.

Client now desires to use the said API's and the Specifications, and TouchNet desires to grant a use right to Client therefor, subject to the limitations and provisions hereof.

NOW, THEREFORE, the parties, intending legally to be bound, agree as follows:

1 DEFINITIONS. Capitalized terms used in this Agreement shall have the meanings assigned them in the Principal Agreement, as supplemented by the introductory paragraphs of this Agreement and following Subsections of this Section 1.

1.1 "Specifications" are basic instructions furnished by TouchNet to Client to permit Client's skilled programmers to build TPG interfacing applications.

1.2 "TPG Channel" means a programming right of access to TPG. A single TPG Channel entitles a single software application to attach to and connect and interface with TPG, whether that software application is developed by Client, by TouchNet, or by a third party. With the Principal Agreement, Client is automatically furnished three (3) TPG Channels (formerly referred to as "Merchant ID's"), which Client may elect to use with other TouchNet applications, Client's own applications, or third party applications. Additional TPG Channels are available from TouchNet for a fee. In no event may Client connect, attach, or interface an application to TPG without an open and available TPG Channel.

2 TERM AND TERMINATION. This Agreement commences as of the last of the dates shown in the signature block below and continues in effect for so long as Client has the right to use TPG.

2.1 "Automatic Termination". This Agreement automatically terminates if the Principal Agreement terminates.

2.2 "Default". Either party may terminate this Agreement upon the furnishing of thirty (30) days' written notice if the other party has breached a material term of this Agreement and has failed to cure the breach to the satisfaction of the non-breaching party within the said thirty (30) day period.

2.3 "Effect of Termination". Upon termination or expiration of this Agreement, regardless of the cause therefor, Client will no longer have the right to develop TPG interfacing applications, and if the Principal Agreement is terminated, Client must cease use of the API's and the TPG interfacing applications.

3 TOUCHNET LICENSE GRANT. TouchNet hereby grants to Client, and Client hereby accepts from TouchNet, a nontransferable, nonexclusive right and license to use the API's and the Specifications, but only for Client's own internal purposes and only for building TPG interfacing applications. No right is granted to distribute or otherwise use all or any portion of the API's, the TPG interfacing applications, or the Specifications.

4 CAUTION. The TouchNet API's furnished hereunder are intended for use only by skilled and experienced Web programmers. It is critical that Client acknowledges and is aware that:

4.1 Use of the API's is intended solely for programmers skilled in using SOAP (Simple Object Access Protocol) and other Web protocols.

4.2 Although TouchNet furnishes the API's to Client for use with TPG, training, technical support and assistance for the use and implementation of the API's is not available to Client under this Agreement, the Principal Agreement, or the maintenance agreement associated therewith. Client will be entitled to training, technical assistance, and support with respect to the API's and Specifications, if and only if, Client separately signs (and pays the specified remuneration under) the TouchNet Development License.

4.3 If Client does not have skilled SOAP programming resources available and does not wish to participate in the TouchNet Certified Developer training program under the TouchNet Development License (described in Section 4.2), Client should license TouchNet Marketplace uPAY (universal payment module) to integrate campus applications with TPG. uPay is an easy to use, high-level payment interface that does not require sophisticated programming skills.

By checking the box below and filling in the initials of Client's authorized representative, Client specifically acknowledges that it has read and fully understands the cautions, warnings, limitations, and disclaimers set forth in this Section 4.

I have read and understand the above cautions, warnings, limitations, and disclaimers.	<input type="checkbox"/>	_____ (INITIALS)
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5 PRINCIPAL AGREEMENT. The Principal Agreement is expressly made applicable to this Agreement as fully as though each of the provisions of the Principal Agreement were contained herein and the API's and Specifications were licensed thereunder.

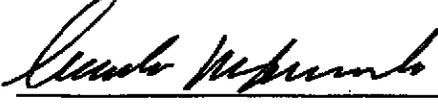
6 THIRD PARTY DEVELOPERS. If Client wishes a third party (someone other than a Client employee) to develop or participate in the development of a TPG interfacing application, then Client must execute this Agreement and arrange for the third party to execute and deliver all TouchNet-required agreements.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the respective dates shown below.

TouchNet Information Systems, Inc.

University of Tennessee

By: 

By: 

Printed Name: Daniel J. Toughey

Printed Name: Charles M. Paccolo
Vice Pres. & Treasurer

Title: President

Title: _____

Date: May 12, 2006

Date: AUG 22 2006

**ORIGINAL
CONTRACT**

**THE UNIVERSITY OF TENNESSEE
JUSTIFICATION FOR NON-COMPETITIVE PURCHASES AND CONTRACTS
Values of \$50,000 or More**

Contract Tracking Number 90675
Requisition Number for Items Processed through Purchasing: _____

This form must be completed for all non-competitive purchases for goods or services that are secured either through a purchasing requisition or a contract for expenditures of \$50,000 or more. This form and any other documents that support the justification of a non-competitive purchase **must be approved in advance** of securing the goods or services. Approvals include the Department Head, Director of Purchasing, and the Chief Business Officer or their designees. The Chancellor or Vice President or designee must approve expenditures of \$100,000 or more. The Vice President for Administration and Finance, or designee, must approve expenditures of \$250,000 or more.

Non-competitive service contracts, including amendments that cumulatively exceed \$250,000 must be routed to the Tennessee Legislative Fiscal Review Committee for comment. The Fiscal Review Committee has 15 days from the receipt of the contract information for comments. A minimum of 30 days will be required to process service contracts exceeding \$250,000.

Information Related to the Purchase of the Goods or Services

1. Type of Request:

Non-Competitive Contract (Sole-Source)
Contract thru Purchasing
Requisition thru Purchasing

2. Prepared By:

Name: Carroll Lewis
Email address: clewis@utm.edu
Phone No: 731-881-7810

3. Cost Center or WBS Element:

Name: Information Technology Service
Number: E052210

4. Proposed Contractor or Vendor:

Name: Touchnet Information Systems, Inc.
Address (Street): 15520 College Boulevard
Address (City, State, and Zip Code): Lenexa, Kansas 66219

5. Effective Date:

Beginning Date March 1, 2005
Ending Date Open

6. Estimated Cost:

Not to exceed \$150,000.00

7. Source of Funds (e.g. state funds, federal funds, etc.):

8. Is this an amendment to an existing contract/purchase order?

Yes No

9. If Yes,

Number of Original Contract/Purchase Order
Beginning Date of Original Contract/Purchase Order
Amount of Original Contract/Purchase Order
Accumulated Cost with this amendment

10. Describe the primary reason the University is entering into this contract/purchase

To purchase three components of software that is designed to integrate with the Banner System already in use.

11. Describe the goods or service to be acquired.

eCheck - enables students to pay tuition/charges over the web with a check.
eDisbursements - enables the university to disburse refunds electronically to students
eBills - enables students to receive statements electronically

12. Is there an urgent need or an emergency preventing competitive methods?

Yes No N/A

If yes, please explain:

13. Is there only one product or service that can meet the specific needs or must the product or service be provided by this particular source.

Yes No N/A

If yes, please explain:

Yes. Interfaces between the Banner Student Information System and the Touchnet payment gateway and other products already exist on campus. UTM already uses the payment gateway to take credit cards over the web, so this is compatible with our current system. It is not feasible to use other software.

14. Does proposed contractor or vendor have experience providing same or similar goods or services?

Yes No

15. Has the department ever purchased these same goods or services from this vendor?

Yes No

If yes, what procurement method was used? (Ex. Competitive, Non-Competitive, etc.)

We purchased similar goods/services from an existing state contract with this vendor.

16. If for services, was an effort made to use existing University employees to perform services?

Yes No

If no, why not?

Purchase is for software not services.

17. Is the contract for services from another governmental unit, such as a State or federal agency, or from another college or university?

Yes No

Justification

A complete justification must be provided to explain why the University should acquire the goods or services through non-competitive procurement request rather than through a competitive process. (Note: Being the "only known" or "best" is not deemed adequate justification.)

UT Martin has been running the Touchnet Payment Gateway for several years to process credit card payments. We have hardware, software, training, and support experience with this product. The eBills, eChecks, and eDisbursements are tightly integrated with the Touchnet Payment Gateway and with the Banner Student Information System. We have been running the Banner Student Information System since 1997. To change to another vendor at this time would cost a lot of money to change hardware, software, retrain, and

Revised November 1, 2004

integrate with existing hardware and software and is not feasible.

SOFTWARE LICENSE AGREEMENT

This License Agreement ("Agreement") is made as of the last date shown in the signature block hereof (the "Effective Date") between TouchNet and Client (as both are described below).

TouchNet

TouchNet Information Systems, Inc.
A Kansas Corporation
15520 College Boulevard
Lenexa, Kansas 66219
Phone: 913-599-6699
Fax: 913-599-5588

Client

University of Tennessee
ITS Office, Crisp Hall
Martin, Tennessee 38238
Phone: _____
Fax: _____

TouchNet is the developer of certain computer programs described below which Client wishes to license for use in connection with the carrying on of its operations. TouchNet, subject to the provisions of this License, desires to grant to Client a non-exclusive license to use the said computer programs.

NOW, THEREFORE, the parties, intending legally to be bound, agree as follows:

- 1. **Definitions.** The capitalized terms used in this Agreement, except where specifically defined to the contrary herein, shall have the meanings as set forth below in the Subsections to this Section 1.

1.1. **Campus Entity.** The term "Campus Entity" means a college or university campus or facility which offers a degree program in its own name. A Campus Entity may have multiple branch locations from which classes or other services are offered; however, a branch shall not be considered a Campus Entity unless it offers a degree program in its own, separate name. A Client may have multiple Campus Entities, and the license fees will vary depending upon (among other factors) the number of Campus Entities included within the Client.

1.2. **Confidential Information.** The term "Confidential Information" means: (i) the Licensed Software; (ii) this Agreement; (iii) information, if disclosed in writing, that bears a stamp, label, or legend indicating the confidential, secret, proprietary, or similar status thereof (iv) information, if disclosed orally, that is followed-up (within ten (10) days following the oral disclosure) with a written memorandum that describes the information claimed to be confidential and that describes the time, place, and circumstances of the oral disclosure; and (v) information disclosed by TouchNet that comprises or consists of drawings, specifications, and models; computer data, whether printed, stored on disk, tapes, or in machine-readable form; product and marketing documentation; prices (including price quotes); and financial information. Confidential information does not include information that:

1.2.1 is already known by the Recipient prior to disclosure of it by the Discloser as evidenced by written (contemporaneously dated) documents in the Recipient's files;

1.2.2 is or becomes publicly available through no wrongful act or omission by the Recipient;

1.2.3 is rightfully received by the Recipient from third parties without accompanying secrecy obligations;

1.2.4 is independently developed by Recipient, as demonstrated through written (contemporaneously dated) documentation in Recipient's files; or

1.2.5 is approved in writing by the Discloser for release to the public.

1.3. **Client.** The term "Client" means the entity identified in the table above and all of its intra-college departments, all Campus Entities included within the Client, and all branch locations for each of the said Campus Entities.

1.4. **Custom Software.** "Custom Software" means any computer program or modification to any computer program which is developed, created, or programmed by or for TouchNet on behalf of Client for the purpose of enabling the Licensed Software to perform one or more functions or to possess one or more features not already present in the standard Licensed Software. At the time Custom Software is furnished by TouchNet to Client, such Custom Software shall thereafter be considered Licensed Software as well.

1.5. **Documentation.** The term "Documentation" shall mean the user manuals and guides to operations issued by TouchNet from time-to-time for the specific modules of the Licensed Software licensed by Client.

1.6. **Discloser.** The term "Discloser" shall mean the party to this Agreement who discloses or otherwise makes available to Recipient Confidential Information.

1.7. **Effective Date.** The term "Effective Date" means the last of the dates shown in the signature block at the end of this Agreement.

1.8. **FastStart Implementation Services.** The term "FastStart Implementation Services" means a set of Implementation Services enabling the Client to have relatively faster access to the Licensed Software, albeit residing at TouchNet's Datacenter. The FastStart Implementation Services are specified on Schedule C (attached hereto). FastStart Implementation Services are available to Client only (i) if elected on Schedule C and (ii) only if Client has also executed and has in force TouchNet's standard Maintenance Agreement.

1.9. Implementation Services. The term "Implementation Services" means the services and responsibilities of the respective parties as set forth on Schedule C hereto.

1.10. Interface Software. The term "Interface Software" means all software that Client will need in order to interface the Licensed Software with the Client's information system. This software may be provided by TouchNet and/or by the vendor of the Client information system and is owned in whole by the providing party.

1.11. Licensed Software. The term "Licensed Software" means all computer programs described in Schedule A hereto (in object code form only) and all Documentation therefor.

1.12. Maintenance Agreement. The term "Maintenance Agreement" means the separate Maintenance and Support Agreement attached hereto as Schedule E. The terms, conditions, and limitations of this License Agreement shall be applicable to any Maintenance Agreement, and in case of a conflict between the provisions of this Agreement and any such Maintenance Agreement, the provisions hereof shall control, unless such Maintenance Agreement specifically provides that the parties intend to modify or otherwise supersede an expressly referenced provision of this License Agreement.

1.13. Minimum System Requirements. The term "Minimum System Requirements" shall mean equipment meeting the specifications and requirements as set forth on Schedule B; operating system, driver, and other third party software specifications, also set forth on Schedule B; and (where applicable) operating system and software specifications set out in the specific module descriptions in Schedule A. The Minimum System Requirements apply to the current release of the Licensed Software. TouchNet reserves the right to amend the Minimum System Requirements for future releases of the Licensed Software.

1.14. Notice. The term "Notice" means a notification given in the manner prescribed in Section 14.4 hereof.

1.15. Recipient. The term "Recipient" shall mean a party to this Agreement who receives or otherwise learns of or discovers Confidential Information of the other party to this Agreement.

1.16. Setup Site. The term "Setup Site" means the specific address identified on Schedule A.

1.17. System. The term "System" means the Licensed Software once properly installed and running under an environment and on equipment meeting the Minimum System Requirements and operating or interfacing with equipment and hardware either purchased from or approved by TouchNet.

1.18. Trademarks. The term "Trademarks" means all service marks, trade names, trade dress and/or "get-up" of TouchNet, whether or not registered by TouchNet, and all goodwill of the business related thereto, including (but not limited to) TOUCHNET®, LOGIXSTREAM®, TSERVE®, GLOBAL CAMPUS®, and RevenueStream®.

1.19. Third Party Licensor. The term "Third Party Licensor" means any entity from which TouchNet obtains a license or other similar rights to integrate or otherwise make available to its Clients (as a part of the Licensed Software) computer programs not owned by TouchNet.

2. Software License.

2.1. Grant of Rights. Subject to the terms and conditions of this Agreement, TouchNet grants to Client, and Client accepts, a non-exclusive, non-transferable license to use the Licensed Software for the term specified in Schedule A hereto at the Setup Site for the purpose of processing Client's own data. The herein grant of use rights with respect to the Licensed Software is expressly limited to equipment and operating systems meeting the Minimum System Requirements.

2.2. Title. The Licensed Software, all trade secrets and other intellectual property rights therein and thereto, including (without limitation) all copyrights and patents, are proprietary to and shall be and remain the sole property of TouchNet, subject only to the rights of Third Party Licensors and the explicit rights granted to Client herein. Client shall acquire no right, title, interest or claim whatsoever (other than the use rights granted explicitly herein) in any of the Licensed Software or any of the Trademarks, and may not sub-license or otherwise grant any rights in or to the Licensed Software or any of the Trademarks without the written consent of TouchNet.

2.3. Non-Exclusivity. Client acknowledges that TouchNet may license or offer to license to other TouchNet Clients or prospects the Licensed Software and products having similar functions, whether or not such Clients are competitors of Client.

2.4. Reverse Engineering. Client shall not, under any circumstances, directly or indirectly, copy (other than for archival purposes), modify, decompile, reverse engineer, or otherwise attempt to discover the source code for the Licensed Software. The Licensed Software is furnished in object code form only. Client shall not remove any copyright or patent notice or trade secret legend from any copy of the Licensed Software or documentation, and the Client shall faithfully reproduce any such notices or legends on any archival copies thereof. Client shall not assert and shall not represent to any third party that it has any ownership rights in, or the right to sell, transfer or sub-license, the Licensed Software.

2.5. Own Operations. Client shall use the Licensed Software solely for processing data in the ordinary course of its operations and shall not use the Licensed Software in connection with a service bureau or in any other similar way to process, store, analyze, manipulate, or otherwise handle the data of other entities.

2.6. Custom Software Programming. If Custom Software is to be created, then the parties shall agree, in an addendum to this Agreement, upon the specifications, functions, and features; the development period; and the remuneration to be paid to TouchNet for the Custom Software, such remuneration to be different from and in addition to the License Fees provided for herein. In case of a conflict between the provisions of this Agreement and any such addendum, the provisions hereof shall control. All Custom Software shall, upon creation, be the exclusive property of TouchNet and be deemed a part of the Licensed Software, and all provisions hereof relating to rights made available to Client, restrictions upon Client, and reservations by TouchNet for the Licensed Software shall be equally applicable to such Custom Software.

2.7. Purchase Orders. If, subsequent to the Effective Date, Client wishes to purchase from TouchNet additional products or professional services (other than maintenance and support services) related to the Licensed Software, then such purchases must be made by issuance of a purchase order by Client to TouchNet (usually in response to a TouchNet quotation), and each such purchase order must reference this Agreement. All such purchase orders issued by Client are acknowledged by the parties to be mere expressions of intent to buy and are not binding in any way. TouchNet will accept Client's Purchase Order if (i) the terms, prices, and conditions reflected are consistent with those detailed in this Agreement and (ii) a duly authorized officer of TouchNet signs such purchase order. Except as specifically provided in the preceding sentence, all such purchase orders are hereby specifically rejected by the parties and rendered null and void, and all products Purchased or services employed by Client from TouchNet shall be subject to the provisions of this Agreement.

3. Installation; test; acceptance; and payment.

3.1. Installation. Client, except to the extent otherwise specifically agreed, shall be responsible for installation of the Licensed Software on equipment meeting the Minimum System Requirements at the Setup Site. In addition, Client shall be responsible for timely performance of all tasks allocated to it on Schedule C (attached). Client's failure to timely perform obligations assigned to it under this Agreement or any Schedule attached hereto shall relieve TouchNet from performance of any subsequently arising obligations hereunder or under any Schedule. Any services TouchNet agrees to perform for or on behalf of Client or otherwise in connection with this Agreement (whether performed at the Setup Site or performed remotely) shall be performed during TouchNet's Normal Business Hours.

3.2. System Tests. Tests of the Licensed Software will be conducted by TouchNet and may be witnessed by Client using standard TouchNet procedures that demonstrate compliance with applicable specifications detailed in this Agreement and the schedules attached hereto.

3.3. Payment. Client shall be obligated to pay the total remuneration specified in Schedule D at the time, in the amounts, and in the manner as specified in Schedule D. The obligation to pay shall be fixed as of the "Acceptance Date." For purposes hereof, the "Acceptance Date" is the earlier of: (i) successful completion of standard TouchNet tests; (ii) operational use of the Licensed Software by Client; or (iii) 30 (30) days after delivery to Client's designated delivery site.

3.4. Late Charges. Late payments are subject to a late charge equal to the lesser of eighteen percent (18%) per year or the highest rate permitted by applicable law.

3.5. Taxes. Client is a tax exempt entity.

4. Warranty and Limitations.

4.1. Warranty. TouchNet warrants that the Licensed Software will perform substantially in accordance with the Documentation in all material respects for a period of three hundred and sixty five (365) calendar days after delivery to Client. TouchNet does not warrant that the Licensed Software is error-free, programming errors being inherent with all software.

4.2. Exclusions. Neither the warranty in Section 4.1 hereof nor any other warranty of TouchNet shall include: performance problems resulting: (i) from external causes such as vandalism, civil disturbance, fire, flood, storm, other exposure to the elements or temperature extremes; (ii) from tampering, failure of electric power, abuse, or misuse; (iii) from problems or errors resulting from customization made by Client after acceptance of the Licensed Software; or (iv) errors caused by operator mistake or by Client's erroneous configuration.

4.3. Remedy. If the Licensed Software does not perform substantially in accordance with the Documentation in all material respects (a "Defect") such Defect is brought to the attention of TouchNet through the Notice provisions hereof within the warranty period specified in Section 4.1; and TouchNet verifies that the alleged Defect is, in fact, a Defect and is not excluded under Section 4.2 hereof, then TouchNet shall use reasonable business efforts to correct the Defect in a manner intended to reduce Client inconvenience to the greatest extent practicable under the circumstances. Repair or replacement of a Defect will not extend the warranty period beyond the original warranty expiration date.

4.4. Sole Warranty. Except as stated in Sections 4.1 and 4.3, there are no warranties, guarantees, or representations with respect to the licensed software.

TouchNet disclaims the implied warranties of merchantability, fitness for a particular purpose, and noninfringement.

4.5. Limitations. To the extent permitted by Tennessee law, TouchNet shall not be liable for any indirect, special or consequential damages arising out of this Agreement or the use of the Licensed Software by Client, whether in contract, tort, or otherwise. TouchNet's liability and Client's exclusive remedy for any cause of action arising out of this Agreement and its performance shall be expressly limited to repair and/or replacement or if, in TouchNet's judgment, repair or replacement will not provide an adequate remedy to Client, refund of the module of the Licensed Software, at its depreciated value, using the straight line method and assuming a five (5) year useful life. In no event and under no circumstances will TouchNet's obligation to Client be greater than the license fees paid to TouchNet by Client for the Licensed Software under this Agreement. The limitations of this Section 4.5 are applicable regardless of whether the claim of liability or responsibility is based on negligence, strict tort, products liability, warranty, or other predicate.

5. Intellectual Property Infringement. TouchNet warrants that the Licensed Software, when used in accordance with the Documentation and in accordance with its intended purpose, will not infringe upon or violate any patent, copyright, trade secret, or any other proprietary right of any third party. In the event of any claim of a third party against Client asserting or involving a patent, copyright, trade secret or proprietary right violation which concerns any Licensed Software acquired by Client from TouchNet hereunder (an "IP Claim"), provided Client is not in default under this Agreement, TouchNet will defend, at its sole authority and expense, and indemnify Client against any loss, cost, expense and liability arising out of such IP Claim. **Limitations.** TouchNet's obligations under this Section 5 are expressly conditioned upon receipt by TouchNet of prompt written Notice of any such IP Claim and Client's full cooperation with TouchNet in the defense of any such IP Claim. In the event that Client's use of any Licensed Software is enjoined or restrained by court order based on an IP Claim or if, in TouchNet's opinion, the Licensed Software is likely to become the subject of an IP Claim, TouchNet will, at its expense and at its option:

5.1.1 procure for Client the right to continue using the infringing Licensed Software;

5.1.2 replace or modify the infringing Licensed Software so that it becomes non-infringing, but only if the modifications or replacement does not materially adversely affect the use of the Licensed Software; or

5.1.3 if neither 5.1.1 nor 5.1.2 above is practical, repurchase the infringing Licensed Software at its depreciated value, using straight-line depreciation assuming a useful life of five (5) years. The foregoing is TouchNet's exclusive obligation with respect to infringement of intellectual property rights.

5.2. Limitation of Indemnity. The indemnification provisions contained in this Section 5 shall not apply to any infringement occasioned by modification by any party other than TouchNet, or its authorized agents, of any Licensed Software or any combination of or integration of the Licensed Software with any device or software added by any party other than TouchNet or its authorized agents. This Section 5 contains Client's sole and exclusive remedy for patent, copyright, trade secret, or other proprietary right infringement.

5.3. Client Inventions. If (i) Client uses the Licensed Software as part of an invention of Client (where such invention includes materials and/or methods not supplied or approved by TouchNet) or (ii) Client uses the Licensed Software as a part of a new configuration (where such configuration includes material and/or methods not supplied or approved by TouchNet) and either of such Client uses of the Licensed Software results in a claim of patent, copyright, trade secret, or other proprietary right claim by a third party (a "Claim"), then TouchNet shall not be obligated to indemnify Client with respect to such claim, the same being the responsibility of Client.

6. Third Party Products. Notwithstanding the provisions of Sections 4 and 5 hereof, TouchNet makes no representations or warranties with respect to any equipment, software, or other item (whether or not included within the Licensed Software) if the software, equipment, or other item was not developed, manufactured, created, or produced by TouchNet. TouchNet will use reasonable business efforts to assign to Client any and all rights it may have against such third parties; however, this is the extent of TouchNet's obligations with respect to such third party equipment, software, or other items.

7. Confidential Information.

7.1. Limitation on Use and Disclosure. Except as otherwise permitted under this Agreement, the Recipient will not knowingly disclose to any third party, or make any use of Discloser's Confidential Information. The Recipient will use at least the same standard of care and security to maintain the confidentiality of the Discloser's Confidential Information that it uses to maintain the confidentiality of its own Confidential Information of equal importance, but in no event may the standard of care and security be below that customary and reasonable under the circumstances. At a minimum, the Recipient shall maintain the Confidential Information (i) in a secure location or (ii) if stored on Client's computer system or network, under circumstances requiring secure password access. Only employees of Recipient who have a reasonable need to know of the Confidential Information in order to perform their responsibilities may be given access to the Discloser's Confidential Information.

7.2. Court Order. Notwithstanding the provisions of Section 7.1, Recipient may be permitted to disclose the Confidential Information of Discloser when ordered to do so by an administrative, arbitral, legislative, or judicial body having jurisdiction over the Recipient, provided (i) that Recipient first gives Discloser

reasonable Notice of the administrative, arbitral, legislative, or judicial proceeding in order to permit Discloser to prevent or limit the ordered disclosure and (ii) that Recipient cooperates (at Discloser's expense) fully in preventing or limiting the ordered disclosure.

7.3. Burden of Proof. The burden of proving an exception to the definition of Confidential Information, as described in Section 1.2 and/or the applicability of the exception to nondisclosure set forth in Subsections 1.2.1 through 1.2.5 hereof shall be upon the Recipient.

7.4. Tennessee Public Records Law. Notwithstanding anything herein to the contrary, Client shall comply with the Tennessee Public Records Law, TCA 10-7-503.

8. TouchNet's Trademarks. The TouchNet Trademark or Trademarks will be displayed by the Licensed Software on the media furnished to Client, on the Documentation, and in the copyright and/or patent notices, or otherwise. Client shall not remove, conceal, alter or deface the TouchNet Trademark from or on the Licensed Software. TouchNet grants Client a limited non-exclusive and non-transferable license without right of sub-license to use and display the trademarks during the term of this Agreement solely in the manner in which TouchNet has displayed them on the Licensed Software.

9. Term and Termination.

9.1. Term. The license granted in Section 2.1 hereof commences on the Effective Date and continues for the time period specified in Schedule A, unless sooner terminated as permitted in Sections 9.2 through 9.4 hereof.

9.2. Right of Termination. A party has the right to terminate this Agreement if the other party breaches a material provision of this Agreement and, if a cure period is applicable, fails to cure the breach within the applicable cure period following Notice of the breach. If the event or condition giving rise to the right of termination is not cured within the applicable cure period, this Agreement will automatically terminate at the end of the said cure period without need for further notice. If the Noticed breach is cured to the reasonable satisfaction of the non-breaching party within the applicable cure period (if any), then this Agreement shall continue as though no breach had occurred.

9.3. Cure Periods. The applicable cure periods for breaches of Section 2.4, 2.5, and/or 2.7, shall be ten (10) days. There shall be no cure period for a breach of Section 7. The applicable cure period for breaches of all other provisions of this Agreement shall be thirty (30) days.

9.4. Bankruptcy. This Agreement shall automatically terminate if Client files in or has an action filed against it in bankruptcy, in state insolvency proceedings, or in another proceeding for relief from creditors.

9.5. Effect of Termination. Upon termination of this Agreement by either party, Client will promptly return to TouchNet or, at TouchNet's request, will destroy all copies of the Licensed Software, and will certify to TouchNet in writing, over the signature of a duly authorized representative of Client, that it has done so.

9.6. Survival of Obligations. All obligations relating to non-use and non-disclosure of Confidential Information will survive termination of this Agreement. Without limiting the generality of the foregoing, the specific obligations, as set forth in Sections 2.4, 4.5, 7, and 14.9 shall survive any termination or expiration of this Agreement.

9.7. No Prejudice to Other Rights or Remedies. Termination of this Agreement will be without prejudice to the terminating party's other rights or remedies under this Agreement or at law or in equity.

9.8. Termination for Loss of Funding. Since this agreement is for a term extending beyond a single fiscal year of the Client, in the event the Client does not receive appropriate funds for the payment required under this agreement of any fiscal period, this agreement shall be deemed terminated at such time at no penalty to Client.

10. **Maintenance.** Client shall be entitled to telephonic Client support, technical assistance, and bug fixes and updates, provided that the Client is not in default under this or any other agreement with TouchNet and Client has in force a valid Maintenance Agreement.
11. **Equipment.** This is a license agreement only, and no title to any item is furnished to Client hereunder. If Client desires to purchase equipment of any kind from TouchNet, the terms of that purchase shall be as set forth in a Equipment Purchase Agreement in the form of Schedule F, attached hereto (if any). The terms, conditions, and limitations of this License Agreement shall be applicable to any Equipment Purchase Agreement, and in case of a conflict between the provisions of this License Agreement and any such Equipment Purchase Agreement, the provisions hereof shall control, unless such Equipment Purchase Agreement specifically provides that the parties intend to modify or otherwise supersede an expressly referenced provision of this License Agreement.
12. **Equitable Relief.** Client acknowledges TouchNet's claim that any breach or threatened breach of this Agreement, by Client, including (without limitation) breach of Sections 2.4, 2.5, 2.6, 5.3, 7, 8, and 14.2 would likely result in irreparable injury to TouchNet for which monetary damages would likely be an inadequate remedy and that TouchNet shall have the right, when authorized by applicable law, to seek immediate injunctive relief in the event of such actual or threatened breach to prevent, curtail, or restrain any such breach or threatened

breach, all without the necessity of any filing or furnishing, by TouchNet, of any bond or similar surety.

13. **Implementation Services.** Each party shall perform its respective Implementation Services, as specified on Schedule C.

14. **General.**

14.1. **Independent Contractors.** Nothing contained herein shall constitute TouchNet and Client as partners, agents, joint venturers or in any capacity other than licensor and licensee of computer software, respectively. TouchNet and Client are independent contractors. Neither shall have the right to bind or obligate the other in any manner whatsoever.

14.2. **Assignment.** This Agreement may not be assigned by Client without the express, written consent of TouchNet, which consent shall not be unreasonably withheld. Nevertheless, consent shall not be given unless the assignee agrees to assume all of assignor's responsibilities under this Agreement. No assignment, even with the consent of TouchNet, shall relieve the assigning party from its obligations under this Agreement.

14.3. **Force Majeure.** With the exception of Client's obligations to pay TouchNet monies due under this Agreement, neither party shall be liable to the other for delay or failure to perform any obligation hereunder resulting from an event of force majeure, including (without limitation) acts of God or of the public enemy, fire, storm, flood, explosion, earthquake, hurricane, riots, wars, hostilities, civil commotion, strikes or labor disputes, interruption of supply, law or regulation, governmental action, or any other cause beyond the control of that party.

14.4. **Notices.** Any notice or communication required or permitted to be given hereunder may be hand-delivered or sent by registered or certified mail, return receipt requested, by facsimile transmission, or by email. Notices must be sent to a party at its address shown on the first page of this Agreement, or to such other place as the party may subsequently designate in writing for its receipt of Notices. A Notice given in the manner prescribed in this Section shall be deemed received (i) when delivered, in the case of personal delivery; (ii) on the third business day following deposit of an item in the U.S. mail, properly addressed and postage prepaid; and (iii) on the date of transmission if sent by facsimile or email, provided a confirmation copy is either personally delivered or sent by U.S. mail in the manner otherwise permitted for a Notice hereunder.

14.5. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original and both of which, taken together, shall constitute one and the same instrument.

14.6. **Entire Agreement.** This Agreement, with attached Schedules, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior expression of intent or understanding, oral or written,

relating to the subject matter of this Agreement. Schedules referenced herein by letter or number are incorporated into this Agreement as though fully set out herein.

14.7. Waiver. Any waiver of a failure or delay in performance shall be effective only if in writing and only in accordance with its terms. The waiver of one breach or default shall not constitute the waiver of any subsequent breach or default and shall not act to amend or negate the rights of the parties under this Agreement.

14.8. Right to Use Client's Name. Client authorizes TouchNet to use Client's name in marketing literature as a "Client" of TouchNet.

14.9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Tennessee.

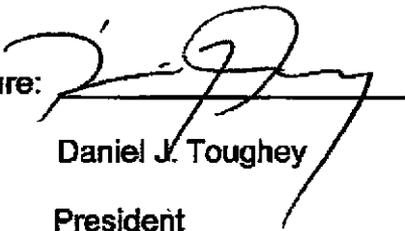
14.10. Severability. If any one or more of the provisions of this Agreement shall be invalid, illegal, or unenforceable in any respect under any applicable statute, rule of law, or public policy, such provision shall be considered inoperative to the extent of such invalidity, illegality, or unenforceability and the remainder of this Agreement shall continue in full force and effect. The parties agree to replace any such invalid, illegal, or unenforceable provision with a new provision that has the most nearly similar permissible legal and economic effect.

14.11. Headings. Headings are included in this Agreement as a matter of convenience only and shall not be controlling with regard to the interpretation of this Agreement.

14.12. Client's Terms and Conditions. Client's standard terms and conditions are included as Schedule F which is hereby incorporated into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement through the signatures of their respective authorized representatives as of the respective dates shown below.

TouchNet Information Systems, Inc.

Signature: 
By: Daniel J. Toughey
Title: President

Date: February 24, 2005

CLIENT

Signature: 
By: Charles M. Paccolo
Vice Pres. & Treasurer
Title: _____

Date: MAR - 3 2005

SCHEDULE A

LICENSED SOFTWARE, TERM, AND SETUP SITE

License Term:

The license granted in the Software License Agreement to which this Schedule is attached commences on the Effective Date and continues in perpetuity.

Setup Site

The Setup Site for the Licensed Software shall be as follows:
University of Tennessee - Martin

Licensed Software

The Licensed Software shall be as described below:

TouchNet Payment Gateway Suite is the main hub of the TouchNet Payment Gateway and Commerce Management System. It consists of the TouchNet Operations Center (the hub) and the TouchNet Credit Card and webCheck Licensed Software.

TouchNet Payment Gateway Credit Card Software. Payment Gateway Credit Card Software provides functionality with SCT Banner and the ability to interface to other campus web applications and self-service systems for credit card processing purposes. Payment Gateway Software includes the following:

- 1 Campus Entity
- 1 Production CPU / 1 Test CPU Environments
- 2 Additional Merchant ID's
- License for use with other campus-wide self-service web applications
- Credit Card Payment Functionality for SCT Banner
- Enhanced reporting by Merchant ID
- Interface to 1 Designated Credit Card Processor

Payment Gateway Licensed Software runs on Windows 2000 Server, RS/6000 with AIX 4.1.3 or higher, and Sun standard hardware with Solaris 2.4 or higher operating platforms.

Credit Card Processors supported include FDC Nashville/Envoy, FDC Telemoney, First Horizon, GPS Central, GPS East, NCR Canada, Nova, Paymentech, and VisaNet/Vital. Credit card processor interfaces not listed may be available as a custom project and a development cost may apply.

Additional Campus Entity licenses and Merchant ID licenses are available for an additional License fee and Professional Services cost.

TouchNet Payment Gateway webCheck Software. TouchNet Payment Gateway webCheck is for use with the Client's student information system web application and provides the following functionality:

- 1 Campus Entity
- 1 Production CPU / 1 Test CPU Environments
- Standard Reporting
- Automated Check Handling

With the web

- User interface that enables a user to enter bank routing information, account number, and check number; then express intention to create a webCheck.
- Local database that validates bank routing numbers entered by the user.

With TouchNet Payment Gateway

- The TouchNet Payment Gateway creates an Automated Clearing House (ACH) Debit Transfer file, which the Client is responsible for transmitting the ACH file and to their bank.

Additional fees will apply if the Client engages TouchNet to develop a custom file exchange program that transmits ACH files to their bank.

WebCheck Licensed Software runs on Windows 2000 Server, RS/6000 with AIX 4.1.3 or higher, and Sun standard hardware with Solaris 2.4 or higher operating platforms.

Additional Campus Entity licenses and Merchant ID licenses are available for an additional License fee and Professional Services cost.

TouchNet e-Bill Solution Software. The TouchNet e-Bill Solution Software is restricted to one (1) campus entity, one (1) Production CPU, and one (1) Test CPU Environment. It includes the following Licensed Software applications:

Student Application. The Student application contains the following functionality:

Bill Inbox performs the following functions.

- **Consolidated Statements.** The Bill Inbox lists the most recent statement(s) delivered to the student. For each bill listed, the Bill Inbox provides account summary information that includes the statement date, the statement due date, and the amount due.
- **Action Buttons.** For each bill listed in the Bill Inbox, End-Users may click the 'Pay' button for making a payment or the magnifying glass button to view the bill detail.

Bill Detail performs the following actions.

- **Bill Presentment.** The Bill Detail screen presents the most recent billing statement posted to the student account. The student bill includes all line item detail for the billing statement provided by the student information system. The bill is presented in PDF or HTML formats.
- **Current Activity** – Current Activity shows all activity posted to the student account after the billing date that can include charges and

credits.

- **Bill History.** End-Users may access previous billing statements by clicking on the Bill History drop-down menu and selecting a bill. The End-User will be presented with the billing statement from that date.
- **Print.** End-Users may print the current or historical billing statement stored on the eBill database.

Bill Payment functionality includes:

- **Pay** – the ability to pay towards the account using a credit card or electronic checks.
- **Payment History** – the ability to lookup all payments posted to the student account through eBill.
- **Preferred Payment Methods** – Preferred Payment Methods are payment identities frequently used by the End-User. Within the credit card identity, account nicknames, name on the card, account number, and expiration date are identified. In a similar way, the checking account identity contains account nickname, the account number, and the routing number. Preferred Payment Methods are stored on the eBill database.

E-mail. Billing Profile shows the primary billing e-mail address for the student, as well as an optional secondary e-mail account. The secondary e-mail address is saved on the eBill database and will only be used for billing-related notifications.

Authorized Users. This profile allows the End-User to establish an access profile for a third-party user (i.e. parent, guardian, or an employer) and within each profile; the name, e-mail address, username, and password for the third-party user are contained.

Operations Center. The Operations Center is the administrative function of the TouchNet eBill Software Solution. It allows the following functionality:

- Ability to view student account information by entering the student ID number, including login history, payment history, and current bills.
- Set general eBill settings, including timing for batch processes, e-mail server settings, and returned e-mail accounts.
- Schools can add a general message to the student body.
- View usage and payment activity through eBill.

The TouchNet eBill Solution Software will require the Client to assist TouchNet in accessing files on the Client host system to allow certain functionality to be tested. Also, it is the Client's responsibility to help setup links to the student information system on the Client's campus from the licensed software.

TouchNet eDisbursements. TouchNet eDisbursements provides the functionality to distribute student refunds electronically directly into the students bank account. TouchNet eDisbursements includes the following:

- 1 campus entity
- 1 Production CPU
- 1 Test CPU

SCHEDULE B

MINIMUM SYSTEM REQUIREMENTS

Minimum System Requirements are as follows:

- P4 2.4Ghz Processor
- P4 Xeon Motherboard
- 1GB ECC DDR
- (2) 36GB SCA Hard Drives
- Raid Controller (Raid 1 Configuration)
- 10/100 Network Card
- AGP Video card
- Floppy Drive
- CDRom Drive
- Windows 2000 Server
- (2) 56K US Robotics compatible hardware modems**

****Payment Gateway Server Only**

NOTE: Additional operating system and other requirements are set forth in connection with the respective descriptions of the Licensed Software. The Minimum System Requirements set forth above apply to the current release of the Licensed Software. The Minimum System Requirements may change with subsequent versions of the Licensed Software.

SCHEDULE C

IMPLEMENTATION SERVICES

Standard Implementation Services include the following for the indicated TouchNet products:

TouchNet Payment Gateway Suite Implementation Services

Defined Engagement and Project Management. A TouchNet Implementation Specialist will work with the Client's project leaders to establish a System implementation plan. The Implementation Specialist will coordinate all Licensed Software customization, training, and setup timelines with the Client. Software Installation Support and Testing are generally completed 60 days from the receipt of Contract.

Software Loading and System Testing. TouchNet will ship the Payment Gateway Licensed Software to the Client. The TouchNet Implementation Specialist will then set up a conference call between TouchNet and the Client for assistance with the installation of the Payment Gateway Licensed Software on the Client-provided Equipment, and will then provide support for testing.

Customer Support Transition. After installation, the TouchNet Implementation Specialist will perform a post-installation review within 2-4 weeks and resolve any outstanding issues. The Client will then be transitioned to Customer Support.

TouchNet e-Bill and eDisbursements Module for Payment Gateway Implementation Services

Defined Engagement and Project Management. A TouchNet Implementation Specialist will work with the Client's project leaders to establish a System implementation plan. The Implementation Specialist will coordinate all Licensed Software customization, training, and setup timelines with the Client. Software Installation Support and Testing are generally completed 60 days from the receipt of Contract.

Software Loading and System Testing. TouchNet will ship the Licensed Software to the Client. The TouchNet Implementation Specialist will then set up a conference call between TouchNet and the Client for assistance with the installation of the Licensed Software on the Client-provided Equipment, and will then provide support for testing.

Customer Support Transition. After installation, the TouchNet Implementation Specialist will perform a post-installation review within 2-4 weeks and resolve any outstanding issues. The Client will then be transitioned to Customer Support.

1. Client Responsibilities.

- Supply a list of administrator, project lead, and level one contacts.

- Having the appropriate LAN connections or analog phone lines (if applicable).
- Client Domain information.
- If the Equipment is being supplied by Client, installing the Equipment on campus or confirm the required operating system and any additional software is installed on the Equipment to be used by the Licensed Software.
- Confirm the database being used for the Licensed Software. This also includes decisions on table space and JDBC drivers (performed throughout the project).
- Updating the Client host system to accept the Licensed Software.
- Reserve training facilities for on-site installation and training (if purchased). The facilities will need overhead projector for laptop, workstations for attendees, and whiteboard or similar drawing surface.
- Testing host connectivity or any payment options (performed throughout the project).
- Assisting with final testing after installation and training (either remote or on-site).
- Verifying the credit card processor, Merchant ID information, and modem or IP connectivity to the credit card processor.
- Verifying with Client's bank the capabilities of accepting web ACH transactions. This also requires loading any software the bank requires to make this capability happen.
- Obtaining an SSL certificate that allows ACH transactions.
- Assigning the person who will be responsible for updating routing numbers.
- Giving TouchNet images needed for the webCheck Licensed Software.

This is a basic list of duties to be performed by Client. A complete list may be obtained from the TouchNet implementation specialist assigned to the Client during installation.

If client must re-schedule an installation after a date has been determined, a surcharge of 50% of the total Implementation Services Fee will apply, and the project implementation will be rescheduled based upon TouchNet's availability at that time. The maximum time allowed per project is six (6) months; if delays beyond six (6) months are caused by Client, additional implementation fees may apply.

Client is responsible for reasonable travel, lodging, and food expenses incurred by TouchNet during the on-site training, in accordance with Client's travel policies.

SCHEDULE D

LICENSE FEES

TouchNet will invoice and Client is obligated to make payments according to the following:

Equipment and Licensed Software

TouchNet will invoice Client for all Equipment and Licensed Software upon shipment or when loaded at the TouchNet DataCenter, whichever is applicable. Client shall pay the invoice within 30 days of receipt.

Professional Services

TouchNet will invoice Client for all Professional Services, including Implementation Services, upon performance of services. Client shall pay invoice within 30 days of receipt.

Annual Maintenance and Support

TouchNet will invoice Client for the first year's Annual Maintenance and Support following installation of the Licensed Software, the granting of access to Client by TouchNet on TouchNet servers (where a hosting service option has been elected by Client), or 60 days from ship date, whichever is sooner. Client shall pay the invoice within 30 days of receipt.

Total System Price (Equipment and Licensed Software):

Product	Quantity	Unit Cost	Total
TouchNet Payment Gateway Suite License	1	\$39,300	\$39,300
Less TouchNet Limited Use Payment Gateway License			(\$15,800)
TouchNet eBill License	1	\$41,500	\$41,500
Less Discount			(\$2,700)
TouchNet eDisbursements License	1	\$21,800	\$21,800
TouchNet System Price			\$84,100

PR
4/19/05

Total Professional Services Price:

Product	Quantity	Unit Cost	Total
TouchNet webCheck Professional Services	1	\$3,750	\$3,750
TouchNet eBill Professional Services	1	\$4,747	\$4,747
TouchNet eDisbursements Professional Services	1	\$4,748	\$4,748
TouchNet Professional Services Price			\$13,245

pd 6/15/05

Total Annual Maintenance & Support Price:

Product	Quantity	Unit Cost	Total
TouchNet Payment Gateway Upgrade Maintenance & Support	1	\$1,462	\$1,462
TouchNet webCheck Maintenance & Support	1	\$2,533	\$2,533
TouchNet eBill Maintenance & Support	1	\$7,055	\$7,055
TouchNet eDisbursements Maintenance & Support	1	\$3,706	\$3,706
TouchNet Maintenance and Support Price			\$14,756

pd 6/15/05

Summary:

Product	Total
TouchNet System Price (Exhibits A and B)	\$84,100
TouchNet Professional Services (Exhibit C)	\$13,245
TouchNet System Maintenance and Support (Exhibit F)	\$14,756
Grand Total of the System	\$112,101

*pd 6/15/05
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*Client is responsible for actual freight and travel charges, if applicable, in accordance with Client travel policies.

Client's maximum purchase price under this Agreement will not exceed \$150,000 without execution of a signed addendum.

SCHEDULE E

SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT

This Software Maintenance and Support Agreement (the "Software Maintenance Agreement"), effective as of the last of the dates shown in the signature block hereto (the "Effective Date") is made between TouchNet and Client, as those terms are defined in the License Agreement effective as of _____ (the "License Agreement").

TouchNet desires to render Maintenance and Support services to Client for the Licensed Software, subject to the terms of this Software Maintenance Agreement, and Client desires to receive such services and to pay TouchNet therefor, in accordance with the terms of this Software Maintenance Agreement.

NOW, THEREFORE, Client and TouchNet, intending legally to be bound, agree as follows with respect to software maintenance and support issues:

1. **Definitions.** Capitalized terms used in this Software Maintenance Agreement shall have the meanings as set forth in the License Agreement, except where such terms are otherwise defined above or in the following subsections to this Section 1.

- 1.1. **Software Updates.** The term "Software Updates" means that TouchNet shall provide to Client all updates, error corrections, and enhancements generally made available to TouchNet's Clients for the Licensed Software. TouchNet shall notify Client when such updates, error corrections, and enhancements are available and, upon Client's request, either (i) ship the same to Client for setup (together with setup instructions) or (ii) make the said updates, error corrections, and enhancements available via file transfer.

- 1.2. **Unlimited Telephone Support.** The term "Unlimited Telephone Support" means that TouchNet shall provide Client, with respect to the Licensed Software, unlimited telephone support over its technical support line during normal business hours (Monday – Friday, 7-5 Central Time).

2. **Standard Software Service.** In consideration for the maintenance fees as described in Annex A hereto, TouchNet shall provide, with respect to the Licensed Software, Unlimited Telephone Support and Software Updates. In all cases in which the specified support, maintenance, or other service by TouchNet requires participation or performance by Client, if Client fails (i) promptly and effectively to perform its obligations or (ii) fails to bring its hardware, software, and operating system up to a level that meets the Minimum System Requirements (as amended from time-to-time by TouchNet) applicable to the subject version of the Licensed Software, then TouchNet shall be relieved of its responsibility for rendering the indicated maintenance, support, or other service.

3. **Exclusions.** The maintenance and other services to be provided by TouchNet under this Software Maintenance Agreement shall exclude the following:

3.1. **External Causes.** Maintenance and Support under this Software Maintenance Agreement shall not include malfunctions or performance problems resulting: (i) from external causes such as vandalism, civil disturbance, fire, flood, storm, or other exposure to the elements or temperature extremes; (ii) from tampering, abuse, power fluctuations, phone line problems, or misuse; (iii) from unauthorized installation, reinstallation, or repair; or (iv) from problems or errors resulting from unauthorized modification of the Licensed Software or Equipment or from malfunctions of or incompatibility of software not approved by TouchNet for use with the Licensed Software furnished by TouchNet.

3.2. **Cost of Excluded Service.** Any error, corrections, repairs, or replacements required to make the Licensed Software function properly because of Client modifications to the System or other events or occurrences excluded from or otherwise not covered by this Software Maintenance Agreement, shall be provided at TouchNet's then current hourly rate for repair and other technical service and TouchNet's then standard price for replacement products. TouchNet currently charges a labor rate of One Hundred Forty-Eight dollars (\$148.00) per hour for repair and technical services. TouchNet reserves the right to increase the said rate at any time upon the giving of sixty (60) days advance notice to Client. Such notice may be furnished by posting the same on TouchNet's Website.

4. **Payment.** For the service provided by TouchNet under this Software Maintenance Agreement, Client will pay TouchNet a fee as described in Annex A for covered Support services and fees as set forth in Section 3.2 for other Support services.

5. **Taxes.** Client is a tax exempt entity.

6. **Term and Termination.** Unless sooner terminated as provided in this Section 6 or Termination of the License Agreement, this Software Maintenance Agreement shall continue in effect from the Effective Date hereof until the third (3rd) anniversary of the Effective Date of this Software Maintenance Agreement. Thereafter, this Software Maintenance Agreement shall continue indefinitely, but shall be terminable (with or without cause) by either party upon the giving of sixty (60) days advance written notice. This Software Maintenance Agreement may be terminated at any time:

6.1. **No Payment.** By TouchNet, upon the giving of ten (10) days advance written notice, if Client has failed to make any payment on the due date therefor, as specified herein;

6.2. **Breach Of Agreement.** By either party, if the other party has substantially breached a material provision of this Software Maintenance

Agreement (other than a promise to pay money, breach of which being covered by Section 6.1 hereof) and has failed to cure the breach to the satisfaction of the other party, as specified in the notice of breach, within thirty (30) days of the giving of the said notice; and

6.3. Termination of License Agreement. By TouchNet, immediately (with or without notice), if the License Agreement is terminated for any reason.

7. License Agreement. All relevant provisions of the License Agreement are incorporated into this Software Maintenance Agreement as though fully set forth herein. In the event of any conflict between the terms of the License Agreement and the provisions hereof, the License Agreement shall control, unless specific reference is made to the section in the License Agreement to be overruled and the parties expressly state that the provision cited is to be overruled.

8. Attachments. All Annexes or exhibits referenced herein are incorporated into this Software Maintenance Agreement as though fully set forth herein.

IN WITNESS WHEREOF, the parties have executed this Software Maintenance Agreement as of the respective dates set forth in the signature block below.

TOUCHNET INFORMATION SYSTEMS, INC.

Signature:



By: Daniel J. Toughey

Title: President

Date: February 24, 2005

Client

Signature:



By:

Charles M. Paccolo
Vice Pres. & Treasurer

Title:

Date:

MAR - 3 2005

ANNEX A

ANNUAL MAINTENANCE FEES

The annual fee, payable in advance, for Maintenance and Support services, as described in the Software Maintenance and Support Agreement to which this Annex is attached, are as shown below. TouchNet reserves the right to increase the fees shown below for maintenance and support by not more than ten (10%) per year over the applicable amount for the immediately preceding year.

A Maintenance Fee of \$ 14,756.00 shall be due and payable upon thirty days of receipt by the Client of an original invoice. For each subsequent year, the annual fee, adjusted by TouchNet as permitted herein, shall be payable thirty (30) days in advance of each anniversary of the Effective Date.

SCHEDULE F
CLIENT'S STANDARD TERMS AND CONDITIONS

1. The Client is not bound by this Contract until it is approved by the appropriate Client official(s) indicated on the signature page of this Contract.
2. This Contract may be modified only by a written amendment which has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.
3. TouchNet shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the Client.
4. If this Contract provides for reimbursement for travel, meals or lodging, such reimbursement must be made in accordance with Client travel policies.
5. TouchNet warrants that no part of the total Contract amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to Contractor in connection with any work contemplated or performed relative to this Contract, and that no employee or official of the State of Tennessee holds a controlling interest in TouchNet.
6. TouchNet shall maintain documentation for all charges against the Client under this Contract. The books, records and documents of TouchNet, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the Client or the Comptroller of the Treasury, or their duly appointed representatives. Any such audit would be restricted completely to information regarding charges or money received under this contract. These records shall be maintained in accordance with generally accepted accounting principles.
7. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract. TouchNet shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notice of non-discrimination.
8. TouchNet, being an independent contractor, agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all taxes incident to this Contract. The Client shall have no liability except as specifically provided in this Contract.
9. TouchNet shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.
10. This Contract shall be governed by the laws of the State of Tennessee, which provide that the Client has liability coverage solely under the terms and limits of the Tennessee Claims Commission Act.
11. TouchNet shall avoid at all times any conflict of interests between his/her duties and responsibilities as a Contractor and his/her interests outside the scope of any current or future Contracts. The following principles define the general parameters of a conflict of interests prohibited by the Client:
 - A. A Contractor's outside interests shall not interfere with or compromise his/her judgment and objectivity with respect to his/her duties and responsibilities to the Client.
 - B. A Contractor shall not make or influence Client decisions or use Client resources in a manner that results in:
 - Financial gain outside any current or future Contracts for either TouchNet or his/her relatives or
 - Unfair advantage to or favored treatment for a third party outside the Client.
 - C. A Contractor's outside financial interests shall not affect the design, conduct, or reporting of research.TouchNet certifies that he/she has no conflicts of interests and has disclosed in writing the following:
 - A. Any partners or employees of TouchNet who are also employees of the Client.
 - B. Any relatives of TouchNet's partners or employees who work for the Client.
 - C. Any outside interest that may interfere with or compromise his/her judgment and objectivity with respect to his/her responsibilities to the Client.
12. If TouchNet fails to perform properly its obligations under this Contract or violates any term of this Contract, the Client shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services. TouchNet shall not be relieved of liability to the Client for damages sustained by breach of this Contract by TouchNet, subject to the terms and conditions of the agreement.