

MASTER SERVICES AGREEMENT

FLORIDA DEPARTMENT OF FINANCIAL SERVICES, DIVISION OF TREASURY

CUSTOMER's Legal Name

Doing Business As

Street Address Tallahassee, FL 32399
City State Zip Code

Government Florida Multiple
CUSTOMER's business organization type State of Organization Taxpayer Identification Number
(corporation, LLC, partnership, non-profit or other entity)

entered into simultaneously herewith pursuant to solicitation DFS TR ITN 11/12-17 ("DFS ITN") and is by and between the Florida Department of Financial Services, Division of Treasury, and BANC OF AMERICA MERCHANT SERVICES, LLC ("BAMS") and/or third party providers who enter into addenda to this MSA (each of BAMS and such third party providers are referred to as a "PROVIDER" for all services provided by them) for the Services identified below:

The intent of this MSA is to provide one set of standardized general terms and conditions to be utilized for Agency Participants and Local Government Participants who require payment processing services ("CUSTOMER"). Each Addendum to this MSA ("Addendum" and collectively, the "Addenda"), whether entered into concurrently herewith or hereafter, will contain terms, operational descriptions, specifications and associated pricing specific to those services contemplated thereunder ("Services"). Each Addendum will be subject to this MSA unless the applicable Addendum provides that additional and/or other terms and conditions apply. This MSA and any applicable Addenda are part of the final Master Contract which governs the provision of Services. Except to the extent otherwise expressly set forth in this MSA or an Addendum, references to this MSA shall be deemed to include each Addendum and references to each Addendum shall be deemed to include this MSA. For purposes of each Addendum, (i) the PROVIDER(S) thereunder will become parties to this MSA upon execution of such Addendum as if such PROVIDER(s) had physically executed this MSA, (ii) the terms of this MSA shall apply separately to each Addendum and the PROVIDER(s) thereunder; provided, that to the extent more than one PROVIDER enters into an Addendum, and unless that Addendum expressly provides otherwise, (a) each such PROVIDER'S obligations shall be joint, but not several, and (b) each such PROVIDER shall have separate but equal rights against the CUSTOMER. No PROVIDER shall be obligated to, or have any rights against, the CUSTOMER under any Addendum to which it is not a party.

In consideration of the mutual covenants and agreements set forth herein and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, BAMS and CUSTOMER agree as follows:

1. **Services; Recitals; Definitions.** The Services subscribed to concurrently herewith shall be more fully described in the following Addenda: Other Card Services Supplement to Merchant Services Bankcard Addendum and Attachment I; Debit Transactions Supplement to Merchant Services Bankcard Addendum and Attachment II; and Equipment Purchase and Rental Supplement to Merchant Services Bankcard Addendum and Attachment III.

As used in this MSA, capitalized terms not defined herein will have the meaning set forth in Annex 1.

2. Term.

2.1 This MSA, and each Addendum, shall (i) be in effect upon complete execution of each such document, and each such document shall remain effective through the initial term of the Master Contract and (ii) renew according to its terms unless terminated by the parties thereto according to its terms. This MSA shall remain in effect until all Addenda are terminated at which time it shall terminate automatically.

2.2 This Subsection 2.2, Sections 3-5, 7, 9, 11-19 and Subsection 10.2 will survive termination of this MSA.

3. Financial and Other Information.

3.1 CUSTOMER agrees to provide PROVIDER or provide electronic access to, financial statements of CUSTOMER when released after the end of each fiscal year. Such financial statements shall be prepared in accordance with U.S. generally accepted accounting principles. CUSTOMER also shall provide such other financial statements and other information concerning CUSTOMER's business and CUSTOMER's compliance with the terms and provisions of this MSA as PROVIDER may reasonably request. CUSTOMER authorizes PROVIDER to obtain from third parties financial and credit information relating to CUSTOMER and CUSTOMER's individual principal officers or owners, as authorized under this MSA. Such information will be used by PROVIDER in connection with PROVIDER'S determination whether to accept this MSA and PROVIDER's continuing evaluation of the financial and credit status of CUSTOMER. Pursuant to Applicable Law, including the USA PATRIOT Act, PROVIDER is obtaining information and will take necessary action to verify CUSTOMER's identity. Upon request, CUSTOMER shall provide to PROVIDER or their representatives or our regulators reasonable access to CUSTOMER's facilities and records for the purpose of performing any inspection and/or copying of CUSTOMER's books and/or records deemed appropriate by PROVIDER.

3.2 CUSTOMER will provide PROVIDER with written notice of CUSTOMER's intent to liquidate, substantially change the basic nature of its business, transfer or sell any substantial part (25% or more in value) of its total assets, or if

CUSTOMER or its parent is not a corporation whose shares are listed on a national securities exchange or on the over-the-counter market, change the control or ownership of CUSTOMER or its parent, thirty (30) days prior to such liquidation, change, transfer or sale taking place. CUSTOMER will also notify PROVIDER of any judgment, writ, warrant of attachment, execution or levy against any substantial part (25% or more in value) of CUSTOMER's total assets not later than three days after CUSTOMER obtains knowledge of any such judgment, writ, warrant of attachment, execution or levy.

4. Indemnification. Intentionally omitted

5. Warranties; Limitation on Liability; Exclusion of Consequential Damages.

5.1 Disclaimer of Warranties. THIS MSA IS AN AGREEMENT FOR THE SERVICES AND EXCEPT AS EXPRESSLY PROVIDED HEREIN THIS MSA, PROVIDER AND ITS RESPECTIVE AFFILIATES DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO CUSTOMER OR ANY OTHER PERSON, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE (REGARDLESS OF ANY COURSE OF DEALING, CUSTOM OR USAGE OF TRADE) OF ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE SERVICES PROVIDED UNDER THIS MSA.

5.2 Limitation of Liability. In accordance with the Master Contract.

5.3 Exclusion of Consequential Damages. NOTWITHSTANDING ANYTHING IN THIS MSA TO THE CONTRARY, IN NO EVENT SHALL PROVIDER OR ITS AFFILIATES BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL THEORY FOR LOST PROFITS, LOST REVENUES, LOST BUSINESS OPPORTUNITIES, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER ANY PARTY OR ANY ENTITY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6. Independent Contractor; Third Party Beneficiaries. The parties are independent contractors. Neither party shall have any authority to bind the other. This MSA and any Addenda is entered into solely for the benefit of PROVIDER(S) and CUSTOMER and will not confer any rights upon any person not expressly a party to this MSA or any Addenda, including consumers. PROVIDER may subcontract with others to provide Services upon notice to CUSTOMER.

7. Publicity. Neither party will initiate publicity relating to this MSA without the prior written approval of the other, except that: (i) either party may make disclosures required by legal, accounting or regulatory requirements; and (ii) PROVIDER may use CUSTOMER's name in publicity indicating that CUSTOMER and PROVIDER have entered into a contractual relationship. In no event will either party publicly disparage the other party.

8. Exclusivity. PROVIDER will be the non-exclusive provider of the services during the term. CUSTOMER may, without limitation and without recourse by the PROVIDER, contract with other PROVIDERS to provide the same or similar services.

9. Compliance with Applicable Law. In performing its obligations under this MSA, the parties agree to comply with all Applicable Law. To the extent that CUSTOMER'S obligations under this MSA would cause CUSTOMER to violate any Applicable Law, CUSTOMER'S obligation to comply with such Applicable Law will prevail. Subject to PROVIDER'S duties under the Scope of Work, CUSTOMER shall be solely responsible for (i) determining which laws and regulations apply to their activities under this MSA and (ii) maintaining compliance with all Applicable Law. CUSTOMER further agrees to cooperate with, and to provide information requested by, any PROVIDER as such PROVIDER deems necessary to facilitate its compliance with all Applicable Law. CUSTOMER must not use the Services for transactions prohibited by Applicable Law or the Card Organization Rules, such as those prohibited for alcoholic beverages, tobacco products, gambling (for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq., as may be amended from time to time) drugs, weapons, adult-content material, or adult web sites, services or entertainment.

10. Assignment.

10.1. CUSTOMER may not assign or transfer this MSA (or any portion of it), by operation of law or otherwise, and PROVIDER is not required to continue this MSA after CUSTOMER's merger, conversion of entity (e.g., from a corporation to a limited liability company) or consolidation, majority stock or substantial asset sale, without PROVIDER's prior written consent, which will not be unreasonably conditioned, withheld, or delayed. CUSTOMER agrees to provide PROVIDER with at least 30 days' prior written notice of CUSTOMER's intention to take any of those types of actions. Any purported assignment made or other action taken described in this Section without PROVIDER's prior written consent is void. Except as provided in the following sentence, this MSA will be binding upon successors and assigns and will inure to the benefit of the parties and their respective permitted successors and assigns. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, sheriff or any other officer of a court, or other person charged with taking custody of a party's assets or business, will have any right to continue or to assume or to assign this MSA (or any portion of it).

10.2 PROVIDER may, however, assign any or all of its rights or delegate any or all of its obligations to an affiliate or an entity acquiring all or substantially all of the assets of PROVIDER.

11. Choice of Law and Venue. This MSA will be governed by the laws respecting national banks and, to the extent not so covered, by the laws of the State of Florida without regard to conflicts of law provisions. If any part of this MSA is not enforceable, the remaining provisions still remain valid and enforceable. The exclusive venue for any actions or claims arising under or related to this MSA shall be in the courts of the State of Florida and Leon County, located in Tallahassee, Florida, and each party submits to the jurisdiction of those courts in connection with such actions or claims. In performing its obligations under this MSA, each party agrees to comply with Applicable Law and Card Organization Rules.

12. Waiver of Jury Trial. To the extent permitted by Applicable Law, CUSTOMER and PROVIDER waive any right to trial by jury in any action or proceeding regarding any litigation related to this MSA and agree that any such actions or proceedings will be tried by a judge without a jury.

13. Confidentiality. Subject to the Master Contract, CUSTOMER will treat this MSA in accordance with the Florida Transparency Act. The parties will treat the Card Organization Rules and any information supplied or otherwise made accessible by PROVIDER or PROVIDER's agents as confidential, including without limitation, (i) information about the products, services, operations, procedures, customers, suppliers, sales, pricing, business plans and marketing strategies of PROVIDER, its affiliates and the customers, clients and suppliers of any of them; (ii) any scientific or technical information, design, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords PROVIDER a competitive advantage over its competitors; (iii) user IDs, security codes, passwords, personal identification numbers, and other security devices and procedures for the Services or related thereto, and (iv) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, inventions, know-how, show-how and trade secrets, whether or not patentable or copyrightable and will not disclose the same to any third parties, provided, however, that these restrictions do not apply to information: (a) rightfully obtained on a non-confidential basis from any individual or entity other than CUSTOMER or PROVIDER ("Person") and CUSTOMER's agents and representatives, which Person was not subject to a duty of confidentiality, (b) rightfully and independently known by CUSTOMER on a non-confidential basis prior to its disclosure, (c) generally available to the public other than through any disclosure by or fault of CUSTOMER, CUSTOMER's agents or representatives, or (d) disclosure is required by Applicable Law.

PROVIDER's confidential information shall be used by CUSTOMER only to exercise CUSTOMER's rights and to perform CUSTOMER's obligations hereunder. CUSTOMER shall receive PROVIDER's confidential information in confidence and not disclose the confidential information to any Person, except as required by the Florida Public Records Act and exceptions thereto. Each party shall safeguard all of the other party's confidential information using a reasonable degree of care, but not less than that degree of care used by it in safeguarding its own similar information or material. Upon request by PROVIDER or upon termination of this MSA, CUSTOMER shall return to PROVIDER or destroy all of PROVIDER's confidential information in its possession or control.

The obligations of confidentiality and restrictions on use in this Section shall not apply to any confidential information that: (i) was in the public domain prior to the date of this MSA or subsequently came into the public domain through no fault of CUSTOMER; (ii) was received from a Person free of any obligation of confidence of CUSTOMER to the Person and which Person, to CUSTOMER's knowledge, was not under an obligation to keep the information confidential; (iii) was already in CUSTOMER's possession prior to receipt from PROVIDER; (iv) is required to be disclosed by law, regulation or court order after giving PROVIDER as much advance notice as practical of the possibility of disclosure; or (v) is subsequently and independently developed by CUSTOMER's employees, consultants or agents without use of or reference to PROVIDER's confidential information.

Except as specifically provided for herein or the Master Contract, this Section does not confer any right, license, interest or title in, to or under PROVIDER's confidential information to CUSTOMER. Except as specifically provided for herein, no license is hereby granted to CUSTOMER under any patent, trademark, copyright, trade secret or other proprietary rights of PROVIDER.

CUSTOMER acknowledges that breach of the restrictions on use or disclosure of PROVIDER's confidential information would result in immediate and irreparable harm to PROVIDER, and money damages would be inadequate to compensate for that harm. Each party shall be entitled to equitable relief, in addition to all other available remedies, to redress any breach by the other party.

With respect to any information received by PROVIDER from CUSTOMER via its use of the Services, PROVIDER will keep such information confidential in accordance with Master Contract section 6 and applicable law; provided, that PROVIDER may disclose such information (i) to third parties to the extent necessary to provide the Services, (ii) PROVIDER's auditors and attorneys (internal and external) and regulators, and (iii) as required by law, regulation or court order.

CUSTOMER shall not assign to any Person the rights to use the Marks of PROVIDER, its agents or the Card Organizations.

14. Force Majeure. Force Majeure provisions shall conform to Master Contract PUR Form 1000.

15. Attorney Fees Related to Contract Obligations. Except as otherwise provided by law, the parties agree to be responsible for their own attorney fees incurred in connection with disputes arising under the terms of this Agreement or the Master Contract.

16. Notices. Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the Services) shall be in writing, shall be sent by mail, courier or facsimile (facsimile notices shall be confirmed in writing facsimile confirmation), if to CUSTOMER at the address appearing on the first page of this MSA and if to PROVIDER, at the address stated in the Master Contract and shall be deemed to have been given pursuant to the Master Contract. Notice given in any other manner shall be effective when actually received.

17. Headings. The headings contained in this MSA are for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this MSA.

18. Severability. The parties intend every provision of this MSA to be severable. If any part of this MSA is not enforceable, the remaining provisions shall remain valid and enforceable. In such case, the parties will in good faith modify or substitute a provision consistent with their original intent. If any remedy fails of its essential purpose, then all other provisions, including the limitations on liability and exclusion of damages, will remain fully effective.

19. Entire Agreement; Waiver. The Master Contract (which supersedes the MSA and any Addenda in the event of conflicting terms) and this MSA constitutes the entire agreement between the parties with respect to the subject matter, supersedes any previous agreements and understandings and, except as provided in other Sections of this MSA, can be changed only by a written

agreement signed by all parties. Except as specifically provided herein, this MSA will not benefit, or create any right or cause of action on behalf of, any person other than the parties. Throughout this MSA, where appropriate, singular terms include the plural and the plural includes the singular and the words "will" and "shall" are used interchangeably and have the same meaning. Headings are for convenience and reference only and not part of this MSA. Except as stated in the Master Contract, Purchase orders, requests for production, pre-printed terms or other CUSTOMER-generated documents that PROVIDER may receive are superseded by this MSA and the Master Contract.

A waiver by either of the parties of any of the covenants, conditions, or agreements to be performed by the other or any breach thereof will not be construed to be a waiver of any succeeding breach or of any other covenant, condition or agreement contained in this MSA. No waiver will be effective unless made in writing by the party against whom it is being enforced.

THIS MSA IS NOT BINDING UPON PROVIDER UNTIL THE PARTICIPATION AGREEMENT IS SIGNED BY THE CUSTOMER AND PROVIDER.

MERCHANT SERVICES BANKCARD ADDENDUM TO MASTER SERVICES AGREEMENT

This Merchant Services Bankcard Addendum ("Bankcard Addendum") is entered into by and among the Participant subscribing to this service ("CUSTOMER"), BANK OF AMERICA, NA ("BANK") and BANC OF AMERICA MERCHANT SERVICES, LLC ("BAMS") and supplements the Master Contract and the Master Services Agreement between BAMS and CUSTOMER (the "MSA"). BANK hereby joins the MSA as a PROVIDER (as defined in the MSA) and agrees to be bound by its terms. Each of BANK and BAMS is a PROVIDER and collectively referred to in this Bankcard Addendum as the "SERVICERS". References to the MSA in this Bankcard Addendum shall include this Bankcard Addendum. Capitalized terms not defined in this Bankcard Addendum are defined in the MSA or Card Organization Rules. The Card Organization Rules are made a part of this Bankcard Addendum by this reference to them, and reference to this Bankcard Addendum or Operating Guide shall be deemed to include the Card Organization Rules, unless stated otherwise.

This Bankcard Addendum governs processing services regarding credit, debit and certain other Card transactions and other services, as those services are further described in this Bankcard Addendum, the Fee Schedule attached hereto as Schedule A (including any additions and changes thereto, the "Fee Schedule"), any and all concurrent and subsequent addenda, supplements or schedules to this Bankcard Addendum (each, including the Fee Schedule, as amended from time to time, a "Supplement"), and the Card Organization Rules, all as elected by CUSTOMER and approved by SERVICERS (or their applicable Affiliate) (for the purposes of this Addendum, collectively, the "Services"). Unless otherwise expressly provided in the MSA, this Bankcard Addendum or any Supplement, (i) references to each Supplement shall be deemed to include this Bankcard Addendum, (ii) references to this Bankcard Addendum shall be deemed to include each Supplement, and (iii) references to an Addendum in the MSA shall be deemed to include this Bankcard Addendum and each Supplement with respect to the Services. To the extent the terms of a Supplement directly conflict with the terms of this Bankcard Addendum, the terms of that Supplement shall control. CUSTOMER and SERVICERS agree to comply with this Bankcard Addendum. In performing this Bankcard Addendum, without diminishing SERVICERS' obligations to CUSTOMER, SERVICERS may use the services of third parties, including, without limitation, their respective Affiliates.

BANK's obligations hereunder shall be limited to the sponsorship and settlement of certain Card transactions submitted in accordance with the terms and conditions of this Bankcard Addendum and the Bankcard Card Organization Rules.

In consideration of the mutual covenants and agreements set forth herein and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, SERVICERS and CUSTOMER agree as follows:

1. **Definitions.** As used in this Bankcard Addendum, capitalized terms will have the meaning set forth in Annex 1, the Operating Guide or Card Organization Rules, as applicable.
2. **Services.**
 - 2.1 [Intentionally omitted]
 - 2.2 Subject to Card Organization Rules, Services may be performed by BAMS or BANK subject to the agreements between them as the same may be modified from time to time. In addition to SERVICERS, one or more affiliates of BAMS may assist in providing Terminals or other equipment and local support functions in connection with this Bankcard Addendum.
 - 2.3 SERVICERS will make the Services operational and available to CUSTOMER through a mutually agreed upon implementation plan. CUSTOMER agrees to at all times cooperate with SERVICERS and provide SERVICERS with all necessary information and assistance required by SERVICERS to provide the Services in accordance with the Card Organization Rules and Applicable Law, including, without limitation, making changes to Merchant Equipment as SERVICERS require. CUSTOMER will be responsible for (i) use of the Services by CUSTOMER, CUSTOMER's employees and agents and Merchant Providers, (ii) CUSTOMER's failure to properly access the Services in the manner prescribed by SERVICERS, and (iii) CUSTOMER's failure to supply accurate information regarding the Services.
3. **Election of Cards, Duty to Honor Cards and Use of Marks.**
 - 3.1 **Card Election.** CUSTOMER has elected and SERVICERS have approved CUSTOMER to accept those Card types and Services designated in this Bankcard Addendum or the Supplements. CUSTOMER may change CUSTOMER's election of Card types and Services from time to time upon at least sixty (60) days' advance notice to SERVICERS; SERVICERS will use their reasonable efforts to accommodate CUSTOMER's requests in less than this time but SERVICERS will not be obligated to do so. Upon SERVICERS' approval of such new Card type or Service, the parties will execute a Supplement therefor. CUSTOMER will not seek authorization for or submit a transaction of a new Card type until the parties have entered into a Supplement for it. Unless otherwise directed by SERVICERS, CUSTOMER will not seek authorization for or submit a Card transaction of a Card type CUSTOMER desire to discontinue accepting later than the effective date of the notice to SERVICERS. With respect to inadvertent or intentional acceptance of a transaction other than the type or service anticipated for CUSTOMER's account (including, without limitation, a different Card type), CUSTOMER will also be subject to payment to SERVICERS of their then-current transaction fee(s) with respect to such Card, transaction and/or service and be liable, obligated and responsible under this Bankcard Addendum for any such transaction or service to the same extent as CUSTOMER would be if it was of an anticipated Card type or service.
 - 3.2 **Honoring Cards Generally.** CUSTOMER will honor a Card by accepting it for payment. CUSTOMER will not engage in any acceptance practice or procedure that discriminates against, or discourages the use of, any particular Card type elected by CUSTOMER and approved by SERVICERS, in favor of any competing Card brand also elected and approved.
 - 3.3 **Cards Issued by US Card Issuers.** For all Cards issued by U.S. Issuers, CUSTOMER will honor all Cards within the Card types elected and approved in accordance with this Bankcard Addendum. For example, if CUSTOMER elects and is approved to accept Visa credit Cards, CUSTOMER will submit payments from Visa-branded credit Card Cardholders without regard to whether the credit Card is a Visa-branded rewards credit Card or Visa-branded business purpose credit Card.

3.4 Cards Issued by Non-US Card Issuers. CUSTOMER will honor all Cards issued by non-U.S. issuers. For example, even if CUSTOMER elects to limit CUSTOMER's acceptance of MasterCard Cards to MasterCard credit Cards, CUSTOMER will accept for processing a MasterCard debit Card issued by a non-U.S. Card issuer.

3.5 Marks Generally. CUSTOMER and SERVICERS acknowledge that no party will acquire any right, title or interest in or to the Marks of any other party or of any Card Organization or SERVICERS' agents by virtue of this Bankcard Addendum, without prior written consent. CUSTOMER will not assign to any third party any of the rights to use the Marks of SERVICERS, SERVICERS' agents or Card Organizations.

Except as otherwise provided herein, no party will use any other party's Marks, or use language from which the connection of such Marks may be inferred, in any advertising, written sales promotion, press releases or other publicity matters relating to this Bankcard Addendum without such party's prior written consent.

4. General Requirements and Restrictions for Card Transactions.

4.1 Accuracy of Data Submitted. CUSTOMER will be responsible for the quality and accuracy of all data provided to SERVICERS. SERVICERS may, at SERVICERS' option, return to CUSTOMER for correction before processing any data submitted by CUSTOMER which is incorrect, illegible or otherwise not in proper form. If CUSTOMER do not provide data in accordance with SERVICERS' specified format and schedule, SERVICERS will use reasonable efforts to reschedule and process the data as promptly as possible, but related expenses incurred by SERVICERS will be charged to CUSTOMER.

4.2 Prohibitions on Increasing Price of Goods or Services. CUSTOMER will not increase the price of goods or services for a Card transaction or impose any fee for the service of accepting a Card except as allowed by the Card Organization Rules and Applicable Law. CUSTOMER may charge a convenience or service fee for a Card transaction only as permitted by the Card Organization Rules and Applicable Law. If clearly disclosed to the Cardholder, CUSTOMER may offer a discount from the standard price for payments by cash.

4.3 Payments from Cardholders. CUSTOMER agrees that CUSTOMER will not accept or process any funds representing a Cardholder's payment to an issuer.

4.4 Prohibition on Aggregating and Factoring and Employee Transactions. CUSTOMER is prohibited from submitting or presenting, and agrees not to submit or to present, any authorization requests for transactions and Sales Drafts arising from transactions between (i) CUSTOMER and Cardholders who are CUSTOMER's owners, partners, guarantors, officers or employees, other than genuine purchases, leases or rentals of goods or services from CUSTOMER or other payments to CUSTOMER, all in the ordinary course of CUSTOMER's business, and (ii) Cardholders and third parties for their goods or services or other payments to them.

4.5 Draft Requirements. All Sales Drafts and Credit Drafts must include all information required under and in accordance with the Operating Guide, Card Organization Rules and Applicable Law.

4.6 Unless otherwise agreed in advance and writing by SERVICERS, CUSTOMER must submit all Card transactions in U.S. dollars.

5. Operating Guide; Card Organization Rules and Compliance.

CUSTOMER acknowledges that it has received the Operating Guide, the terms of which are incorporated into this Bankcard Addendum; any reference to this Bankcard Addendum includes the Operating Guide. Notwithstanding any provision to the contrary contained in this Bankcard Addendum, the parties hereto acknowledge and agree that the Operating Guide provides the principals of a sound Card program and contain the relevant subset of the Card Organization Rules. However, the Operating Guide is not a complete set of all Card Organization Rules. If CUSTOMER loses or otherwise misplaces the Operating Guide or notices of changes thereto, CUSTOMER shall be responsible for contacting SERVICERS to obtain replacement copies. From time to time, SERVICERS may change the Operating Guide, in whole or in part, and other operating procedures, by providing CUSTOMER with at least thirty (30) days' prior written notice of the change. However, in the event of changes in the Card Organization Rules or due to security reasons, certain changes in Card procedures may become effective on shorter notice. If there is any conflict between the terms of this Bankcard Addendum and the Operating Guide, the terms of this Bankcard Addendum will govern, unless the conflict is directly related to a change in the Operating Guide which specifically addresses a procedure or requirement detailed in this Bankcard Addendum.

CUSTOMER must comply with the Card Organization Rules and Applicable Law, however, with regard to Card Organization Rules; CUSTOMER need only comply with those applicable to Cards. CUSTOMER will review the Card Organization Rules and Applicable Law from time to time for changes. Card Organization Rules are available on web sites, such as <http://www.usa.visa.com/merchants>, and <http://www.mastercardmerchant.com>, as those links may be changed from time to time.

6. Authorization.

6.1 CUSTOMER agrees to submit only Card transactions for which CUSTOMER has received an Authorization. Obtaining an Authorization will not ensure payment to CUSTOMER for a Sales Draft. The fact that an Authorization is obtained by CUSTOMER will not affect SERVICERS' rights thereafter to revoke Authorization of a Card transaction or to charge back the transaction to CUSTOMER. In no event will the fact that an Authorization is obtained by CUSTOMER be deemed to be SERVICERS' representation or warranty, either express or implied, that the particular Card transaction is in fact a valid, authorized or undisputed transaction entered into by the Cardholder.

6.2 The Authorization number provided by SERVICERS shall be noted by CUSTOMER in the appropriate place on the Sales Draft. If Authorization is declined, CUSTOMER shall not complete the Card transaction.

6.3 CUSTOMER shall comply with any special authorization procedures contained in the Card Organization Rules and any other sections or parts of this Bankcard Addendum.

6.4 CUSTOMER acknowledges that Authorization, (i) indicates only the availability of credit at the time of Authorization; (ii) does not warrant that the person presenting the Card is the rightful Cardholder; and (iii) is not an unconditional promise or guarantee by SERVICERS that any Card transaction will not be subject to Chargeback.

6.5 If CUSTOMER obtains an Authorization by telephone, CUSTOMER shall record the approval number on the Sales Draft.

7. Electronic Commerce Transactions

CUSTOMER acknowledges and agrees that this Section 7 pertains only to ECTs that arise from transactions effected in U. S. dollars. All CUSTOMER's ECTs must be in U.S. dollars and will be settled in U.S. dollars. Under the Card Organization Rules, ECTs are considered non face-to-face Card transactions. In addition, CUSTOMER must properly identify each ECT in the Sales Draft.

CUSTOMER agrees to develop and maintain a point of presence on the Internet at CUSTOMER's expense. CUSTOMER must post CUSTOMER's consumer data privacy policy and method of transaction security on CUSTOMER's web site(s) in accordance with the Card Organization Rules and Applicable Law. CUSTOMER will, in accordance with the Card Organization Rules and Applicable Law, (i) install and maintain a working firewall to protect data accessible via the Internet; (ii) keep security patches up to date; (iii) encrypt stored data; (iv) encrypt data sent across networks; (v) use and regularly update anti-virus software; (vi) restrict access to data on a "need to know" basis; (vii) assign a unique ID to each person with computer access to data; (viii) not use vendor-supplied defaults for system passwords and other security parameters; (ix) track access to data by unique ID; (x) regularly test security systems and processes; (xi) maintain a policy that addresses information security for employees and contractors; and (xii) restrict physical access to Cardholder data.

CUSTOMER's Internet web site must contain (a) a complete description of the goods or services offered, (b) CUSTOMER's returned merchandise and refund policy, (c) CUSTOMER's customer service contact information, including e-mail address and/or telephone number, (d) transaction currency, (e) export or legal restrictions (if known), (f) CUSTOMER's delivery policy and (g) CUSTOMER's country of domicile immediately prior to the Cardholder's accessing of payment instructions. In addition, CUSTOMER must disclose, at all points of Cardholder interaction (including any of CUSTOMER's supplier or subcontractor Internet web sites and any of CUSTOMER's promotional materials and invoices), to the Cardholder that CUSTOMER, and not any of any CUSTOMER's suppliers of goods or subcontractors for services, is the merchant of record and responsible for any Card transaction. CUSTOMER must also notify the Cardholder that CUSTOMER is responsible for (i) payment transactions, (ii) products and services, (iii) direct customer service, (iv) dispute resolution, and (v) all terms and conditions of the transaction. CUSTOMER must display on CUSTOMER's Internet web site(s) the Card Organization Marks, wherever CUSTOMER display payment options, in accordance with the Operating Guide and Subsection 3.5 of this Bankcard Addendum.

CUSTOMER will be responsible for all costs of connectivity and communication between CUSTOMER, the Internet and SERVICERS. CUSTOMER agrees to utilize SSL (Secure Sockets Layer) or other secure compatible encryption method acceptable to SERVICERS in providing CUSTOMER's ECTs to SERVICERS for authorization, processing and settlement.

CUSTOMER assumes all responsibility for identification of the Cardholder and the validity of the Card information for ECT. CUSTOMER agrees that each Authorization request will include a request for address verification and a positive response for it. CUSTOMER agrees to identify separately any high-risk transactions CUSTOMER submits. The high-risk transactions include, but are not limited to, any under Merchant Category Code 5987 - Direct Marketing - Inbound Telemarketing Merchants.

8. Multiple Sales Drafts and Partial Consideration.

8.1 Except as shall be specifically set forth in the Operating Guide or the Card Organization Rules, CUSTOMER shall list all items of goods and services purchased during each Card transaction and the total amount thereof on a single Sales Draft.

8.2 CUSTOMER shall comply with all special procedures and conditions applicable under the Operating Guide and the Card Organization Rules with respect to any partial payment, installment payment, delayed delivery or advance deposit situation and any delayed or amended charges for a travel and entertainment transaction. CUSTOMER shall not use more than one Sales Draft to represent a single Card transaction to avoid the need for Authorization.

9. Pre-Authorized Orders.

9.1 A Pre-Authorized Order may include the payment of recurring charges such as insurance premiums, subscriptions, membership fees, tuition or utility charges and may also include preauthorized health care payments (subject to a Supplement).

9.2 If CUSTOMER is authorized to accept Pre-Authorized Orders, Authorization for each such Card transaction, regardless of the amount, must be obtained, and CUSTOMER must write "Recurring Transaction" (for Visa and other non-MasterCard Card transactions) or "PO" (for MasterCard Card transactions) as applicable, on the Sales Draft in lieu of the Cardholder's signature.

9.3 Except for preauthorized health care payments for the incremental costs not covered by insurance, advance deposits and installment payments, all made in compliance with this Bankcard Addendum, a Pre-Authorized Order may not include partial payments made to CUSTOMER for goods or services purchased in a single transaction. In no event may any finance charges be imposed on any periodic payments in connection with a Pre-Authorized Order.

9.4 CUSTOMER may not accept a Pre-Authorized Order from a Cardholder for the purchase of goods or services which are delivered or performed periodically unless the Cardholder completes and delivers to CUSTOMER a written request (and, when applicable, a written renewal request) identifying (i) the goods or services to be charged to the Cardholder's account, (ii) the amount of the preauthorized or recurring charges (unless such charges are for variable amounts), (iii) the frequency of the preauthorized or recurring charges and (iv) the duration of time for which the Cardholder's permission is granted. If CUSTOMER accepts any Pre-Authorized Orders for variable amounts, CUSTOMER must comply with the supplemental provisions set forth in the applicable Supplements.

- 9.5 The Cardholder's written request (including any written renewal request) must be (a) retained for the duration of the preauthorized or recurring charges; (b) provided in response to an issuer's request for original documentation; and (c) used no longer after receiving notice of cancellation.

10. CUSTOMER Responsibilities for Persons Used by CUSTOMER.

10.1 Use of Persons. CUSTOMER's use of the services, equipment, Software, systems, materials, supplies or resources of Persons regarding CUSTOMER's Card transactions processing, including, without limitation, Merchant Providers and any third party lessors and licensors, will not affect CUSTOMER's obligations under this Bankcard Addendum to SERVICERS which will apply to the same extent as if CUSTOMER had not used them. SERVICERS have no liability or responsibility to CUSTOMER or others regarding these Persons, even if SERVICERS referred them to CUSTOMER. These third parties are CUSTOMER's agents, and CUSTOMER is solely responsible for (i) determining whether they can meet CUSTOMER's needs and standards, (ii) their actions, inactions and compliance with the terms of this Bankcard Addendum and Applicable Law and (iii) any and all fees, costs, expenses and other obligations owed to them by CUSTOMER or owed by them to SERVICERS or to the Card Organizations.

10.2 Merchant Providers. Before CUSTOMER engages any Merchant Provider, CUSTOMER must provide to SERVICERS in writing (a) the Merchant Provider's legal name, (b) contact information, and (c) intended function. CUSTOMER covenants with SERVICERS that CUSTOMER will not use, allow the use of, or provide to any Merchant Provider access to any Cardholder data, BAMS Systems, BAMS Software or Services until CUSTOMER receives SERVICERS' approval and, if required, confirmation of SERVICERS' registration of that Merchant Provider with applicable Card Organizations. CUSTOMER must ensure that CUSTOMER and Merchant Providers: (i) comply with the registration process which can involve site inspections, background investigations, provision of financial statements, and any other information required by a Card Organization; (ii) comply with the periodic and other reporting required by a Card Organization; and (iii) comply with this Bankcard Addendum and Applicable Law, including without limitation, those provisions requiring security of Cardholder data. CUSTOMER may allow Merchant Providers access to Cardholder data only for purposes authorized under and in conformance with the Card Organization Rules and Applicable Law. CUSTOMER is responsible for all SERVICERS' costs and expenses associated with SERVICERS' review, approval, certification (and recertification as may be required by the Card Organization Rules) and registration of any Merchant Providers.

Upon request and reasonable notice, CUSTOMER will provide and will ensure that Merchant Providers provide to SERVICERS and SERVICERS' respective representatives prompt access to CUSTOMER's and their facilities and records for the purposes of performing any inspection and copying books or records pertaining to the transactions contemplated under this Bankcard Addendum. CUSTOMER must have written agreements with Merchant Providers requiring such access.

11. Cardholder Refunds and Credits.

11.1 If a Cardholder returns goods or cancels services purchased from CUSTOMER with a Card, or CUSTOMER allows any other price adjustment after a sale has been completed and a refund or adjustment is due to the Cardholder (other than any involuntary refund required by applicable airline or other tariff or by Applicable Law), CUSTOMER will not return cash to the Cardholder but will instead prepare a Credit Draft and process each such refund or adjustment, as specified in the Operating Guide and Card Organization Rules. CUSTOMER will give the Cardholder a copy of the completed Credit Draft.

11.2 If CUSTOMER establishes a policy limiting refunds or acceptance of returned merchandise (e.g., no refund, exchange only, in-store credit only, or special conditions), CUSTOMER must follow the procedures set forth in the Operating Guide regarding refunds and returned merchandise.

12. Presentment of Card Transactions.

12.1 Locations. CUSTOMER will provide SERVICERS with a complete list of all CUSTOMER's Locations in the United States and its territories where CUSTOMER desires to accept Cards, with current information for each Location, including, physical address and telephone number(s), mailing address and, if available, fax number(s) and email address(es). CUSTOMER will provide an updated list as changes to any of CUSTOMER's Locations or their related information occur.

12.2 CUSTOMER shall electronically (or physically, when authorized by SERVICERS) deliver to SERVICERS Sales Drafts and Credit Drafts for all Card transactions to be processed and settled under this Bankcard Addendum. The deadlines for submitting Sales Drafts and Credit Drafts are set forth in the Operating Guide and Card Organization Rules corresponding to the applicable Card types and desired rates. In no event shall such deadlines be later than the fifth calendar day or third banking day (whichever is earlier) after completing Card transactions (unless CUSTOMER is entitled to any special extension of these deadlines). CUSTOMER acknowledges that the times specified in the preceding sentence are the maximum deadlines and that faster time frames are required to qualify for incentive programs.

12.3 CUSTOMER will not submit any Sales Draft that was not created in conjunction with a Card transaction between CUSTOMER and the applicable Cardholder. Under no circumstances will CUSTOMER submit any Sales Draft that has been previously charged back by the Cardholder and subsequently returned to CUSTOMER.

13. Settlement of Card Transactions.

13.1 Settlement of Sales Drafts. SERVICERS will settle with CUSTOMER for each Sales Draft acquired and accepted by SERVICERS under this Bankcard Addendum after SERVICERS receive payment for that Sales Draft from the related Card Organization, subject to the terms of this Bankcard Addendum. Unless SERVICERS agree in writing otherwise, SERVICERS will only acquire Sales Drafts for Visa, MasterCard and Discover Network Card types (including those of other Card Organizations processed under Visa, MasterCard or Discover Network Card Organization Rules); provided, however, that, if CUSTOMER has been classified by Discover Network as having a Discover Direct Strategic Relationship with Discover Network, SERVICERS will not acquire CUSTOMER's Discover Network transactions and they will be subject to CUSTOMER's agreement with Discover Network. CUSTOMER acknowledges and agrees that if SERVICERS have not agreed to or do not acquire transactions for any Card type (i) SERVICERS have no liability or responsibility whatsoever for the settlement of or disputes regarding those transactions and (ii) CUSTOMER will pursue

directly with the related Card Organization all claims and disputes regarding those transactions. CUSTOMER agrees to pay SERVICERS for per item processing, authorization and other fees in the Fee Schedule for any non-acquired transaction services CUSTOMER receives from SERVICERS.

- 13.2 Settlement Account and Its Operation. CUSTOMER will designate, in writing, and maintain, the Settlement Account for the purposes of settling transactions under this Bankcard Addendum. If the Settlement Account is with BANK, in the absence of any other written agreement with BANK, the standard terms and conditions that apply to BANK's deposit accounts of the same type will apply. As amounts become payable to CUSTOMER or to SERVICERS under this Bankcard Addendum, SERVICERS may, unless otherwise agreed, make payments to or receive payments from CUSTOMER by crediting or debiting the Settlement Account without prior notice. If CUSTOMER does not maintain a Settlement Account with BANK, payments between CUSTOMER and SERVICERS must be made in a manner satisfactory to SERVICERS. If CUSTOMER does not maintain sufficient balances in the Settlement Account to cover amounts owing under this Bankcard Addendum, CUSTOMER must promptly pay all such amounts directly to SERVICERS, and if CUSTOMER does not do so, at SERVICERS' discretion SERVICERS may follow default procedures and enforce its rights under the Master Contract.

CUSTOMER acknowledges and agrees that transfers to or from the Settlement Account will be made on the basis of account number and bank routing number only. SERVICERS are not responsible for detecting errors in any Settlement Account information CUSTOMER provides, including the account numbers and routing numbers associated with the Settlement Account, even if any of those numbers do not correspond to the account or bank identified by name. CUSTOMER's obligations and SERVICERS' rights regarding any settlement transfers SERVICERS make in reliance on the account number(s) and bank routing number(s) for the Settlement Account are not excused in those circumstances, even if CUSTOMER provides SERVICERS erroneous information.

SERVICERS will initiate a transfer of settlement funds to CUSTOMER as set forth in Section 13.3. SERVICERS will not be liable for any delays in receipt of settlement funds or errors in credits or debits to the Settlement Account that are caused by Persons, including but not limited to, delays or errors of any Card Organization or any financial institution other than BANK.

- 13.3 Settlement Amounts and Time for Settlement. All settlements to CUSTOMER for Sales Drafts will be based upon gross sales, minus the amounts of Credit Drafts, adjustments, applicable fees, Chargebacks, and any other amounts then due from CUSTOMER to SERVICERS, whether netted at settlement or separately debited. All credits to CUSTOMER's Settlement Account or other payments to CUSTOMER are provisional and are subject to (i) SERVICERS' final audit and confirmation, (ii) Card Organization Rules and (iii) any other obligations owed by CUSTOMER to SERVICERS.

Except as otherwise set forth in this Bankcard Addendum, if SERVICERS receive CUSTOMER's Sales Drafts by the applicable cut off time established by SERVICERS, SERVICERS will initiate a transfer of applicable settlement funds, after receipt thereof from the Card Organizations, via ACH (or other payment system available from SERVICERS for these types of transfers) to CUSTOMER's Settlement Account. SERVICERS will generally initiate this transfer by the following Business Day after SERVICERS process the applicable transactions. Generally, the Settlement Account will be credited within two Business Days after SERVICERS' initiation of the transfer.

- 13.4 Settlement Amounts Subject to Adjustments. This Bankcard Addendum is a contract whereby SERVICERS are extending financial accommodations to CUSTOMER within the meaning of Section 365(c) of the Bankruptcy Code. CUSTOMER's right to receive any amounts due or to become due from SERVICERS or SERVICERS' respective Affiliates, whether or not those amounts are related to this Bankcard Addendum, is expressly subject and subordinate to Chargeback, setoff, lien, security interest and SERVICERS' rights to withhold settlement funds under this Bankcard Addendum, without regard to whether such Chargeback, setoff, lien, security interest and the withholding of settlement funds rights are being applied to claims that are liquidated, unliquidated, fixed, contingent, matured or unmatured.

14 Fees; Adjustments; Collection of Amounts Due; Reconciliation.

14.1 Fees and Card Organization Charges. Subject to the Master Contract, CUSTOMER will pay SERVICERS, within the times specified by SERVICERS, all the fees and charges for the Services calculated pursuant to the Fee Schedule, which includes fees that are in whole or in part based on (i) fees set by Card Organizations, including, without limitation, interchange fees ("Card Organization Based Fees"), and (ii) fees set by other third parties (together with Card Organization Based Fees, "Third Party Based Fees"), and (iii) fees that SERVICERS set. Fees will be charged for all authorization requests, whether or not approved, all Sales Drafts submitted for processing, all Credit Drafts and all Chargebacks. If a Card transaction does not qualify for the lowest interchange rate for which it is eligible, then that Card transaction will be downgraded and processed at a more costly interchange rate for which it qualifies. To the extent authorized by the Master Contract Pricing Schedule CUSTOMER will pay corrected interchange fees for any Card transactions that a Card Organization determines did not qualify for the rates originally used.

CUSTOMER acknowledges that the fees stated herein are based upon the qualification of CUSTOMER's Card transactions for certain reduced interchange fees as set by the applicable Card Organizations. If a transaction fails to qualify for CUSTOMER's anticipated interchange levels or CUSTOMER inadvertently or intentionally accepts a Card transaction other than the type anticipated for its account (including a different Card type), then, as applicable to the pricing set forth in the Fee Schedule, CUSTOMER will be charged a higher interchange, discount rate or non-qualified interchange fee, as well as any applicable surcharge for that transaction, all as set forth in the Fee Schedule.

The fees for Services set forth in this Bankcard Addendum are based upon assumptions associated with the anticipated annual volume and average transaction size set forth on the Fee Schedule and CUSTOMER's method of doing business. If the actual volume or average transaction size are not as expected or if CUSTOMER significantly alters your method of doing

business, SERVICERS may adjust your discount fees and transaction fees with prior notice based on the tiers of volume in the Master Contract Pricing Schedule.

14.2 Card Organization Fees, Fines, Assessments and Penalties. In addition, CUSTOMER will pay to SERVICERS all fees (including increased fees), assessments, fines, penalties, issuer reimbursements and similar charges imposed by Card Organizations on SERVICERS, directly related to CUSTOMER's Card transactions or based on CUSTOMER's actions or failure to act, including, but not limited to, CUSTOMER's non compliance with data security requirements.

14.3 Payment of Fees, Charges and Other Amounts. SERVICERS may debit the Settlement Account for, or withhold from funds SERVICERS owe CUSTOMER under this Bankcard Addendum, all amounts CUSTOMER owes SERVICERS under this Bankcard Addendum. If sufficient funds are not available from the Settlement Account, CUSTOMER must pay the amount of any deficiency promptly upon demand, and pursuant to section 216.422, Florida Statutes.

14.4 Changes in Amount of Fees and New Fees. SERVICERS will provide CUSTOMER with at least thirty (30) days' advance notice of any Third Party Based Fee changes in the Fee Schedule. However, SERVICERS' ability to provide notice of changes to Third Party Based Fees depends on SERVICERS' receipt of timely notice from those parties, and SERVICERS may not be able to provide CUSTOMER with that much advance notice for those fee changes, and in those instances, changes will become effective on the date specified in the notice. CUSTOMER will be responsible for paying any increased or new fees as of the effective date in SERVICERS' notice.

14.5 Fees for Supplies and Other Services. Intentionally omitted.

14.6 Taxes, Installation & De-Installation. If required by applicable law, CUSTOMER agrees to pay any and all sales, use, excise, personal property, stamp, documentary and ad-valorem taxes, license and registration fees, assessments, fines, penalties and similar charges ("Taxes") imposed on the Services or the transactions contemplated by this Bankcard Addendum. CUSTOMER also agrees to pay any and all Taxes imposed on the ownership, possession or use of the Merchant Equipment. CUSTOMER authorizes SERVICERS, or SERVICERS' respective assigns, to increase the amount of CUSTOMER's preauthorized payment to reflect any and all increases in all applicable Taxes. CUSTOMER further agrees to pay any and all costs associated with the installation and de-installation of Purchased Equipment to the extent authorized by the Master Contract and its Pricing Schedule. CUSTOMER is not responsible for any taxes imposed on SERVICERS based on SERVICERS' net income.

14.7 Duty to Review Statements and Report Discrepancies. CUSTOMER must promptly and carefully review, statements and reports provided or made available to CUSTOMER (physically, electronically or otherwise) reflecting Card transaction activity, including, activity in the Settlement Account and Reserve Account, whether provided by SERVICERS or Persons.

14.8 Duty to Notify Bank of Discrepancies or Adjustments. If CUSTOMER believes any discrepancies exist or adjustments are needed with respect to any debits or credits effected by SERVICERS with respect to CUSTOMER's Settlement Account or the Reserve Account or for any amounts due to or due from CUSTOMER, or if CUSTOMER has any other questions or concerns regarding CUSTOMER's Card transactions that are processed and settled by SERVICERS or regarding any statement or report provided or made available by SERVICERS (physically, electronically or otherwise), CUSTOMER must notify SERVICERS in writing (i) within sixty (60) days after such debit or credit is effected, such transaction is processed and settled, or such statement or report is provided, or (ii) such shorter time as is provided in the terms and conditions covering that account. If CUSTOMER fails to notify SERVICERS within such time frame, SERVICERS will not be required to investigate the matter or effect any related adjustment, absent any willful misconduct by SERVICERS. If CUSTOMER notifies SERVICERS after such time period, SERVICERS may, in SERVICERS' discretion and at CUSTOMER's cost, investigate the matter addressed in CUSTOMER's notice, but SERVICERS will not have any liability to effect any related adjustment absent any willful misconduct by SERVICERS. Any voluntary efforts by SERVICERS to assist CUSTOMER in investigating such matters will not create any obligation to continue such investigation or any future investigation.

14.9 Duty Regarding Merchant Systems. CUSTOMER will be responsible for auditing, balancing, verifying and reconciling any out-of-balance condition within the Merchant Systems, and for notifying SERVICERS of any errors in the foregoing after receipt of the applicable report from SERVICERS. CUSTOMER will notify SERVICERS, of all incorrect reports or output, within seven (7) Business Days, or as otherwise required by Card Organization Rules, after receipt of such reports or output. Within three (3) business days, or as otherwise required by the Card Organization Rules, of the original transaction, CUSTOMER must balance each Location to the BAMS system for each business day that each Location is open. If CUSTOMER determines that transaction(s) have been processed in error, CUSTOMER will initiate the appropriate transaction for adjustment to correct the transaction in question. CUSTOMER is responsible for all applicable adjustment fees per applicable Card Organization.

15. Chargebacks.

15.1 Chargebacks Payable Promptly. CUSTOMER will pay SERVICERS the amount of each Card transaction that CUSTOMER submitted to SERVICERS for processing that is charged back to SERVICERS for any reason permitted by the Card Organization Rules. Each Chargeback to CUSTOMER is immediately due and payable by CUSTOMER.

15.2 Disputing Chargebacks. CUSTOMER may dispute a Chargeback as provided in the Card Organization Rules, including any requirements for timely submission. SERVICERS' obligation to CUSTOMER respecting Chargeback disputes is limited to permissible presentation of CUSTOMER's dispute to the appropriate Card Organization. SERVICERS will not engage in direct collection efforts against Cardholders on CUSTOMER's behalf.

15.3 Chargeback Fees. Subject to the Master Contract, CUSTOMER will pay SERVICERS the fees associated with processing Chargebacks as provided in the Fee Schedule, without regard to whether the Chargeback is settled in CUSTOMER's favor or the Cardholder's favor. In addition, in the event the percentage of Chargebacks to CUSTOMER's merchant account meets or exceeds the percentage considered excessive by the Card Organizations, CUSTOMER will pay SERVICERS the Excess Chargeback Fee stated in the Fee Schedule (in addition to any fees imposed on SERVICERS by the

Card Organizations). The rate and the method of calculation for what each Card Organization considers excessive may be found in its Card Organization Rules. All fees related to processing Chargebacks are promptly due and payable to SERVICERS upon assessment.

16. Representations; Warranties and Covenants.

16.1 Without limiting any other warranties hereunder, CUSTOMER represents, warrants and covenants with SERVICERS and with the submission of each Card transaction reaffirms, the following representations, warranties and covenants:

- (i) each Card transaction is genuine and arises from a bona fide transaction, permissible under the Card Organization Rules and Applicable Law, by the Cardholder directly with CUSTOMER;
- (ii) Each Card transaction represents a valid obligation for the amount shown on the Sales Draft, Preauthorized Order, or Credit Draft, and does not involve the use of a Card for any other purpose;
- (iii) each Card transaction represents an obligation of the related Cardholder for the amount of the Card transaction;
- (iv) the amount charged for each Card transaction is not subject to any dispute, set off or counterclaim;
- (v) each Card transaction amount is only for respective merchandise or services (including taxes, but without any surcharge) sold, leased or rented or other payments to CUSTOMER and, except for any delayed delivery or advance deposit Card transactions expressly authorized by this Bankcard Addendum, that merchandise or service was actually delivered to or performed for the Cardholder entering into that Card transaction simultaneously upon CUSTOMER accepting and submitting that Card transaction for processing;
- (vi) with respect to each Card transaction, CUSTOMER has no knowledge or notice of any fact, circumstance or defense which would indicate that such Card transaction is fraudulent or not authorized by the related Cardholder or which would otherwise impair the validity or collectability of that Cardholder's obligation arising from that Card transaction or relieve that Cardholder from liability with respect thereto;
- (vii) each Card transaction is made in accordance with this Bankcard Addendum and Applicable Law; and
- (viii) each Sales Draft is free of any alteration not authorized by the related Cardholder;
- (ix) CUSTOMER has completed one Card transaction per sale; or one Card transaction per shipment of goods for which the Cardholder has agreed to partial shipments;
- (x) CUSTOMER is validly existing, in good standing and free to enter into this Bankcard Addendum;
- (xi) all information provided to SERVICERS in support of this Bankcard Addendum is true and correct;
- (xii) CUSTOMER is not doing business under a name or style not previously disclosed to SERVICERS;
- (xiii) CUSTOMER has not changed the nature of CUSTOMER's business, Card acceptance practices, delivery methods, return policies, or types of products or services sold requiring a different merchant category code under Card Organization Rules, in a way not previously disclosed to SERVICERS;
- (xiv) CUSTOMER will use the Services only for CUSTOMER's own proper business purposes and will not resell, directly or indirectly, any part of the Services to any Person;
- (xv) CUSTOMER has not filed a bankruptcy petition not previously disclosed to SERVICERS;
- (xvi) CUSTOMER owns and controls the Settlement Account, and no security interest or lien of any type in favor of a Person exists regarding the Settlement Account or any Card transaction.
- (xvii) [intentionally omitted];
- (xviii) each Card transaction was made in accordance with the terms of this Bankcard Addendum.

16.2 SERVICERS represent and warrant to CUSTOMER that:

- (i) SERVICERS will perform their obligations pursuant to this Bankcard Addendum in accordance with the Applicable Law and the Card Organization Rules.
- (ii) SERVICERS are validly existing, in good standing and free to enter into this Bankcard Addendum;

17. Retention of Records.

17.1 Unless prohibited by the Card Organization Rules, CUSTOMER will retain, for a period of at least eighteen (18) months from the date of the Card transaction or such other longer period as may be required by the Card Organization Rules, legible copies or images (electronically or otherwise) of CUSTOMER's Sales Drafts, Cardholder consents for Pre-Authorized Orders and Credit Drafts. CUSTOMER's obligation to retain records does not provide authority for CUSTOMER to retain Card magnetic stripe data.

17.2 CUSTOMER will submit to SERVICERS a legible copy or image of a Sales Draft, Cardholder consent for a Pre-Authorized Order or Credit Draft if any Issuer requests one. CUSTOMER's deadline for providing to SERVICERS a legible copy or image of the requested Sales Draft, Cardholder consent for a Pre-Authorized Order or Credit Draft is as specified in the notice from SERVICERS, in accordance with the Card Organization Rules inclusive of time for SERVICERS to complete and present to a Card Organization within the time frame required by the Card Organization Rules. CUSTOMER acknowledges that CUSTOMER's failure to properly and timely respond to any retrieval request may result in a Chargeback.

18. System Testing and System Enhancements

18.1 SERVICERS reserve the right to conduct testing of the Merchant Systems for a period of time reasonably necessary for them to meet SERVICERS', the Merchant Equipment manufacturers', any third party integrators' and the Card Organizations' then-current applicable requirements. Throughout the term of this Bankcard Addendum, if CUSTOMER changes or modifies the Merchant Systems for any reason, including but not limited to modifications to accommodate changes in Card Organization Rules or Applicable Law, CUSTOMER will promptly notify SERVICERS of such changes or modifications, and SERVICERS will have a reasonable amount of time to conduct certification testing of the Merchant Systems to verify that it meets SERVICERS', any third party integrators' and the Card Organizations' then-current applicable requirements. The first such standard re-certification will be performed by SERVICERS at no cost to CUSTOMER; however, subsequent re-certifications will be billed to CUSTOMER at SERVICERS' then-current hourly rate. Notwithstanding anything to the contrary, by conducting implementation or certification testing, SERVICERS do not guarantee that CUSTOMER's transactions will qualify at the lowest possible Interchange level. CUSTOMER assumes all liability resulting from CUSTOMER's failure to notify SERVICERS of the changes or modifications or CUSTOMER's refusal to allow SERVICERS to conduct the implementation or certification testing.

18.2 If, after the effective date of this Bankcard Addendum, CUSTOMER requests SERVICERS to perform or provide any system enhancements, custom reports, special files, terminal applications, related service enhancements or new services (collectively, "System Enhancements"), and SERVICERS agree to do so, these System Enhancements will be made in accordance with terms and conditions, including pricing, agreed to by the parties in writing.

19. Confidentiality

19.1 Subject to the Master Contract, and in addition to the information security provisions elsewhere in the MSA and this Bankcard Addendum, neither CUSTOMER nor SERVICERS will use, store, disclose, sell or disseminate any Cardholder data obtained in connection with a Card transaction, except in accordance with the Card Organization Rules and Applicable Law (e.g., for purposes of authorizing, completing and settling Card transactions and resolving any Chargebacks, retrieval requests or similar issues involving Card transactions). The foregoing will not apply in the instance of a court or governmental request, subpoena or order. SERVICERS may use any Cardholder data for purposes associated with BANK's role as an Issuer if such Cardholder data is derived from a Card transaction in which the Card used was issued by BANK. Further, in accordance with the Operating Guide, Card Organization Rules and Applicable Law, SERVICERS may participate in sharing Cardholder data among SERVICERS' Affiliates, other financial institutions, regulatory authorities, law enforcement agencies and any other Persons authorized by the Card Organization Rules and Applicable Law. In addition, SERVICERS may participate in sharing Cardholder data with any Card Organization or its designee at the request of that Card Organization.

19.2 SERVICERS will keep confidential, in accordance with Applicable Law and the Card Organization Rules, any information received by SERVICERS from CUSTOMER or CUSTOMER's agents regarding CUSTOMER's use of the Services, including any relationship and transaction information; provided, that SERVICERS may disclose such information (i) to Persons only to the extent necessary to provide the Services, (ii) SERVICERS' respective auditors and attorneys (internal and external) and regulators, (iii) as required by Applicable Law and according to the Master Contract. CUSTOMER acknowledges and agrees that any information obtained by SERVICERS may be shared with SERVICERS' respective Affiliates, who have a need-to-know, in connection with the provision of the Services, as long as such Affiliates are under obligation to treat such information with the same degree of care as required of SERVICERS.

20. Examinations, Audits and Corrective Action.

20.1 SERVICERS' Rights. SERVICERS or their respective designees will have the right, during the term of this Bankcard Addendum and for one (1) year thereafter, upon reasonable advance written notice and during normal business hours, to conduct a review of the books, records, operations and Merchant Equipment of CUSTOMER, Merchant Providers and CUSTOMER's other third party service providers to determine or to verify CUSTOMER's and their compliance with CUSTOMER's obligations under this Bankcard Addendum.

20.2 Card Organization and Investigation. CUSTOMER will, upon reasonable prior written notice from SERVICERS and as directed by any Card Organization, permit any Person acceptable to that Card Organization to examine and audit the records, operations and Merchant Systems relevant to such Card Organization. The scope, standards and frequency of the examinations and audits will be determined by the Card Organization requesting it. The results, including, but not limited to any written reports of such examinations and audits, must be made available to the Card Organization requesting it and SERVICERS. All expenses related to such examinations and audits will be paid by CUSTOMER.

20.3 Remediation. CUSTOMER must promptly take corrective action acceptable to SERVICERS and the Card Organizations to rectify (i) any failure to comply with this Bankcard Addendum or any problem identified in any report, examination or audit that could reasonably be expected to have an adverse impact on SERVICERS, Issuers, Card Organizations or Cardholders and (ii) any control deficiencies identified in such report.

20.4 Regulatory Agencies. Notwithstanding anything to the contrary in Section 13 of the MSA and Sections 19 and 26 of this Bankcard Addendum, CUSTOMER agrees to provide reasonable access to Merchant Systems and CUSTOMER's facilities and records and those of Merchant Providers during normal business hours for examination purposes to any state or federal agencies with jurisdiction over SERVICERS or any Card Organization, upon SERVICERS' prior written request.

21. Assignment.

21.1 Any transfer or assignment of this Bankcard Addendum by CUSTOMER without SERVICERS' prior written consent, by operation of law or otherwise, is voidable at either SERVICERS' sole discretion. In the event of such transfer or assignment, the party to whom the Bankcard Addendum was transferred or assigned shall be bound to the terms and conditions of this Bankcard Addendum to the same extent as if SERVICERS and such assignee or transferee, as the case may be, entered into an agreement identical to this Bankcard Addendum on the effective date of such transfer or assignment. Furthermore, CUSTOMER is responsible for Chargebacks, expenses, costs, fees and fines arising in connection with such transferee's or assignee's, as the case may be, submission of Card transactions to SERVICERS for processing.

21.2 Upon notice to CUSTOMER, another Visa and MasterCard member may be substituted for BANK under whose sponsorship this Bankcard Addendum is performed. Upon substitution, such other Visa and MasterCard member shall be responsible for all obligations required of BANK, including without limitation, as may be expressly required by applicable Card Organization Rules. Subject to Card Organization Rules, SERVICERS may assign or transfer this Bankcard Addendum and their respective rights and obligations hereunder and may delegate their respective duties hereunder, in whole or in part, to any Person, whether in connection with a change in sponsorship, as set forth in the preceding sentence, or otherwise, with notice to CUSTOMER.

21.3 Except as provided in the following sentence, this Bankcard Addendum shall be binding upon permitted successors and assigns and shall inure to the benefit of the parties and their respective permitted successors and assigns. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, sheriff or any other officer of a

court, or other person charged with taking custody of a party's assets or business, shall have any right to continue or to assume or to assign this Bankcard Addendum.

22. Term; Events of Default.

22.1 This Bankcard Addendum and the applicable Schedules shall become effective upon the date this Bankcard Addendum and the applicable Supplements are signed by BANK, which shall in all instances be on or after the date(s) CUSTOMER and SERVICERS sign this Bankcard Addendum and the applicable Supplements. CUSTOMER acknowledges and agrees that to the extent this Bankcard Addendum does not represent a renewal or extension of a current agreement between the parties for the Services contemplated hereunder, CUSTOMER shall not process a "live", non-test Card transaction under this Bankcard Addendum until such time as CUSTOMER has been approved by BAMS' credit department and BAMS and BANK have executed this Bankcard Addendum.

22.2 The initial term and any subsequent terms of this Bankcard Addendum shall commence and shall continue in force as described in Subsection 2.1 of the MSA.

22.3 If any of the events shall occur (each an "Event of Default") as specified in the Master Contract or expressly required by applicable Card Organization Rules, then, upon the occurrence of an Event of Default, this Bankcard Addendum may be terminated by SERVICERS by giving not less than thirty (30) days' notice to CUSTOMER, and upon such notice all amounts payable hereunder by CUSTOMER to SERVICERS shall be due and payable on demand.

22.4 Neither the expiration nor termination of this Bankcard Addendum shall terminate the obligations and rights of the parties pursuant to provisions of this Bankcard Addendum which by their terms are intended to survive or be perpetual or irrevocable and such provisions shall survive the expiration or termination of this Bankcard Addendum.

22.5 If any Event of Default shall have occurred and be continuing, SERVICERS may, in their sole discretion, exercise all of their rights and remedies under the Master Contract.

22.6 Intentionally omitted.

22.7 This Bankcard Addendum also may be terminated by SERVICERS without notice or penalty, if such termination is necessary for SERVICERS to comply with their obligations under any Applicable Law, rule or regulation including, but not limited to, the Office of Foreign Assets Control ("OFAC") Regulations and Card Organization Rules. SERVICERS' termination of this Bankcard Addendum pursuant to this Subsection 22.7 shall not be deemed a breach of contract by SERVICERS.

22.8 If this Bankcard Addendum is terminated for cause, CUSTOMER acknowledges that SERVICERS may be required to report CUSTOMER's business name and the names and other identification of its principals to the terminated merchant files maintained by the Card Organizations. CUSTOMER expressly agrees and consents to such reporting in the event CUSTOMER is terminated as a result of the occurrence of an Event of Default or for any reason specified as cause by a Card Organization. Furthermore, CUSTOMER agrees to waive all claims which CUSTOMER may have as a result of such reporting.

22.9 In addition to the provisions of the MSA that survive termination, the terms and provisions governing CUSTOMER's obligations and liabilities and SERVICERS' rights regarding the following matters will survive termination until all these matters are resolved or settled and all amounts owed to SERVICERS regarding these matters are fully paid: (i) processing and settlement of Card transactions, Sales Drafts and Credit Drafts, (ii) adjustments, (iii) all amounts due SERVICERS under this Bankcard Addendum, (iv) the resolution of any Chargebacks, disputes or other issues involving Card transactions, (v) Compromised Data Events and (vi) all SERVICERS' rights regarding CUSTOMER's breach of any of its agreements, representations, warranties, covenants or other obligations under this Bankcard Addendum. In addition to the above and any terms and provisions which by their terms or nature survive termination, the terms and provisions of Sections 9, 14 through 21, inclusive, 23 through 27, inclusive, Subsection 22.7 and this Subsection 22.9 shall survive any termination of this Bankcard Addendum. Upon termination of this Bankcard Addendum, and in accordance with PCI DSS, CUSTOMER agrees to promptly complete card processes by sending SERVICERS all the data relating to Card transactions made up to the date of termination.

22.10 After termination of this Bankcard Addendum for any reason whatsoever, CUSTOMER shall continue to bear total responsibility for all Chargebacks, fees, credits and adjustments resulting from Card transactions processed pursuant to this Bankcard Addendum and all other amounts then due or which thereafter may become due to SERVICERS under this Bankcard Addendum or which may be due to SERVICERS before or after such termination to either SERVICERS or any of SERVICERS' respective Affiliates for any related equipment or related services.

23. **Reserve Account.** Intentionally omitted.

24. **Indemnification.** Intentionally omitted.

25. **Liquidated Damages.** Intentionally omitted.

26. **Information Security.**

26.1 **Data Protection.** CUSTOMER must, and must ensure that Merchant Providers, have proper security measures in place for the protection of Cardholder data, and comply with the Data Security Standards adopted by the PCI Security Standards Council, LLC (as amended, the "PCI DSS"), which may be reflected in the Visa Cardholder Information Security Program ("CISP"), the MasterCard Site Data Protection Program ("SDP") and Discover Network's Information and Security Compliance ("DISC"), in addition to all other Card Organization Rules, now or in the future. Additional information regarding the CISP, SDP programs and DISC is available at the Visa web site, www.visa.com/cisp, the MasterCard web site, www.mastercard.com/bankcardp/, Discover

Network's web site, www.DiscoverNetwork.com/fraudsecurity/disc.html, and at the PCI DSS web site: <http://www.PCIStandards.org>, as those links may be updated by such parties, respectively, from time to time. In addition, when available, CUSTOMER must use only services and Merchant Equipment that have been certified as PCI DSS compliant by the Card Organizations. CUSTOMER must have written agreements with Merchant Providers requiring such compliance. CUSTOMER is responsible for demonstrating CUSTOMER's and Merchant Providers' compliance with the CISP, SDP, DISC, and PCI DSS programs and providing SERVICERS or SERVICERS' designee with reasonable access to CUSTOMER's Locations and facilities, and ensuring that Merchant Providers provide reasonable access to their facilities, to verify CUSTOMER's and Merchant Providers' ability to prevent security violations.

26.2 Controls. CUSTOMER must, and must ensure that all Merchant Providers, have, maintain, and use at all times proper controls as specified in the Card Organization Rules and Applicable Law for secure storage of, limited access to, and rendering unreadable prior to discarding, all records containing Cardholder data, Card Imprints and Cardholder signatures. Subject to Card Organization Rules, CUSTOMER must not retain or store magnetic stripe or PIN data after a transaction has been authorized. If CUSTOMER stores any electronically captured Cardholder signature, CUSTOMER may reproduce such signature only upon SERVICERS' request.

26.3 Costs. In addition to CUSTOMER's obligations as set forth in Section 4 of the MSA and Sections 14 and 24 of this Bankcard Addendum, if CUSTOMER or a Merchant Provider (or other Person used by CUSTOMER) is determined by any Card Organization, regardless of any forensic analysis or report, to be the likely source of any loss, disclosure, theft or compromise of Cardholder data or Card transaction information (together, "Compromised Data Event") and regardless of CUSTOMER's belief that CUSTOMER has complied with the Card Organization Rules and Applicable Law or any other security precautions and is not responsible for the Compromised Data Event, CUSTOMER must promptly repay SERVICER for all related expenses, claims, assessments, fines, losses, costs, and penalties and issuer reimbursements imposed by the Card Organizations against SERVICER (together, "Data Compromise Losses"). CUSTOMER reserves all rights of the State or Participant under Applicable Law.

26.4 Issuer Costs. In addition to CUSTOMER's obligations in Section 4 of the MSA and Sections 14 and 24 and Subsection 26.3 of this Bankcard Addendum, CUSTOMER is responsible for all expenses and claims made by Issuers alleging CUSTOMER's responsibility for the loss, disclosure, theft or compromise of Cardholder data or transaction data, apart from any claim procedures administered by the Card Organizations.

26.5 Compromised Data Event Appeals. If SERVICERS are allowed under the Card Organization Rules to contest or appeal any claim of an issuer, or any amount assessed by a Card Organization against SERVICERS, which CUSTOMER is obligated to pay under this Section 26, CUSTOMER will be given the opportunity to advise whether CUSTOMER wishes SERVICERS to contest or appeal the claim, assessment, penalty or fine. The decision to contest or appeal will be in SERVICERS' reasonable discretion, and if CUSTOMER asks SERVICERS to contest or appeal, all related costs will be paid by CUSTOMER. Any amount returned to SERVICERS as a result of the contest or appeal will be promptly refunded to CUSTOMER.

26.6 Notice of Data Breach. CUSTOMER will (i) immediately, within a commercially reasonable time, notify SERVICERS of any suspected, alleged or confirmed Compromised Data Event, regardless of the source, including any from any Merchant Provider, and (ii) engage, at CUSTOMER's expense, a certified forensic vendor acceptable to SERVICERS and the Card Organizations no later than the time required by a Card Organization, which may be no longer than 24 hours following CUSTOMER's suspected or actual discovery of that Compromised Data Event. If required by a Card Organization, SERVICERS will engage a forensic vendor approved by a Card Organization at CUSTOMER's expense. CUSTOMER must cooperate with the forensic vendor so that it may immediately conduct an examination of Merchant Equipment, Merchant Systems, and CUSTOMER's and Merchant Providers' procedures and records and issue a written report of its findings. CUSTOMER agrees that upon CUSTOMER's suspected or actual discovery of a Compromised Data Event, CUSTOMER will not alter or destroy any related records. CUSTOMER agrees to maintain complete and accurate documentation regarding any modifications made to the records. CUSTOMER will share with SERVICERS information related to CUSTOMER's or any Card Organization's investigation related to any actual or suspected Compromised Data Event (including, but not limited to, forensic reports and systems audits), and SERVICERS may share that information with Card Organizations.

26.7 System Scans. Upon notice to CUSTOMER, SERVICERS or SERVICERS' respective representatives may conduct remote electronic scans of Merchant Systems, similar to those conducted under the PCI DSS, to confirm compliance with the requirements of the PCI DSS and similar requirements of the Card Organizations. CUSTOMER must promptly cooperate with SERVICERS to facilitate the scans.

26.8 Fees for Non-Compliance. Intentionally omitted.

26.9 SERVICER Requirements. SERVICERS must comply with all applicable Card Organization Rules, including without limitation, those related to PCI DSS. SERVICERS may in their sole discretion, suspend or terminate Services under this Bankcard Addendum for any Compromised Data Event.

27. Notices

The notice address for BAMS shall be as set forth in Section 16 of the MSA; the notice address for BANK shall be:

[REDACTED]

28. Card Organization Disclosure

Member Bank Information: Bank of America, NA

The BANK's mailing address is

[REDACTED]

Important Member Bank Responsibilities

- (a) The BANK is the only entity approved to extend acceptance of Visa and MasterCard products directly to a Merchant
- (b) The BANK must be a principal (signer) to this Bankcard Addendum.
- (c) The BANK is responsible for educating Merchants on pertinent Card Organization Rules with which Merchants must comply; but this information may be provided to CUSTOMER by BANK.
- (d) The BANK is responsible for and must provide settlement funds to the CUSTOMER in accordance with the terms of this Bankcard Addendum.
- (e) The BANK is responsible for all funds held in reserve that are derived from settlement.

Important Merchant Responsibilities

- (a) Ensure compliance with Cardholder data security and storage requirements.
- (b) Maintain fraud and Chargebacks below Card Organization thresholds.
- (c) Review and understand the terms of the Bankcard Addendum.
- (d) Comply with Card Organization Rules.

THIS BANKCARD ADDENDUM IS NOT BINDING UPON THE PARTIES UNTIL THE APPLICABLE PARTICIPATION AGREEMENT IS SIGNED BY CUSTOMER AND PROVIDER.

ANNEX 1

The following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Acquirer" means Bank, in the case of MasterCard, Visa and certain debit Card transactions, and Processor, in the case of Discover Network Card transactions.

"Affiliate" means a Person that, directly or indirectly, (i) owns or controls a party to this Bankcard Addendum or (ii) is under common ownership or control with a party to this Bankcard Addendum.

"Agreement" means, collectively, the MSA, this Bankcard Addendum (including the Supplements) and the Operating Guide, as each may be amended from time to time.

"Applicable Law" means all federal, state and local statutes, ordinances, laws, regulations and executive, administrative and judicial orders applicable to this Bankcard Addendum, the transactions or other matters contemplated under this Bankcard Addendum (including, without limitation, the rules and regulations promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury), and all amendments thereto; and with respect to Bank, also guidance by its financial institution regulators.

"Authorization" means an approval by, or on behalf of, the issuer to validate a Card transaction. An Authorization indicates only the availability of the Cardholder's credit limit or funds at the time the Authorization is requested.

"BAMS Software" means Software licensed to CUSTOMER by BAMS, including any third party Software BAMS sublicensed to CUSTOMER.

"BAMS Systems" means any and all Card-related information reporting, operating and processing systems used by BAMS or Persons on BAMS' behalf, including, without limitation, hardware, BAMS Software, related documentation, technical formats and specifications, technical and business information related to inventions, present and future products and product lines, intellectual property, know-how, and any other information that is identified as BAMS' systems, whether owned by BAMS or Persons used by BAMS.

"Bankruptcy Code" means title 11 of the United States Code, as amended from time to time.

"Business Day" means a day (other than Saturday or Sunday) on which SERVICERS are generally open for business.

"Card" - See either Credit Card or Debit Card.

"Cardholder" means a Person whose name is embossed on the Card and any authorized user of such Card.

"Card Organization" means any entity formed to administer and promote Cards, including Visa U.S.A., Inc. ("Visa"), MasterCard International Incorporated ("MasterCard") and DFS Services LLC ("Discover Network"), and any applicable Debit Networks.

"Card Organization Rules" means the rules, regulations, releases, interpretations, directives and other requirements (whether contractual or otherwise) imposed or adopted by any Card Organization and related authorities, including without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association (including, with respect to EBT, the Quest Operating Rules and with respect to PIN debit Cards, the rules, regulations, policies and procedures of the applicable Debit Network).

"Chargeback" means a Card transaction (or disputed portion thereof) that is returned to SERVICERS by the issuer, the liability of which is the CUSTOMER's responsibility.

"Claim" means any claim, demand, suit, action, cause of action or proceeding of any form, kind or nature (including contract claims and negligence and other tort claims).

"Credit Card" means a valid device bearing Organization the Mark of Visa, MasterCard or Discover Network and authorizing the Cardholder to buy goods or services on credit and, to the extent the Supplements so provide, a valid device authorizing the Cardholder to buy goods or services on credit and issued by any other Card Organization specified on such Supplements.

"Credit Draft" means a document evidencing the return of merchandise by a Cardholder to CUSTOMER, or other refund or price adjustment made by the CUSTOMER to the Cardholder, whether electronic, paper or some other form, all of which must conform to Card Organization Rules and Applicable Law.

"Debit Card" - See either PIN Debit Card or Non-PIN Debit Card.

"Debit Network" means the telecommunications and processing system of a shared electronic funds transfer network.

"Discount Rate" means a percentage rate and/or amount charged a merchant for processing its qualifying daily Credit Card and Non-PIN Debit Card transactions, as further described in Subsection 14.1 of this Bankcard Addendum and in the Fee Schedule. Transactions that fail to meet applicable Interchange requirements will be charged additional amounts as set forth in Subsection 14.1 of this Bankcard Addendum and the Fee Schedule.

"Electronic Benefits Transfer" ("EBT") means the electronic transfer of government benefit funds to individuals through the use of Card technology with point of sale terminals, as further described in the applicable Addenda.

"EBT Network" means a shared electronic funds transfer network that is used by its members to assist government agencies in the distribution of benefits to eligible Recipients, whether such benefits are for the delivery of services or the transfer of funds or information.

"Electronic Commerce Transaction" ("ECT") means a Card transaction that occurs on the Internet, as further described in Section 7.

"Fee Schedule" means the fee schedules provided with this Bankcard Addendum, including, without limitation, Schedule A and any attachments thereto, and all additions or changes SERVICERS make to them, whether contained in updated versions or in separate communications.

"Issuer" means the Card Organization or its financial institution member that has provided a Card presented to CUSTOMER by a Cardholder for a Card transaction.

"Location" means a physical location, Internet address, division, processing method or business activity for which (i) CUSTOMER has requested and SERVICERS have approved the assignment of a unique merchant account number or (ii) SERVICERS have otherwise determined a unique merchant account number is required and have assigned it.

"Losses" means any liability, obligation, loss, damage, judgment, settlement, cost or expense of any kind or nature (including attorneys' fees, expert witness fees and collection costs), regardless of whether suit is brought, and any assessment, fee or fine imposed by any Card Organization.

"Merchant Equipment" means any and all equipment CUSTOMER uses in connection with Card authorization, clearing, completing, settling, transmitting or other related processing, including, without limitation, all telecommunication lines and wireless connections and Software (excluding BAMS Software), Purchased Equipment and Merchant Systems, point-of-sale terminals, card readers, merchandise and card scanners, printers, PIN pad devices and other hardware, whether owned by CUSTOMER, Merchant Providers or other Persons used by CUSTOMER.

"Merchant Provider" means any Person engaged by CUSTOMER to provide services to CUSTOMER involving or relating to (i) access to Cardholder data, transaction data or information related to either Cardholder data or transaction data or (ii) PIN encryption, including without limitation, Encryption Service Organizations (ESOs).

"Merchant Systems" means any and all Card acceptance and processing systems used by CUSTOMER (except BAMS Systems), including, without limitation, Software (except BAMS Software), related documentation, technical formats and specifications, technical and business information related to inventions and present and future products and product lines, intellectual property, know-how, and any other information that is identified as CUSTOMER's systems, whether owned by CUSTOMER or Merchant Providers or other Persons used by CUSTOMER.

"Non-PIN Debit Card" means a device with a Visa, MasterCard or Discover Network Mark that is tied to a Cardholder's bank account or a prepaid account and which is processed without the use of a PIN.

"Operating Guide" means the then-current manual prepared by SERVICERS, containing operational procedures, instructions and other directives relating to Card transactions, as amended from time to time.

"Person" means a third party individual or entity, other than the CUSTOMER, BAMS or Bank.

"PIN" means the Personal Identification Number used by a Cardholder to complete a PIN debit Card transaction.

"PIN Debit Card" means a device bearing the Marks of ATM networks (such as NYCE or Star) used at a Location by means of a Cardholder-entered PIN in the merchant PIN Pad.

"Pre-Authorized Order" means any Card transaction permitted by this Bankcard Addendum for which a Cardholder provides CUSTOMER advance permission to charge the Cardholder's Card for recurring sales, delayed delivery orders or other preauthorized orders.

"Purchased Equipment" means any and all Merchant Equipment sold to CUSTOMER by BAMS (or its applicable Affiliate) pursuant to this Bankcard Addendum or any Supplement.

"Reserve Account" means an account established and funded at SERVICERS' request or on CUSTOMER's behalf, pursuant to Section 23 of this Bankcard Addendum.

"Sales Draft" Evidence of a purchase, rental or lease of goods or services by a Cardholder from, and other payments to, Client using a Card, including preauthorized orders and recurring transactions (unless the context requires otherwise); regardless of whether the form of such evidence is in paper or electronic form or otherwise, all of which must conform to Card Organization Rules and applicable law.

"Settlement Account" means an account or accounts at a financial institution designated by CUSTOMER as the account to be debited and credited by SERVICERS for Card transactions, fees, Chargebacks and other amounts due hereunder or in connection herewith (e.g., fines, penalties, attorneys' fees, etc.).

"Software" means any and all software, computer programs, related documentation, technology, knowhow and processes embodied in or provided in connection with Card authorization, clearing, completing, settling, transmitting or other related processing, whether equipment, PC, server or Internet based.

"Terminal" means a device placed in a Location which is connected to the BAMS Systems via telephone lines and is designed to authorize, record and transmit settlement data by electronic means for all sales Card transactions.

**Schedule A to Merchant Services Bankcard Addendum
Fees Subject to Attachment B Price Schedule of the Master Contract**

Capitalized terms not defined above are defined in the Merchant Services Bankcard Addendum ("Bankcard Addendum") to which this Schedule A is attached.

1. The Bankcard Service Fees above are per Visa, Discover and/or MasterCard transaction. Sales plus Interchange and Assessments will be charged daily.
2. The transaction fees set forth in Schedule A are based on the average ticket and annual bankcard volume set forth above, and CUSTOMER's transactions qualifying at the Target Qualification Interchange levels set forth above (the "Qualifying Interchange Level(s)"). The Qualifying Interchange Levels above are anticipated assumptions. The Interchange applicable to each transaction will be based on the actual qualification level of the transaction. For each transaction not at the Qualifying Interchange Level identified above, we will charge you an additional fee as described below.
3. In addition to the fees listed herein, and pursuant to Section 14.2 of the Bankcard Addendum, CUSTOMER shall be responsible for any and all Card Organization fees, fines, assessments and penalties.

Important Information About Your Fees

Interchange

A significant amount of the fees that we charge you for processing your transactions consists of charges that we must pay to issuing banks (or that are otherwise charged to us by the Card Organizations) under the Card Organization Rules. These charges are often referred to as "Interchange fees" or simply "interchange". Interchange fees are set by the Card Organizations based upon a series of Interchange levels that they establish and modify from time to time. Thus, the Interchange fee charged for a given transaction depends on the Interchange level applicable to that transaction; and that Interchange level depends on a number of factors established by the Card Organizations, such as the type of Payment Instrument presented, specific information contained in the transaction, how and when the transaction is processed, your industry and other factors. For a transaction to qualify at any specific Interchange level, the applicable qualification criteria must be met. Note that the Card Organizations regularly add new Interchange levels, and change the Interchange rates and qualification criteria for existing Interchange levels.

Target Discount Rate and Target Qualification Level

The Target Qualification Level is the Interchange level that we expect to apply to your transactions. It is determined based on the type of transactions you submit and how they will most likely be processed. However, it is possible that some or many of your transactions will downgrade to a more costly Interchange level, resulting in higher Interchange. This may occur because those "Non-Qualified Transactions" do not meet the criteria to qualify at your Target Qualification Level. BAMS has set your Target Qualification Level (as set forth in this Schedule A) based on the assumption that all of your transactions will satisfy the criteria established by the Card Organization Rules to meet that qualification level. The actual Interchange applicable to each transaction though, will be based on the actual qualification level of the transaction.

Non-Qualified Transactions

Non-Qualified Transaction will qualify at a level resulting in Interchange fees higher than those applicable to your Target Qualification Level. For processing each such Non-Qualified Transaction, we will charge you both the actual Interchange applicable to the transaction and a - "Billback" as defined below (or elsewhere on this Schedule A). The total of any - billback will appear on your statement.

Billback

Billback is the difference between the target interchange level and the higher interchange level the transaction qualified at.

Non-Qualified Surcharge: a fee assessed by Servicers for processing a Non-Qualified Transaction, and is calculated as a percentage of the amount of the Non-Qualified Transaction. The Non-Qualified Surcharge applicable to your Non-Qualified Transaction is 0.00%.

4. **Equipment Costs:** See Attachment B to the Dept of Financial Services ePayment Solutions and Services Contract.

5. Card Organization Pass Through Fees:

In addition to the Interchange rates, SERVICERS may pass through to CUSTOMER any fees assessed to SERVICERS by the Card Organizations, including but not limited to, new fees, fines, penalties and assessment imposed by the Card Organizations. These pass through fees include the following:

VISA FEES: The following fees result from charges assessed to **SERVICERS** from Visa and are subject to increases, decreases and additional new fees imposed by Visa.

Fee/Name	Fee/Description
VISA ASSESSMENT	.11% of the total dollar amount of all Sales Drafts.
VISA KILOBYTE FEE	\$0.0025 per kilobyte.
VISA ZERO DOLLAR VERIFICATION FEE	\$0.025 assessed on ALL Account Verification messages submitted for \$0.00, including both approved and declined, AVS, and SMS account verification messages.
VISA ZERO FLOOR LIMIT FEE	\$0.10 assessed on all clearing transactions when the Transaction ID on the Authorization does not match the Transaction ID on the Clearing. Fee also applies when Transaction ID is missing altogether.
VISA NETWORK ACQUIRER PROCESSING FEE (NAPF) - Credit	\$0.0195 assessed on all Visa authorizations, including POS Check, to merchants not using Visa's Merchant Direct Exchange (MDEX). Merchants using MDEX shall be assessed \$0.0145, shown as an increase to the variable V.I.P. Access Fee. The NAPF fee will not apply to Account Verification messages, pre-authorization requests, Interlink/PLUS PIN Debit, adjustment messages, authorization reversals, and other administrative messages.
VISA NETWORK ACQUIRER PROCESSING FEE (NAPF) - Debit & Prepaid	\$0.0155 assessed on all Visa authorizations, including POS Check, to merchants not using Visa's Merchant Direct Exchange (MDEX). Merchants using MDEX shall be assessed \$0.0105, shown as an increase to the variable V.I.P. Access Fee. The NAPF fee will not apply to Account Verification messages, pre-authorization requests, Interlink/PLUS PIN Debit, adjustment messages, authorization reversals, and other administrative messages.
VISA AUTHORIZATION SYSTEM MISUSE FEE (MISUSE)	\$0.045 per authorization that is not followed by a matching Visa clearing (or is not properly reversed in the case of a cancelled/voided transaction) as shown by a matching transaction ID.
VISA INTERNATIONAL SERVICE FEES (FOR PURCHASE TRANSACTIONS)	0.40% of the source amount on U.S. Acquired Original Purchase transactions when the Issuer Country is different from the Merchant Country.
VISA INTERNATIONAL SERVICE FEES (FOR CASH ADVANCE TRANSACTIONS)	0.40% of the source amount on U.S. Acquired Cash Disbursement transactions when the Issuer Country is different from the Merchant Country.

U.S. VISA INTERNATIONAL HIGH RISK ACQUIRER FEE (IAF)	0.45% per transaction conducted at U.S. merchant locations with a non-U.S. issued card; applicable to high-risk merchants in MCCs 5962 (Direct Marketing – Travel-Related Arrangement Services), 5966 (Direct Marketing – Outbound Telemarketing Merchants), and 5967 (Direct Marketing – Inbound Telemarketing Merchants).
Visa US Debit Integrity Transaction Fee	\$.10 charged on each signature debit, non-PIN transaction (including Visa Consumer and Business debit cards and Visa Consumer and Commercial Prepaid Cards) that does not meet the qualification criteria defined under the Visa U.S. Custom Payment Service (CPS) program.
Visa Fixed Acquirer Network Fee	See Visa Fixed Acquirer Network Fee section of rate schedule for Visa/MasterCard/Discover Interchange referenced in Interchange Schedules section above.
VISA PARTIAL AUTHORIZATION NON PARTICIPATION FEE (PANPF) FOR AFD MERCHANTS	\$0.01 per authorization for Merchants in MCC 5542 (Automated Fuel Dispensers) who are required to support partial authorizations. PANPF is imposed on AFD transactions that do not support partial authorization. This fee was initially effective in April 2008 but was then delayed to allow merchants time to become compliant.
MASTERCARD FEES: The following fees result from charges assessed to SERVICERS from MasterCard and are subject to increases, decreases and additional new fees imposed by MasterCard.	
Fee/Name	Fee/Description
MASTERCARD GATEWAY ACCESS FEE	\$0.004 per MasterCard authorization processed through Visanet.
MASTERCARD ASSESSMENT FEE	0.11% of the total dollar amount of all Sales Drafts.
MASTERCARD ASSESSMENT FEE (>=\$1,000)	0.02% fee assessed on the gross dollar amount of MasterCard Consumer and Commercial credit transactions, that are \$1,000 or greater.
MASTERCARD KILOBYTE FEE	\$0.0035 per Kilobyte.
MASTERCARD CROSS BORDER FEE (US)	0.40% of the total dollar amount of a transaction that is completed at a U.S. merchant location with a non U.S. or a non U.S. Territory issued card.
MASTERCARD CROSS BORDER FEE (Asia/Pacific)	0.80% of the total dollar amount of a transaction that is completed in the Asia/Pacific merchant location with a non Asia/Pacific issued card.
MASTERCARD CROSS BORDER FEE (Latin America/Caribbean)	0.80% of the total dollar amount of a transaction that is completed in the Latin American/Caribbean merchant location with a non Latin American/Caribbean issued card.
MASTERCARD CROSS BORDER FEE (Canada)	0.80% of the total dollar amount of a transaction that is completed at a Canadian merchant location with a non Canadian issued card. Any combination of merchant location and issuer in USA, Puerto Rico, Virgin Islands, Guam, Marshall Islands and Northern Mariana Islands will be exempt from the Cross Border fee. Transaction on a MasterCard branded credit or debit card processed through MasterCard's clearing system in which the cardholder country code differs from the country code of the merchant; applicable to sale/purchase transactions, chargeback re-presentment and reversal transactions.
MASTERCARD NETWORK ACCESS AND BRAND USAGE (NABU) FEE	\$0.0185 assessed on all MasterCard authorization attempts and credit (sales return) transactions that are processed with a U.S. issued card at a U.S. merchant location. Does not apply to authorization reversal and \$0 Account Status Inquiry transactions.
MASTERCARD CARD NOT PRESENT AVS ACCESS FEE	\$0.0075 assessed on all MasterCard Card Not Present authorizations that use the Address Verification Service (AVS) that are submitted for more than \$0.
MASTERCARD AVS CARD PRESENT FEE	\$0.005 assessed on all MasterCard card present authorizations that use the Address Verification Service (AVS) that are submitted for more than \$0.
MASTERCARD ACCOUNT STATUS INQUIRY FEE - INTERREGIONAL	\$0.03 assessed on all Account Status Inquiry Service messages where the country code of the merchant is different from the country code of the cardholder. Account Status Inquiry Service transactions must be submitted for \$0 and are used to validate cardholder account numbers and other elements, such as CVC2 and AVS prior to obtaining an actual authorization. Effective June 14, 2011.
MASTERCARD ACCOUNT STATUS INQUIRY FEE - INTRAREGIONAL	\$0.025 assessed on all Account Status Inquiry Service messages where the country code of the merchant is the same as the country code of the cardholder. Account Status Inquiry Service transactions must be submitted for \$0 and are used to validate cardholder account

DISCOVER NETWORK FEES: The following fees result from charges assessed to SERVICERS from Discover Network and are subject to increases, decreases, and additional new fees imposed by Discover Network.

Fee/Name	Fee/Description
DISCOVER DATA USAGE FEE	\$0.0185 per Discover Transaction.
DISCOVER NETWORK ASSESSMENT	0.105% of the total dollar amount of all Sales Drafts.
DISCOVER NETWORK INTERNATIONAL SERVICE FEE	0.55% of amount of Card Sales. Discover Network shall charge to Acquirers for Card Sales (excluding Cash Over) conducted at a Merchant location in the United States where the domicile of the issuer of the Card used in the Card Sale is a country other than the United States, provided that such fee is not applicable to Card Sales with JCB and China Unionpay Cards.

6. **General Pricing Information:**

- a. **Interchange Schedules.** The fees and assessments and qualifying criteria set forth above and in the rate schedules referenced in the Interchange Schedules section above which are annexed hereto by such references thereto may be changed from time to time as a result of Card Organization changes. References in those rate schedules to the "Program Guide" and "Application" shall mean the Bankcard Addendum.
- b. **Visa and MasterCard Credit Transactions:**
 - (i) Billable transactions include: purchases, returns, declines, reversals, Terminal balancing totals and authorizations to the extent identified in the Master Contract Pricing Schedule.
 - (ii) The Visa/MC transaction fee includes authorization, data capture and settlement.
 - (iii) The fees and charges set forth on this Schedule A are in addition to all other Third Party Based Fees and all fees due and payable to SERVICERS and/or any applicable Person and will be collected by SERVICERS as set forth in the Bankcard Addendum.
 - (iv) Supplies provided at SERVICERS' shipping costs.
 - (v) CUSTOMER shall be responsible for payment of all shipping costs associated with any equipment purchased, leased or maintained by SERVICERS under this Bankcard Addendum.
- c. **Discover Network Credit Transactions:**
 - (i) Billing transactions include: purchases, returns, declines, reversals authorizations and Terminal balancing totals to the extent identified in the Master Contract Pricing Schedule.
 - (ii) The Discover Network Processed Cards transaction fees include authorization, data capture and settlement.
 - (iii) The fees and charges set forth on this Schedule A are in addition to all other Third Party Based Fees and all fees due and payable to SERVICERS and/or any applicable Person and will be collected by SERVICERS as set forth in the Bankcard Addendum.

Other Card Services Supplement to Merchant Services Bankcard Addendum and Attachment I

Debit Transactions Supplement to Merchant Services Bankcard Addendum and Attachment II

Equipment Purchase and Rental Supplement to Merchant Services Bankcard Addendum and Attachment III

Other Card Services Supplement to Merchant Services Bankcard Addendum and Attachment I to Schedule A

This Other Card Services Supplement to Merchant Services Bankcard Addendum and Attachment I to Schedule A (referred to herein as the "OCS Supplement") supplements the Master Contract and the Merchant Services Bankcard Addendum (the "Bankcard Addendum") and Schedule A to which is attached and sets forth the terms applicable to BAMS provision of the specified services for the Card transactions set forth below:

OTHER CARD SERVICES SUPPLEMENT TO BANKCARD ADDENDUM:

1. GENERAL: CUSTOMER understands and acknowledges that BAMS' sole responsibility with respect to Issuer Card transactions shall be to provide the services specified in this OCS Supplement.

In the event CUSTOMER has a separate agreement with an Issuer to accept such Issuer's cards ("Issuer Agreement") respective issuer, all Chargeback and financial obligations including but not limited to fees and issues related thereto shall be governed by the terms of such Issuer Agreement. Notwithstanding the foregoing, in the event BAMS is providing settlement services for Diners Club International and/or JCB transactions, BAMS shall be responsible for providing such services pursuant to the terms of the Bankcard Addendum, except to the extent set forth in Subsection 13.1 thereof, and Section 5 of this OCS Supplement. CUSTOMER shall comply with all terms and conditions of the Issuer Agreement and the applicable rules, regulations, interpretations and other requirements of the respective Issuer and shall not seek authorization for or submit for processing or settlement hereunder any Issuer Card transactions at any time when CUSTOMER does not have in effect a valid Issuer Agreement with such Issuer. CUSTOMER agrees to notify BAMS promptly upon the termination of any Issuer Agreement to which it is a party. Upon such termination, BAMS shall have no further obligations hereunder to provide any services to CUSTOMER with respect to any transactions involving such Issuer Cards.

In the event CUSTOMER does not have a separate Issuer Agreement with a respective Issuer, the Issuer Card services to be provided hereunder shall be in accordance with the terms of the Bankcard Addendum and this OCS Supplement. Issuer Cards shall be considered "Cards" for purposes of Services provided by SERVICERS with respect to them and "Card Organizations" shall be deemed to include any Card Organizations set forth in this OCS Supplement for purposes of such Services.

2. ISSUER CONSENTS:

CUSTOMER shall be responsible for obtaining any operational consents required of Issuer to comply with procedures or practices contemplated by both CUSTOMER and BAMS under this OCS Supplement.

3. AUTHORIZATION SERVICES ONLY:

In the event BAMS is providing authorization services only for Issuer Card transactions as specified herein, CUSTOMER shall seek such authorization through BAMS. In the event that BAMS is not providing processing services for Issuer Card transactions as specified in this OCS Supplement, CUSTOMER shall be responsible for processing and submitting directly to the applicable Issuer for settlement of such Card transactions.

4. PROCESSING AND SUBMISSION TO ISSUERS:

In the event BAMS is providing processing services for Issuer Card transactions as specified herein, CUSTOMER shall submit to BAMS for processing all of CUSTOMER's Issuer Card transactions and BAMS shall process such transactions and transmit them electronically to the applicable Issuer with a summary of such Card transactions.

BAMS does not warrant or bear responsibility for the performance of any Issuer in any way.

5. DISCOVER NETWORK PROCESSING PROVISIONS:

Acceptance of Discover Network Processed Cards: Except as provided in this Discover Supplement, the terms and conditions governing CUSTOMER's acceptance of Discover Network Cards and any other Card Organization Cards processed via Discover Network, including JCB and Diners Club International Cards, (collectively, "Discover Network Processed Cards") are as specified in the Bankcard Addendum. CUSTOMER agrees to follow the Bankcard Addendum concerning CUSTOMER's acceptance of Discover Network Processed Cards.

Any provision contained in the Bankcard Addendum which directs CUSTOMER to contact Discover Network for customer services or for any other inquiry or purpose is modified hereby to provide that CUSTOMER is to contact BAMS for customer service or in relation to such inquiry or purpose.

ATTACHMENT I TO SCHEDULE A:

American Express* <u> X </u>	Diners Club*** <u> </u>	Discover® Network*** <u> </u>
JCB** <u> </u>	Fleet* <u> </u>	Voyager** <u> </u>
Wright Express* <u> </u>		

*Card processing services for these transaction types may be subject to a separate agreement.

**SERVICERS will settle Voyager transactions directly to merchants. All other Card types listed in this Attachment shall be settled by the Issuer.

***These are Discover Network Processed Cards which will be processed via Discover Network systems and subject to Discover Network Card Organization Rules; BAMS will settle transactions for all Discover Network Processed Cards, unless CUSTOMER is classified by Discover Network as a Discover Direct Strategic Relationship as further described in Subsection 13.1 of the Bankcard Addendum.

FEES: Attachment B Price Schedule of the Master Contract

General Pricing Information:

Billable transactions include: purchases, returns, declines, reversals, authorizations & Terminal balancing totals to the extent identified in the Master Contract Pricing Schedule.

Unless expressly set forth above, the Card transaction fee includes authorization and data capture. Settlement and payment for such Card types will be provided by the applicable Issuer, pursuant to the agreement between CUSTOMER and such Issuer.

Subject to the Master Contract Pricing Schedule the fees and charges set forth above are in addition to all other Third Party Based Fees and all fees due and payable to SERVICERS and/or any applicable Person and will be collected by SERVICERS as set forth in the Bankcard Addendum.

THIS ADDENDUM IS NOT BINDING UPON THE PARTIES UNTIL THE APPLICABLE PARTICIPANT AGREEMENT IS SIGNED BY CUSTOMER AND PROVIDER .

Debit Transactions Supplement to Merchant Services Bankcard Addendum and Attachment II to Schedule A

This Debit Transactions Supplement to Merchant Services Bankcard Addendum and Attachment II to Schedule A ("Debit Supplement") is entered into by and among the Participant subscribing to this service ("CUSTOMER"), Banc of America Merchant Services, LLC ("BAMS") and Bank of America, N.A. ("BANK") and supplements Master Contract and the Merchant Services Bankcard Addendum by and among CUSTOMER, BAMS and BANK (the "Bankcard Addendum") and Schedule A to Bankcard Addendum to which it is attached and sets forth the additional terms applicable to BAMS' provision of the specific services for the PIN debit Card transactions ("Debit Services"). Capitalized terms not defined below have the meanings set forth in the Bankcard Addendum. CUSTOMER understands and agrees that BAMS is the service provider for Debit Services pursuant to the terms herein. The sponsoring member of the Debit Networks is BANK, or its successors or assigns ("Debit Network Bank"). Unless stated otherwise, (i) any reference to the Bankcard Addendum shall include the MSA (as defined in the Bankcard Addendum) and this Debit Supplement, with respect to the Debit Services, and (ii) any reference to this Debit Supplement shall include the MSA and the Bankcard Addendum.

GENERAL: Except and to the extent provided below in this Debit Supplement, the terms and conditions of the Bankcard Addendum (which may be amended from time to time, as provided in the Master Contract and the MSA) shall govern CUSTOMER's acceptance of PIN debit Cards and BAMS' provision of Debit Services to CUSTOMER.

DEBIT TRANSACTIONS SUPPLEMENT TO BANKCARD ADDENDUM:

1. Until and unless otherwise authorized by BAMS, CUSTOMER agrees to utilize BAMS compatible Terminals/PIN pads or systems capable of processing all on-line PIN debit Card transactions, and to place them at its Locations. As between BAMS and CUSTOMER, all software residing on these Terminals or systems is the sole property of BAMS. Any software residing in CUSTOMER-owned Terminals or systems must be BAMS compatible. CUSTOMER's placement of the Terminals or system at its Locations shall constitute acceptance of all terms and conditions set forth in this Debit Supplement. CUSTOMER understands and agrees that neither BAMS nor BANK bear any responsibility whatsoever for CUSTOMER's-owned Inoperative Terminals or Merchant Systems (or Software if applicable). In the case of an Inoperative Terminal or Merchant System CUSTOMER shall consult CUSTOMER's warranty, or Terminal maintenance addendum, as applicable.
2. CUSTOMER agrees to submit all debit Card transactions and to abide by Applicable Law and the Card Organization Rules of the applicable PIN Debit Network(s) selected by CUSTOMER.
3. CUSTOMER understands and agrees that the Debit Services are being provided by BAMS and not Debit Network Bank, and therefore Debit Network Bank shall have no liability whatsoever regarding the Services provided by BAMS.
4. Upon notice to CUSTOMER, another Debit Network member may be substituted for Debit Network Bank under whose sponsorship this Supplement is performed. Upon substitution, such other Debit Network member shall be responsible for all obligations required of Debit Network Bank, including without limitation, as may be expressly required by applicable Card Organization Rules. Subject to Card Organization Rules, BAMS and Debit Network Bank may assign or transfer this Supplement and their rights and obligations hereunder and may delegate their duties hereunder, in whole or in part, to any third party, whether in connection with a change in sponsorship, as set forth in the preceding sentence, or otherwise, without the notice to or consent of CUSTOMER.
5. CUSTOMER further understands that any claims it may have regarding the Debit Services may not be offset against non PIN Debit sales.
6. CUSTOMER assumes all responsibility for paper copy of debit Card transactions, pursuant to the appropriate Debit Network rules.
7. The fees for the Debit Network used to process your transaction will be applied. Which Debit Network will be used will depend upon the availability of the Debit Network at the time of the transaction, whether a particular PIN Debit Card is enabled for a particular Debit Network, the routing requirements established by the Debit Networks and the Issuers, or other factors. CUSTOMER agrees that SERVICERS may, in their sole discretion, utilize any Debit Network available to SERVICERS for a given transaction.

ATTACHMENT II TO SCHEDULE A TO BANKCARD ADDENDUM:

CUSTOMER shall be responsible for the following debit related fees: SEE Attachment B Price Schedule of the Master Contract

General Pricing Information:

1. Billable transactions include: purchases, returns, declines, reversals, and authorizations.
2. The Debit Network transactions include authorization, settlement and sponsorship.
3. The fees and charges set forth above are in addition to all other Third Party Based Fees and all fees due and payable to SERVICERS and/or any applicable Person, will be collected by SERVICERS as set forth in the Bankcard Addendum. In addition, CUSTOMER will also be charged the Debit Network fees on a per transaction per Debit Network basis, pursuant to Sections 8 and 9, above.

CUSTOMER AGREES THAT THE ABOVE-REFERENCED DEBIT NETWORK FEES ARE CONTROLLED BY SAID DEBIT NETWORK(S) AND ARE SUBJECT TO CHANGE BY THE DEBIT NETWORK(S) AND THEREFORE TO THE CUSTOMER AT

ANY TIME. SERVICERS WILL USE COMMERCIALLY REASONABLE EFFORTS TO NOTIFY CUSTOMER PRIOR TO ANY EFFECTIVE CHANGE.

NOTWITHSTANDING THE ABOVE, SERVICERS WILL GIVE CUSTOMER WRITTEN NOTICE THIRTY DAYS PRIOR TO OTHER CHANGES IN PASS-THROUGH FEES AUTHORIZED BY THE MASTER CONTRACT PRICING SCHEDULE. CUSTOMER AGREES TO COMPLY WITH APPLICABLE LAW. CUSTOMER ACKNOWLEDGES THAT DEBIT TRANSACTIONS ARE GOVERNED BY DEBIT NETWORK REGULATIONS AS WELL AS FEDERAL AND STATE LAW, INCLUDING THE ELECTRONIC FUNDS TRANSFER ACT (KNOWN AS REGULATION E) AND AGREES TO BE COMPLIANT WITH SUCH REGULATIONS.

**EQUIPMENT PURCHASE AND RENTAL SUPPLEMENT TO MERCHANT SERVICES BANKCARD ADDENDUM
AND ATTACHMENT III TO SCHEDULE A**

This Equipment Purchase and Rental Supplement to Merchant Services Bankcard Addendum ("Equipment Supplement") is being entered into by and between Banc of America Merchant Services, LLC ("BAMS") and the party identified on the signature panel of this Equipment Supplement ("CUSTOMER") and supplements the Master Contract and the Merchant Services Bankcard Addendum ("Bankcard Addendum") to MSA (as defined in the Bankcard Addendum). In this Equipment Supplement, the words "we", "our" and "us" refer to BAMS and its successors and assigns and the words "you" and "your" refer to CUSTOMER and its permitted successors and assigns. References to the MSA and Bankcard Addendum in this Equipment Supplement shall include this Equipment Supplement. Capitalized terms not defined in this Equipment Supplement are defined in the Bankcard Addendum.

Unless otherwise expressly provided in the MSA, this Equipment Supplement, (i) references to each Addendum and Supplement in the MSA shall be deemed to include this Equipment Supplement and (ii) references to an Addendum in the MSA shall be deemed to include the Bankcard Addendum and this Equipment Supplement. To the extent the terms of this Supplement directly conflict with the terms of the Bankcard Addendum or MSA, this Equipment Supplement shall control.

This Equipment Supplement governs any equipment that is rented to you on a month to month basis or that is sold to you by BAMS under the purchase or rental agreements and/or other documentation provided in connection with the purchase or rental of Equipment ("Equipment Documents"). If the Equipment Documents provide that your equipment is leased, then your lease is governed by a separate Addendum to the MSA with one of our Affiliates ("Lease Addendum"). Equipment rented to or purchased by you under the Equipment Documents is referred to in this Equipment Supplement as the "Equipment." THE EQUIPMENT IS NOT BEING SOLD OR RENTED TO YOU FOR HOME OR PERSONAL USE. Sales and rentals of equipment are made by BAMS.

YOU ACKNOWLEDGE THAT THE EQUIPMENT AND/OR SOFTWARE YOU PURCHASED OR RENT FROM US MAY NOT BE COMPATIBLE WITH ANOTHER PROCESSOR'S SYSTEMS. WE DO NOT HAVE ANY OBLIGATION TO MAKE SUCH SOFTWARE AND/OR EQUIPMENT COMPATIBLE WITH ANY OTHER PROCESSING SYSTEMS. IN THE EVENT THAT YOU ELECT TO USE ANOTHER PROCESSING SERVICE PROVIDER UPON THE TERMINATION OF THE BANKCARD ADDENDUM, YOU ACKNOWLEDGE THAT YOU MAY NOT BE ABLE TO USE THE EQUIPMENT AND/OR SOFTWARE RENTED OR PURCHASED HEREUNDER.

1. **Purchased Equipment; Supplies.** We will sell to you, and you will buy from us the Equipment identified in the Equipment Documents throughout the term of the Bankcard Addendum as being purchased by you (individually and collectively, the "Purchased Equipment"), free and clear of all liens and encumbrances (subject to Section 7), except that any "Software" (as defined in Section 8) will not be sold to you outright but instead will be provided to you pursuant to, and subject to the conditions of Section 8 of the Bankcard Addendum. You shall pay the purchase price specified for the Purchased Equipment and the related software license(s), including all applicable Taxes, in accordance with the Equipment Documents or at our option, such amounts will be collected by us by debits or deductions pursuant to Section 5. We will provide you supplies as requested by you from time to time. As stated in the Master Contract Scope of Work, Participant shall not pay for such supplies, but shall pay for shipping and handling charges, including all applicable Taxes, upon invoice, as specified by us, or at a Local Participant's option, such amounts will be collected by us by debits or deductions pursuant to Section 5. (Maintenance and repair of merchant-owned equipment is your responsibility). Should your terminal become inoperable, we can provide you with equipment at a monthly rental fee. There will also be a nominal shipping and handling fee. For such rental equipment contact the POS Help Desk.
2. **Rental Equipment.** We agree to rent to you and you agree to accept and rent from us the Equipment identified in the Equipment Documents as being rented to you (individually and collectively, the "Rental Equipment"), according to the terms and conditions of this Equipment Supplement. In addition, any Equipment ordered by and rented to you during the term of the Bankcard Addendum shall constitute Rental Equipment and be governed by the terms of this Equipment Supplement.
3. **Effective Date and Term of Equipment Supplement.** This Equipment Supplement shall become effective on the first date you receive any piece of Equipment covered by this Equipment Supplement. This Equipment Supplement will remain in effect until all of your obligations and all of our obligations under the Bankcard Addendum have been satisfied. We will deliver the Equipment to the site designated by you. You shall be deemed to have accepted each piece of Equipment at the earlier of: (a) your actual acceptance after installation, (b) 10 working days after receipt of the request for approval in accordance with sections 215.322 (8) and 287.058 (1), Florida Statutes. The rental period with respect to each piece of Rental Equipment shall commence on the date such Equipment is deemed accepted and shall terminate at the scheduled termination date (but not upon any early termination) of the Bankcard Addendum and/or any other agreement then in effect with us for Card services. The provisions of this Equipment Supplement shall survive the termination of the Bankcard Addendum and continue until all Rental Equipment is returned or paid for.

Warranties. If any, for First Data POS Value ExchangeSM Equipment or Software originate from the third party provider or manufacturer ("Vendor") which warranties shall be passed through to the Participant. Materials or documents, if any, setting forth warranty terms, conditions, exceptions, exclusions and disclaimers will be contained within the First Data POS Value ExchangeSM Equipment or Software packaging shipped from the Vendor. We do not make or provide any warranty with respect to the First Data POS Value ExchangeSM Equipment or Software or any related services provided hereunder, and specifically disclaim all other warranties of any kind, express or implied, including warranties of merchantability, fitness for a particular purpose or noninfringement, arising out of or related to them, which are hereby excluded by agreement of the parties. We will only provide help desk support and related services for First Data POS Value ExchangeSM Equipment purchased from us hereunder, and will not provide any such support or related services for any other products or equipment.

4. **Site Preparation, Installation & Maintenance.** You will prepare the installation site(s) for the Equipment, including but not limited to the power supply circuits and phone lines, in conformance with the manufacturer's and our specifications and will make the site(s) available to us by the confirmed shipping date.
- Upon request, you must allow us (or our agents) reasonable access to the premises where Authorization terminals or other communications Equipment (e.g., printers) are or will be located.
 - Any alterations required for installation of Authorization terminal(s) or other communications Equipment will be done at your expense.
 - Only we or our agents can alter or modify Authorization terminal(s) or other communications equipment owned by us.
 - If a terminal or printer appears to be defective, you must promptly call the POS Help Desk.
 - You are responsible for safeguarding Equipment from loss, damage, unauthorized use, misuse or theft; we should be notified promptly if any of the foregoing occurs.
 - If necessary, we will assist you in obtaining replacement Equipment. If you fail to return any defective Equipment, you may be responsible for its replacement value.
 - You are responsible for keeping all communication Equipment free of any claims, liens and legal processes initiated by creditors.
 - Equipment may not be subleased at any time. The cost of comparable new Equipment, will be assessed to you for each piece of Equipment not returned upon termination of the Bankcard Addendum by either party, or upon request for the return of the Equipment for any reason.
 - Except as required for data security in accordance with Master Contract section 7, you may not relocate, remove, disconnect, modify or in any way alter any equipment used in connection with the Services without first obtaining our permission.
 - Except pursuant to the Master Contract and Scope of Work, you must provide us with five (5) business days' prior written notice to request the relocation of any Equipment.
 - Subject to the Master Contract Pricing Schedule, should you require additional equipment, you must contact Relationship Management or Customer Service (there may be additional costs or fees charged to you in connection with any new equipment ordered, including download fees).

You shall ensure the following requirements have been met at each of your locations prior to any appointment for installation of the First Data POS Value Exchange SM Equipment: (i) retail counter prepared for the products – minimum dimensions for each component; (ii) retail counter grommet hole drilled if CPU box below the counter; (iii) retail counter has valid, working IP connectivity to Internet; (iv) network cable in place between POS stations if multi-lane; (v) specified power to POS retail counter; (vi) product boxes within short distance from POS retail counter. You shall comply with the following during installation of First Data POS Value Exchange SM Equipment: (i) access to POS retail counter with no interruptions by merchant staff; (ii) merchant store manager available for scheduling of installation services and sign-off.

5. **Payment of Amounts Due.**

(a) You agree to pay the monthly rental charge specified in the Equipment Documents subject to the Master Contract Pricing Schedule, which shall be due and payable on the first day of each month of the rental period for each piece of Rental Equipment, except that the first payment of the monthly rental charge for each piece of Rental Equipment shall be due and payable upon written acceptance of such Equipment by you at the location designated in the Equipment Documents or (as provided in Section 3). The monthly rental charge for fractions of a calendar month shall be prorated based on a thirty (30) day month.

(b) You hereby authorize us to collect all amounts due from you under this Equipment Supplement and any Equipment Documents in accordance with the Participation Agreement.

(c) In addition to the purchase price or monthly rental charge due hereunder, you shall pay, or reimburse us for, amounts equal to any applicable Taxes identified in the Pricing Schedule.

(d) As stated in the Master Contract Scope of Work, separate charges will not apply for supplies; they are not included in monthly rental charges.

6. **Use and Return of Equipment; Insurance.**

(a) You shall cause the Equipment to be operated by competent and qualified personnel in accordance with any operating instructions furnished by us or the manufacturer and in connection with the Services. You shall not use the Equipment, or permit the Equipment to be used, in any manner or for any purpose for which the Equipment is not designed or reasonably suited.

(b) You shall not permit any physical alteration or modification of the Equipment without our prior written consent.

(c) Except pursuant to the Master Contract, you shall not change the installation site of the Equipment without our prior written consent, which consent we will not unreasonably withhold.

(d) You shall not assign your rights or obligations under this Equipment Supplement, or pledge, lend, create a security interest in, directly or indirectly create, incur, assume or allow to exist any other consensually or judicially imposed liens or encumbrances on, or part with possession of, or sublease the Rental Equipment to any other person, firm or organization without our prior written consent. Any such assignment, delegation, sublease, pledge, security interest or lien in the absence of such consent shall be void.

(e) You shall comply with all governmental laws, rules and regulations relating to the use of the Equipment. You are also responsible for obtaining all legally required permits for the Equipment.

(f) We or our representatives may, at any time, enter your premises for purposes of inspecting, examining or repairing the Equipment.

(g) Promptly upon termination of all applicable rental periods or promptly following any action by us pursuant to Section 11(b), you shall deliver possession of the Rental Equipment (including all attachments and parts) to us at your cost in the same operating order, repair, condition and appearance that the Rental Equipment had at the time of its delivery to you, reasonable wear and tear excepted.

(h) For each item of Rental Equipment that you fail to return to us at your cost in the same operating order, repair, condition and appearance that it had at the time of delivery to you, reasonable wear and tear excepted, by the 10th Business Day after (i) termination of the applicable rental period, or (ii) any action by us pursuant to Section 11(b), we may seek a claim against the Participant's who may file a claim with any insurer, if practicable. We may collect such amounts in the manner provided in Section 5 and to the extent we are unable to do so, you agree to pay us the amounts owed promptly.

(i) Except for Purchased Equipment that has been paid for in full, the Equipment shall remain our personal property and shall not under any circumstances be considered to be a fixture affixed to your real estate. You shall permit us to affix suitable labels or stencils to the Equipment indicating our ownership.

(j) You shall keep the Rental Equipment adequately insured against loss by fire, theft and all other hazards (comprehensive coverage). The loss, destruction, theft of or damage to the Rental Equipment shall not relieve you from your obligation to pay the full purchase price or rent payable hereunder.

(k) Except for Purchased Equipment that has been paid in full, the Equipment shall be kept at the address indicated in the Equipment Documents and shall not be removed from there without our prior written consent (except where force majeure events or normal use of the Equipment requires temporary removal).

(l) In order to return Equipment, you should:

- Call Customer Service for the address of the location to send the Equipment.
- The following information must be included within the shipping box:
 1. Company name, complete address and phone number.
 2. Name of person to contact if there are any questions.
 3. Your Merchant Account Number.
 4. Serial number of the Equipment (found on the underside of II).
- Please maintain proof of delivery documents for your records, and the Equipment serial number.

Rental fees will be discontinued after thirty (30) days of CUSTOMER providing written notice that the Equipment is no longer required and actual return of the equipment or other written agreement which may be via electronic method, or subject to force majeure.

7. **Security Interest; Financing Statements.** Intentionally omitted.
8. **Software License.** Anything in this Agreement to the contrary notwithstanding, we retain all ownership and copyright interest in and to all software, computer programs, related documentation, technology, know-how and processes embodied in or provided in connection with the Equipment (collectively "Software"), and you shall have only a nonexclusive license to use the Software in your operation of the Equipment. You shall not reverse engineer, disassemble or decompile the Software. You shall not give any Person access to the Software without our prior written consent except as provided in the Master Contract and Scope of Work. Your obligations under this Section 8 shall survive the termination of the Bankcard Addendum.

You acknowledge that Software embodied in or provided in connection with the Data POS Value ExchangeSM Equipment is owned and copyrighted by third party suppliers, including Hewlett-Packard Co. and Microsoft, Corp., and nothing in this Equipment Supplement confers any title or ownership of any such Software to You or shall be construed as a sale of any rights in any such Software to You. You agree to and be bound by all applicable terms and conditions of use and other license terms applicable to such Software, to the extent permitted by Applicable Law and subject to the Master Contract.

9. **Limitation on Liability.** Notwithstanding any provision of this Equipment Supplement to the contrary, our liability arising out of or in any way connected with the Equipment shall not exceed the amounts stated in the Master Contract.

10. **Equipment Use .**

CUSTOMER is responsible for its possession, use, operation, condition, or return of the Equipment,

To the extent CUSTOMER installs software, CUSTOMER is responsible for loading additional software onto Equipment or using such software, or using Equipment or Software to access the Internet.

11. **Default; Remedies.**

(a) If any debit of your Settlement Account Initiated by us for rent and/or other charges due hereunder is rejected when due, or if you otherwise fail to pay us any amounts due hereunder when due, or if you default in any material respect in the performance or observance of any obligation or provision in this Equipment Supplement, or if any other default occurs under the Bankcard Addendum, any such event shall be a default hereunder.

(b) Upon the occurrence of any Event of Default, we shall provide notice of default pursuant to the Master Contract.

12. **Fees:** See Attachment B Price Schedule of the Master Contract

Bank of America Merchant Services

Operating Procedures Guide



TABLE OF CONTENTS

Introduction.....	3
1. Visa, MasterCard Discover and American Express acceptance.....	5
1.1. Card descriptions.....	5
1.2. Effective/expiration dates.....	8
1.3. Valid signature.....	8
1.4. Users other than Cardholders.....	8
1.5. Special terms.....	8
1.6. Delayed delivery or deposit balance.....	8
1.7. Recurring transaction and preauthorized order regulations.....	9
1.8. Certain rules and requirements.....	10
1.9. Card acceptance.....	10
1.10. Deposits of principals.....	11
1.11. Merchants in the lodging industry.....	11
1.12. Customer-activated terminals and self-service terminals.....	11
1.13. Displays and advertising.....	11
1.14. Cash payments by and cash disbursements to Cardholders.....	12
1.15. Discover cash over transactions.....	12
1.16. Telecommunication transactions.....	12
2. Suspect transactions.....	13
3. Completion of Sales Drafts and Credit Drafts.....	13
3.1. Information required.....	13
3.2. Mail/telephone/Internet (eCommerce) orders and other card-not-present sales.....	14
3.3. Customer service telephone numbers for Cards other than Visa, MasterCard and Discover.....	16
4. Data security and Persons used by Client.....	16
4.1. Payment Card Industry Data Security Standards (PCI DSS).....	16
4.2. Data security requirements.....	16
4.6. Required information for Discover security breaches.....	16
5. Authorizations.....	17
5.1. Card-not-present transactions.....	18
5.2. Authorization via telephone (other than terminal/electronic device users).....	18
5.3. Authorization via electronic devices.....	18
5.4. Third-party Authorization system.....	18
5.5. Automated dispensing machines.....	19
5.6. Pre-Authorization for travel and entertainment (T&E) and restaurant merchants.....	19
5.7. Discover procedure for request for cancellation of Authorization.....	20
5.8. Partial Authorization and Authorization reversal.....	20
6. Submission/deposit of Sales Drafts and Credit Drafts.....	20

6.1. Submission of sales for merchants other than your business	20
6.2. Timeliness	20
6.4. Electronic merchants: daily batching requirements and Media submission	20
7. Settlement	21
8. Refunds/exchanges (Credits)	21
8.1. Refunds	21
8.2. Exchanges	21
9. Retention of records for retrievals and chargebacks	21
9.1. Legible copies	21
9.2. Sales and Credit Drafts	22
10. Chargebacks, retrievals and other debits	22
10.1. Chargebacks	22
10.2. Other debits	26
10.3. Summary (deposit) adjustments/electronic rejects	27
10.4. Disputing other debits and summary adjustments	27
11. Account maintenance	27
11.1. Change of settlement account number	27
11.2. Change in your legal name or structure	27
11.3. Change in company DBA name, address or telephone/facsimile number	27
11.4. Other change(s) in merchant profile	28
11.5. Charges for changes to account maintenance	28
12. Card Organization Monitoring	28
13. Supplies	28
Glossary	29

INTRODUCTION

Part I: Card Services

A. Operating Procedures

INTRODUCTION

Thank you for selecting us for your payment processing needs. Accepting numerous payment options provides a convenience to your customers, increases your customers' ability to make purchases at your establishment, and helps speed payment to your Settlement account.

This Operating Guide presents terms governing the acceptance of Visa,[®] MasterCard,[®] Discover[®] Credit Card, PIN Debit Card and Non-PIN Debit Card payments.

This Operating Guide, the Master Contract, the Merchant Services Bankcard Addendum ("Bankcard Addendum") to the Master Services Agreement ("MSA") and the Supplements to the Bankcard Addendum (as defined in the Bankcard Addendum), the MSA and Department of Financial Services, Division of Treasury: DFS (TR) ITN 11/12-17 ePayment Solutions and Services Contract with Participation Agreement dated , 2013 by and among the Department of Financial Services, Department of Treasury, ("Customer"), Banc of America Merchant Services, LLC ("BAMS" or "Processor") and Bank of America, N.A. ("Bank") are collectively referred to in this Operating Guide as the "Agreement." References to the Bankcard Addendum shall include the Supplements, unless otherwise stated. This Operating Guide contains the terms and conditions under which BAMS and Bank will provide the Services. BAMS and Bank are also referred to in this Operating Guide as "Servicers." The terms "our," "we" and "us" refer to the Servicers. The terms "you" and "your" refer to Customer. We will not accept any alterations or strikeouts to the Operating Guide and, if made, any such alterations or strike-outs shall not apply. Please read this Operating Guide completely as it contains important information.

You acknowledge that all Services contemplated in the Agreement may not be available to you.

IMPORTANT INFORMATION ABOUT BANK'S RESPONSIBILITIES:

Discover Card transactions, American Express Card transactions and Non-Bank Services are not provided to you by Bank, but are provided by Processor and/or third parties.

The provisions of this Agreement regarding Discover Card transactions, American Express Card transactions and Non-Bank Services constitute an agreement solely between you and Processor and/or third parties. Bank is not a party to this Agreement insofar as it relates to Discover Card transactions, American Express Card transactions and Non-Bank Services, and Bank is not responsible, and shall have no liability, to you in any way with respect to Discover Card transactions, American Express Card transactions and Non-Bank Services.

OTHER IMPORTANT INFORMATION:

Cards present risks of loss and non-payment that are different than those with other payment systems. In deciding to accept Cards, you should be aware that you are also accepting these risks.

Visa U.S.A., Inc. ("Visa"), MasterCard International Incorporated ("MasterCard"), DFS Services LLC ("Discover"), and American Express Company, Inc. ("American Express") are payment card networks that electronically exchange Sales Drafts and Chargebacks for Card sales and Credits. Sales Drafts are electronically transferred from banks (in the case of Visa and MasterCard transactions) or network acquirers (in the case of Discover transactions) that acquire them from merchants, such as yourself, through the appropriate Card Organization, to the Issuers. These Issuers then bill their Cardholders for the transactions. The Card Organizations charge the Acquirers interchange fees and assessments for submitting transactions into their systems. A substantial portion of the Discount Rate or Transaction Fees that you pay will go toward these fees and assessments.

In order to speed up the payment process, the Issuer transfers the funds back through the Card Organization to the Acquirer at approximately the same time that the Issuer receives the electronic Sales Drafts. Even though the payments under this system are made simultaneously, all payments made through the Card Organizations are conditional and subject to reversals and adjustments.

Each Card Organization has developed Card Organization Rules that govern their Acquirers and Issuers and the procedures, responsibilities and allocation of risk for this process. Merchants are also bound by Card Organization Rules which are part of this Agreement. The Card Organization Rules and applicable laws give Cardholders and Issuers certain rights to dispute transactions long after payment has been made to the merchant, including Chargebacks.

We do not decide what transactions are charged back and we do not control the ultimate resolution of the Chargeback. While we can attempt to reverse a Chargeback to the Issuer, we can only do so if the Issuer agrees to accept it or the Card Organization requires the Issuer to do so after a formal appeal process. Sometimes, your customer may be able to successfully chargeback a Card transaction even though you have provided your goods or services and are otherwise legally entitled to payment from your customer. While you may still be able to pursue claims directly against that customer, neither we nor the Issuer will be responsible for such transactions.

You will be responsible for all Chargebacks and adjustments associated with the transactions that you submit for processing.

Please refer to the Glossary for definitions of capitalized terms used without definition herein. References above to "our," "us" and "we" mean "Servicers," except for Non-Bank Card services, in which case those references mean "Processor," and references to "you" and "your" mean "Client," each as defined in this Operating Guide.

OPERATING PROCEDURES

This Operating Guide describes the procedures and methods for submitting transactions for payment, obtaining Authorizations, responding to Chargebacks and Media Retrieval requests, and other aspects of the operations of our services.

Processor is a full-service financial transaction processor dedicated, among other processing services, to facilitating the passage of your Sales Drafts back to the thousands of Institutions who issue the Visa,[®] MasterCard[®] and Discover[®] Cards carried by your customers, as well as to the Independent Issuers of American Express,[®] Optima[®] and JCB.

The Operating Procedures contained in this part focus primarily on certain of the Visa, MasterCard, and Discover Card Organizations Rules, and seek to provide you with the principles for a sound Card program; however, you should consult the Card Organization Rules for complete information and to ensure full compliance with them. They are designed to help you decrease your Chargeback liability and train your employees. (In the event we provide Authorization, processing or settlement services for transactions involving Cards other than Visa, MasterCard and Discover, you should also consult those Independent Issuers' proprietary rules and regulations.)

The requirements set forth in these Operating Procedures will apply unless prohibited by law. You are responsible for following any additional or conflicting requirements imposed by your state or local jurisdiction. The Card Organization Rules are made a part of this Bankcard Addendum by this reference to them, and reference to this Agreement or the Bankcard Addendum shall be deemed to include the Card Organization Rules, unless stated otherwise. Capitalized terms not defined in this Operating Guide are defined in the Master Contract or the Card Organization Rules.

1. Visa, MasterCard, Discover and American Express Acceptance

1.1. Card Descriptions. At the point of sale, the Card must be carefully examined to determine whether it is a legitimate and valid Card. The name of the Card (e.g., Visa, MasterCard or Discover) should appear in bold letters on the Card. For all Visa and MasterCard Cards and for some Discover Cards, the Issuer (e.g., XYZ Bank, etc.) should also appear in bold letters on the Card. The following is a description of the authorized Visa, MasterCard and Discover Card designs:

Visa: Visa Cards have the Visa symbol on the right hand side of the Card. Above the Visa symbol is the 3-dimensional hologram of the Visa Dove design. The expiration date must be followed by one space and may contain the symbol "V." Visa Cards contain a 16-digit account number embossed across the middle of the Cards and the first digit is always a four (4). In addition,

Visa Cards have the first four digits of the account number printed directly below the embossed number. You must always check these numbers carefully to ensure that they are the same. Beginning January 2006, Visa has a new Card design which differs significantly from the previous description. You are required to familiarize yourself with the new design by consulting the document entitled "Card Acceptance and Chargeback Management Guidelines for Visa Merchants" (VRM 08.12.16). You may download the document free of charge from Visa's website at <http://www.visa.com/merchant> or order a hardcopy to be mailed to you for a nominal charge by telephoning Visa fulfillment at 800-VISA-311. Both the old and new Visa Card designs will be circulating concurrently in the marketplace through the year 2010. Only Visa Cards fitting the old or new descriptions may be accepted.

Beginning May 2008, Visa issued a new card design for un-embossed Visa cards. Unlike embossed Visa cards with raised numbers, letters and symbols, the un-embossed card has a smooth, flat surface. Because of the un-embossed cards flat surface, it cannot be used for transactions that require a card imprint. Un-embossed cards can only be used by merchants who process with an electronic Point Of Sale Terminal. As a result, the bottom of the card bears the following note, "Electronic Use Only."

MasterCard: MasterCard Cards are issued under the following names: MasterCard, EuroCard, Access, Union, Million and Diamond. The MasterCard symbol appears on the front or back of the Card. MasterCard and the Globe designs appear in a 3-dimensional hologram above the symbol. In addition, the words Classic, Preferred, Gold or Business may appear. MasterCard account numbers are sixteen (16) digits, and the first digit is always a five (5). The first four digits of the account must be printed directly below the embossed number. Only MasterCard Cards fitting this description may be accepted. Pursuant to an alliance with MasterCard, Diners Club Cards issued in the United States and Canada are being re-issued with a sixteen (16) digit account number the first two digits of which are now fifty-five (55) and with the MasterCard mark and hologram on the front of the Diners Club Card. These Diners Club Cards shall be accepted and processed in the same manner as MasterCard transactions.

Beginning January 2006, MasterCard has a new Card design significantly different from the previous description. You are required to familiarize yourself with the new design by consulting a document "MasterCard Card Identification Features." You may download the document free of charge from MasterCard's website at <http://www.mastercardmerchant.com/us/merchant>. Both the old and new MasterCard Card designs will be circulating concurrently in the marketplace through the

year 2010. Only MasterCard Cards fitting the old or new descriptions may be accepted.

Beginning February 2009, MasterCard began supporting un-embossed MasterCard Cards as a design option for issuers. Unlike embossed MasterCard Cards with raised numbers, letters and symbols, the account information on an un-embossed MasterCard Card may be indent or laser printed (through the laminate) or thermal printed (on top of the laminate and then coated with a clear protective layer). MasterCard Cards that are un-embossed may have "Electronic Use Only" wording on the Card. If a Cardholder presents an un-embossed MasterCard Card, you must record the related customer information electronically, along with the accepting location; you cannot use Card Imprinters for un-embossed MasterCard Cards.

Discover Cards:

Card Security Features Common to Standard Rectangular Plastic Cards with a Discover Acceptance Mark:

All valid standard rectangular plastic Cards bearing a Discover Acceptance Mark, as indicated below, include the following common characteristics and distinctive features:

- Cards display a three-dimensional hologram on the front of the Card OR a three-dimensional holographic magnetic stripe on the back of the Card. Valid Cards do not display holograms on both front and back.
- Card Numbers are composed of 16 digits and are displayed on the front of the Card.
- Card Numbers are clear and uniform in size and spacing within groupings.
- On embossed Cards, the stylized "D," appears on the same line as the embossed "Member Since" date (if present) and the "Valid Thru" date. **NOTE:** Some Prepaid Cards may not display the "Member Since" date, Cardholder. Additionally, the stylized "D" and "Valid through" may not appear on Prepaid Cards and Debit Cards.
- The embossed "Valid Thru" date, if present, appears in mm/yy format and indicates the last month in which the Card is valid.
- "DISCOVER" or "DISCOVER NETWORK" will appear in ultraviolet ink on the front of the Card when it is held under an ultraviolet light.
- An under print of "void" on the signature panel becomes visible if erasure of the signature is attempted.
- An overprint on the signature panel reads "Discover" or "Discover Network." On some Cards, the overprint may display the name of the Card (e.g., Discover, Discover 2GO, Discover Platinum).
- The last four digits of the Card Number are displayed on the signature panel in reverse indent printing.
- CID is printed in a separate box to the right of the signature panel on the back of the Card.

- **NOTE:** Valid Cards may not always be rectangular in shape (e.g., Discover 2GO Cards) and certain valid Contactless Payment Devices approved by Discover for use in accessing card accounts (e.g., contactless stickers, key fobs, and Mobile Commerce Devices) and to conduct contactless card Transactions may not display the features described above. Card expiration date and other features listed above are not displayed on such contactless payment devices.

Other Card Features for Cards with a Discover Acceptance Mark:

- The front of a Prepaid Card may display "Debit Card," "Temporary Card," "Prepaid Card," or "Gift Card."
- Prepaid Cards accepted at a single Merchant will not display a hologram or holographic magnetic stripe, or the signature panel.
- Unembossed Prepaid Cards display a printed Card number. The "Valid Thru" date and the Cardholder Name may or may not be printed on the Card. The embossed "D" security character is not present. "Electronic Use Only" is printed on the front or the back of an unembossed Card. Merchants are advised to obtain an electronic Authorization Response using a POS Device for unembossed Prepaid Cards.

Contactless Payment Device Security Features:

- Standard, plastic rectangular Cards that are also contactless payment devices bear the security features described in the Standard Rectangular Plastic Card section above.
- Contactless payment devices other than Mobile Commerce Devices bear the Discover® Zip® Indicator.
- Contactless payment devices that may be used to conduct contactless card Transactions will display a contactless icon, including, the Discover® Zip® Indicator. A Contactless Card Transaction for which track data is received by us with the Authorization request and that otherwise complies with Discover Card Organization Rules for contactless card Transactions, other applicable requirements and the technical specifications will constitute a Card Present Card Transaction.
- Other Acceptance Mark as described in the Other Acceptance Mark section below.

Card Security Features Common to Cards with a Diners Club International® Acceptance Mark

Front of Cards:

- A Diners Club International Acceptance Mark in upper left corner.
- Two-character alphanumeric code printed in the lower right corner.
- Embossed 14-digit Account number.
- Embossed digits on the Card must be clear and uniform in size and spacing within groupings.
- Embossed expiration date appears in MM/YY

format and indicates the last month in which the Card is valid.

NOTE: Some valid Cards bearing a Diners Club International Acceptance Mark display a printed, unembossed Card Number. If a Card Sale involving a Diners Club International Card with an unembossed Card Number cannot be completed by swiping the Card through the POS Device, the Card should not be accepted for the Card Sale.

Back of Cards:

- Three-dimensional holographic magnetic stripe contains a repeating image of the Diners Club International® split circle logo, the Diners Club International name, and a world map that all shift color and appearance when the Card is tilted. **NOTE:** In some instances, a standard black magnetic stripe is displayed on the back of the Card. Cards issued before January 1, 2009 may not display the features displayed above.
- The tamper-evident signature panel displays a Diners Club International split circle logo printed in blue in a repeated fashion over a white background. An under print of the word "VOID" becomes visible if the signature panel is removed or erased.
- 3-digit CID is indent-printed after the Card number on the signature panel on the back of the Card. CID may appear alone or directly following the complete Card Number, or following the last four (4) digits of the Card number.
- Chip Cards with a Diners Club International Acceptance Mark display an integrated circuit chip on the front and a shortened signature panel on the back of the Card.

Certain Cards accepted on the Discover network will bear an Other Acceptance Mark.

Common Security Features to Cards with a China UnionPay Acceptance Mark:

- A 16-digit Card Number starting with "622," "624," "625," "626," or "628" is embossed on the front of the Card.
- Embossed digits on the Card should be clear and uniform in size and spacing.
- The embossed expiration date appears in mm/yy format and indicates the last month in which the Card is valid.
- The Card contains a magnetic stripe.
- A three-dimensional hologram image of Heaven Temple in the foreground with Chinese characters in the background appears on the front of all such Cards. The hologram reflects light as it is rotated.
- "Valid Thru" and the Cardholder name (which may not be in English) are embossed on the front of the Card.
- The CID appears on the upper right corner of the signature panel.

Security Features on Cards with a JCB Acceptance Mark:

- Card numbers are made up of 16 digits, starting with "35" embossed or printed on the front of the Card.
- Embossed digits on the Card should be clear and uniform in size and spacing within groupings.
- The Cardholder name and, if applicable, business name embossed on the front of the Card.
- A JCB Acceptance Mark appears on the front of the Card.
- A three-dimensional hologram image of rising sun, rainbow, and "JCB" in micro lettering appears on either the front or the back of the Card. The hologram reflects light as it is rotated.
- The embossed expiration date appears in mm/yy, mm/yy or mm/dd/yy format on the front of the Card and indicates the last month in which the Card is valid.
- The Card contains a magnetic stripe on the back of the Card.
- The name "JCB" appears in ultraviolet ink on the left bottom of the front of the Card when held under an ultraviolet light.
- The first four digits of the Card number match the 4-digit number preprinted just below the embossed Card number on the front of the Card.
- The first four digits of the Card number displayed on the signature panel on the back of the Card match the last four digits of the Card number that appears on the front of the Card.
- The last four digits of the Card Number on the back of the Card are followed by the 3-digit CID.
- An overprint on the signature panel reads "JCB" in two colors, blue and green.
- Some Cards have an embedded integrated circuit chip on the front of the Card.
- The words "GOOD THRU," "VALID DATES," "VALID THRU" and "EXPIRATION DATE" must be printed near the expiration date. The corresponding words in the language of the country where the JCB Card is issued may also be printed. The words "MONTH/YEAR" or the corresponding words in the language of the country where the JCB Card is issued may be printed above or below the expiration date.

NOTE: Some valid Cards bearing the JCB Acceptance Mark will have a printed, unembossed Card number on the Card. If a Card Sale involving a valid, JCB Card with an unembossed Card number cannot be completed by swiping the Card through the POS Device, the Card should not be accepted for the Card Sale. You are required to remain familiar with Discover Card designs and may reference the document "Discover Security Features." You may download the document free of charge from Discover's website at

American Express Card: Some Cards contain a holographic image on the front or the back of the plastic to determine authenticity. Not all American Express Cards have a holographic image.

- All American Express Card Numbers start with "37" or "34." The Card number appears embossed on the front of the Card. Embossing must be clear, and uniform in sizing and spacing. Some Cards also have the Card Number printed on the back of the Card in the signature panel. These numbers, plus the last four digits printed on the Sales Draft, must match.
- Pre-printed Card Identification (CID) numbers must always appear above the Card number on either the right or left edge of the Card.
- Only the person whose name appears on an American Express Card is entitled to use it. Cards are not transferable.
- The signature on the back of the Card must match the Cardmember's signature on the Sales Draft, and must be the same name that appears on the front of the Card. The signature panel must not be taped over, mutilated, erased or painted over.
- Some Cards also have a three digit Card Security Code (3CSC) number printed on the signature panel.
- **Do not accept a card outside the valid from and to dates.**

1.2. Effective/Expiration Dates. At the point of sale, the Card should be carefully examined for the effective (valid from) (if present) and expiration (valid thru) dates which are located on the face of the Card. The sale date must fall on or between these dates. Do not accept a Card prior to the effective date or after the expiration date. If the Card has expired, you cannot accept it for a Card sale unless you have verified through your Authorization Center that the Card is in good standing, otherwise, you are subject to a Chargeback and could be debited for the transaction.

1.3. Valid Signature. Check the back of the Card. Make sure that the signature panel has not been disfigured or tampered with in any fashion (an altered signature panel may appear discolored, glued or painted, or show erasure marks on the surface). The signature on the back of the Card must compare favorably with the signature on the Sales Draft. The Sales Draft must be signed by the Card presenter in the presence of your authorized representative (unless a Card Not Present Sale) and in the same format as the signature panel on the Card; e.g., Harry E. Jones should not be signed H.E. Jones. The signature panels of Visa, MasterCard and Discover Cards now have a 3-digit number (CVC2/CVC2/CID) printed on the panel known as the Card Validation Code.

Visa, MasterCard and Discover: If the signature panel on the Card is blank, in addition to requesting an Authorization, you must do all the following:

- Review positive identification bearing the

Cardholder's signature (such as a passport or driver's license that has not expired) to validate the Cardholder's identity.

- Indicate the positive identification, including any serial number and expiration date, on the Credit Draft or Sales Draft; provided that you must effect PAN Truncation, and must not include the expiration date, on the copy of the Sales Draft or Credit Draft that you provide to the Cardholder and, as required by applicable law or Card Organization Rules, on the Sales Draft or Credit Draft you retain.
- Require the Cardholder to sign the signature panel of the Card prior to completing the Transaction.

1.4. Users Other Than Cardholders. A Cardholder may not authorize another individual to use his/her Card for purchases. Be sure the signature on the Card matches with the one on the Sales Draft. Furthermore, any Card having two signatures on the back panel is invalid and any sale made with this Card can result in a Chargeback. For Cards bearing a photograph of the Cardholder, ensure that the Cardholder appears to be the person depicted in the picture which appears on the Card. If you have any questions, call the Voice Authorization Center and request to speak to a Code 10 operator.

1.5. Special Terms. If you limit refund/exchange terms or impose other specific conditions for Card sales, the words "No Exchange, No Refund," etc. must be clearly printed (in 1/4" letters) on the Sales Draft near or above the Cardholder's signature. The Cardholder's copy, as well as your copy, must clearly show this information.

During a liquidation and/or closure of any of your outlets, locations and/or businesses, you must post signs clearly visible to customers stating that "All Sales Are Final," and stamp the Sales Draft with a notice that "All Sales Are Final."

Generally, do not give cash, check or in-store Credit refunds for Card sales. Visa allows for the following exclusions: a cash refund to the Cardholder for a small ticket transaction or a no signature required transaction, a cash refund, Credit, or other appropriate form of Credit to the recipient of a gift purchased as a Mail/Phone Order transaction, or a cash refund or in-store Credit for a Visa prepaid card transaction if the Cardholder states that the Visa prepaid card has been discarded. **NOTE:** A disclosure does not eliminate your liability for a Chargeback. Consumer protection laws and Card Organization Rules frequently allow the Cardholder to dispute these items notwithstanding such disclosures.

1.6. Delayed Delivery or Deposit Balance. In a delayed delivery transaction where a Cardholder makes a deposit toward the full amount of the sale, you should execute two separate Sales Drafts (each completed fully as described in Section 3.1), the first for a deposit and the second for payment of the balance upon delivery of the merchandise or the performance of the services.

Visa: For Visa transactions, you must obtain an Authorization if the cumulative total of both Sales Drafts exceeds the floor limit. You must obtain an Authorization

for each Sales Draft on each transaction date. You must assign the separate Authorization Approval Codes to each Sales Draft, respectively. You must note on such Sales Drafts the words "delayed delivery," "deposit" or "balance," as appropriate, and the Authorization dates and Authorization Approval Codes.

MasterCard: For MasterCard transactions, you must obtain one Authorization. You must note on both Sales Drafts the words "delayed delivery," "deposit" or "balance," as appropriate, and the Authorization date and Authorization Approval Code.

NOTE: For Visa and MasterCard transactions, if delivery is more than twenty-five (25) days after the original transaction date and the initial Authorization request (as opposed to the thirty (30) days in Discover transactions), you should reauthorize the unprocessed portion of the transaction prior to delivery. If the transaction is declined, contact the Cardholder and request another form of payment. For example: On January 1, a Cardholder orders \$2,200 worth of furniture and you receive an Authorization for the full amount; however, only a \$200 deposit is processed. The above procedures are followed, with a \$2,000 balance remaining on the furniture; the \$2,000 transaction balance should be reauthorized.

Discover: For Discover transactions, you must label one Sales Draft "deposit" and the other "balance," as appropriate. You must obtain the "deposit" Authorization before submitting the sales data for the "deposit" or the "balance" to us. If delivery of the merchandise or service purchased will occur more than thirty (30) calendar days after the "deposit" Authorization, you must obtain a subsequent Authorization for the "balance." In addition, you must complete Address Verification at the time of the "balance" Authorization, and you must obtain proof of delivery upon delivery of the services/merchandise purchased. You may not submit sales data relating to the "balance" to us for processing until the merchandise/service purchased has been completely delivered.

American Express: For American Express Card transactions, you must clearly disclose your intent and obtain written consent from the Cardmember to perform a delayed delivery transaction before you request an Authorization. You must obtain a separate Authorization Approval for each delayed delivery transaction on their respective charge dates and clearly indicate on each record that the charge is either for the deposit or for the balance of the transaction. You must submit the delayed delivery transaction record for the balance of the purchase only after the items have been shipped, provided or services rendered. For deposits, submission must be on the date the Cardmember agreed to pay for the deposit for the purchase. For balances, submission must be on the date the items are shipped, provided or services rendered. You must submit and Authorize each delayed delivery transaction under the same Merchant Number and treat deposits on the Card no differently than you treat deposits on all other payment

products

1.7. Recurring Transaction and Preauthorized Order Regulations. If you process recurring transactions and charge a Cardholder's account periodically for recurring goods or services (e.g., monthly insurance premiums, yearly subscriptions, annual membership fees, etc.), the Cardholder shall complete and deliver to you a Cardholder approval for such goods or services to be charged to his account. The approval must at least specify the Cardholder's name, address, account number and expiration date, the transaction amounts, the timing or frequency of recurring charges and the duration of time for which the Cardholder's permission is granted. For Discover transactions, the approval must also include the total amount of recurring charges to be billed to the Cardholder's account, including taxes and tips and your Merchant Number.

If the recurring transaction is renewed, the Cardholder must complete and deliver to you a subsequent written request for the continuation of such goods or services to be charged to the Cardholder's account. You may not complete a recurring transaction after receiving a cancellation notice from the Cardholder or Issuer or after a request for Authorization has been denied.

If we or you have terminated this Agreement, you may not submit Authorization requests or sales data for recurring transactions that are due after the termination date of this Agreement.

You must obtain an Authorization for each transaction and write "Recurring Transaction" (or "P. O." for MasterCard transactions) on the Sales Draft in lieu of the Cardholder's signature. A positive Authorization response for one recurring transaction Card Sale is not a guarantee that any future recurring transaction Authorization request will be approved or paid.

For all recurring transactions, you should submit the 3-digit Card Validation Code number with the first Authorization request, but not subsequent Authorization requests. Discover Card Organization Rules specifically require that you follow this Card Validation Code procedure for Discover recurring transactions.

Also, for Discover recurring transactions, the Sales Draft must include a general description of the transaction, your merchant name and a toll-free customer service number that the Cardholder may call to obtain customer assistance from you or to cancel the written approval for the recurring transaction.

For American Express recurring transactions, you should periodically verify with Cardmembers that their information (e.g., Card number, expiration date, billing address) is still accurate. This will improve the likelihood of obtaining an approval to an Authorization request.

All recurring transactions or preauthorized orders may not include partial payments for goods or services purchased in a single transaction.

You may not impose a finance charge in connection with a Recurring Transaction or Preauthorized Order.

If you process recurring payment transactions, the

Recurring Payment Indicator must be included in each Authorization request, and as applicable, each Batch submission entry. Penalties can be assessed by the Card Organizations for failure to use the Recurring Payment Indicator.

1.8. Certain Rules and Requirements. The following rules are requirements strictly enforced by Visa, MasterCard and Discover:

- You cannot impose a surcharge or fee for accepting a Card.
- You cannot establish any special conditions for accepting a Card.
- You may provide a discount/incentive for a consumer to pay with cash, check, Credit Card, Debit Card, etc., however, you must clearly and conspicuously disclose the discount to consumers. Also, you must offer the discount to all consumers and you cannot discriminate based upon Card brand or Card Issuer. You may choose not to accept either U.S. Issued Debit Cards or U.S. Issued Credit Cards under the terms described in Section 1.9.

U.S. merchants may engage in any of the following:

- You may offer a discount or rebate, including an immediate discount or rebate at the point of sale;
- You may offer a free or discounted product, service or enhanced service;
- You may offer an incentive, encouragement, or benefit;
- You may express a preference for the use of a particular brand or type of general purpose card or a particular form of payment;
- You may promote a particular brand or type of general purpose card or a particular form or forms of payment through posted information, through the size, prominence, or sequencing of payment choices, or through other communications to a customer;
- You may communicate to a customer the reasonably estimated or actual costs incurred by the merchant when a customer uses a particular brand or type of general purpose card or a particular form of payment or the relative costs of using different brands or types of general purpose cards or different forms of payment; or
- You may engage in any other practices substantially equivalent to these.
- You cannot require the Cardholder to supply any personal information (e.g., home or business phone number; home or business address; or driver's license number) unless instructed by the Authorization Center. The exception to this is for a mail/telephone/ Internet order or delivery-required transaction, for proper use of Address Verification in accordance with applicable law, or as otherwise permitted by applicable law. Any information that is supplied by the Cardholder must not be in plain view when mailed. Any information that is supplied by the

Cardholder must not be in plain view when mailed.

- Any tax required to be collected must be included in the total transaction amount and not collected in cash.
- You cannot submit any transaction representing the refinancing or transfer of an existing Cardholder obligation deemed uncollectible.
- You cannot accept a Visa Consumer Credit Card or Commercial Visa Product, issued by a U.S. Issuer to collect or refinance an existing debt.
- You cannot submit a transaction or sale that has been previously charged back.
- You must create a Sales Draft or Credit Draft for each Card transaction and deliver at least one copy of the Sales Draft or Credit Draft to the Cardholder.
- You cannot submit a transaction or sale to cover a dishonored check.
- If you accept Card checks, your Card check acceptance policy must treat the acceptance of checks from all payment card brands that you accept equally. (e.g., if you accept Visa, MasterCard and Discover, your check acceptance policy must treat checks for all three payment card brands equally). You should handle these Card checks like any other personal check drawn upon a bank in the United States.
- Failure to comply with any of the Card Organization Rules may result in fines or penalties.
- You will inform the Cardholder that you are responsible for the Card transaction including your goods and services and for related customer service, dispute resolution and performance of the terms and conditions of the transaction.
- Your minimum Credit Card acceptance amount cannot exceed \$10.00. Such minimum amount must be established for all Credit Cards regardless of Issuer or Card brand. Unless you are a federal government entity or institution of higher learning, you may not establish a maximum amount as a condition for accepting a Card, except that for Discover transactions, you may limit the maximum amount a Discover Cardholder may spend if, and only if, you have not received an Authorization Approval Code from the Issuer. Setting a minimum transaction amount limit for Debit Cards (PIN Debit or Non-PIN Debit) is prohibited.

1.9. Card Acceptance. If you have indicated either in the Bankcard Addendum or by registering with us at least thirty (30) days in advance that, as between Non-PIN Debit Card transactions and Credit Card transactions, you will limit your acceptance to either (i) only accept Non-PIN Debit transactions; or (ii) only accept Credit Card transactions, then the following terms in this Section 1.9 will apply:

1.9.1. You will be authorized to refuse to accept for payment either Non-PIN Debit Cards or Credit Cards that are issued within the United States. You will, however, continue to be obligated to accept all foreign issued Credit Card or Debit Cards issued by Visa, MasterCard or

Discover so long as you accept any type of Visa, MasterCard or Discover branded Card.

1.9.2. While many Debit Cards include markings indicating debit (such as "Visa Check card, Visa Buxx, Gift Card, DEBIT, or Mastermoney), many Debit Cards may not include any such markings. It will be your responsibility to determine at the point of sale whether a Card is of a type that you have indicated that you will accept. You agree to institute appropriate systems and controls to limit your acceptance to the Card types indicated. You may purchase a table of ranges of numbers currently associated with Debit Card transactions upon execution of confidentiality/non-disclosure agreements required by the Card Organizations. You will be responsible for updating your systems to utilize such tables and to obtain updated tables.

1.9.3. You are responsible for distinguishing Credit Cards from Non-PIN Debit Cards. Even if you have agreed to limit your acceptance of certain Cards, you must continue to accept all foreign issued Cards, whether Credit or Non-PIN Debit Cards. If you agree to limit your acceptance to a particular type of Card and, whether intentionally or in error, accept another Card type for a transaction, that transaction will downgrade to the highest cost interchange plus either the applicable Non-Qualified Surcharge or a higher Discount Rate, as further described in the Bankcard Addendum.

1.9.4. Based upon your choice to accept only the Card types indicated in the Bankcard Addendum, you must remove from your premises any existing signage indicating that you accept all Visa, MasterCard or Discover Cards and use approved specific signage reflecting your policy of accepting only Non-PIN Debit or Credit Cards.

1.9.5. Even if you elect not to accept Non-PIN Debit Card transactions as provided above, you may still accept PIN Debit Card transactions if you have signed up for PIN Debit Card Services.

1.10. Deposits of Principals. Owners, partners, officers and employees of your business establishment, and the guarantors who signed the Bankcard Addendum, are prohibited from submitting Sales Drafts or Credit Drafts transacted on their own personal Cards, other than transactions arising from bona fide purchases of goods or services in the ordinary course of your business. Such use in violation of this Section 1.10 is deemed a cash advance, and cash advances are prohibited.

1.11. Merchants in the Lodging Industry.

1.11.1. Generally. There are additional rules and requirements that apply to merchants in the lodging industry for practices, including, but not limited to, Guaranteed Reservations and charges for no shows, advance deposits, overbookings, and priority check out. If you are a merchant in the lodging industry, you must contact us for these additional rules and requirements. Failure to do so could result in additional charges or termination of this Agreement.

1.11.2. Lodging Service Programs. In the event you are a lodging merchant and wish to participate in Visa's and/or MasterCard's lodging services programs, please contact your sales representative or relationship manager for details and the appropriate Visa and MasterCard requirements.

1.11.3. Written Confirmation of Guaranteed Reservations. You must provide the Cardholder with written confirmation of a guaranteed reservation. The confirmation must contain:

- Cardholder's name as it appears on the Card, if present.
- Card number, if truncated where required by applicable law and Card expiration date if present, unless prohibited by applicable law.
- Reservation confirmation number.
- Anticipated arrival date and length of stay.
- The cancellation policy in its entirety, inclusive of the date and time the cancellation privileges expire.
- Any other pertinent details related to the reserved accommodations.

1.11.4. Cancellation of Guaranteed Reservations. If a Cardholder requests a cancellation in accordance with Merchant's cancellation policy and specified time frames, Merchant must provide the Cardholder with a cancellation number and instructions to retain a record of it. If a Cardholder requests a written confirmation of the cancellation, Merchant must forward this confirmation within three (3) Business Days of the Cardholder's request. The cancellation confirmation must contain: Cardholder's reference that charges were placed on the Card, if applicable, or a guarantee that a "no-show" charge will not be placed on the Card.

- Cardholder's name as it appears on the Card, if present.
- Card number, truncated as required by applicable law to you or us.
- Card expiration date, if present, unless prohibited by applicable law to you or us.
- Reservation cancellation number.
- Date of cancellation.
- The name of the Merchant's employee that processed the cancellation.

- Any other pertinent information related to the reserved accommodations.

1.12. Customer Activated Terminals and Self-Service Terminals. Prior to conducting Customer Activated Terminal ("CAT") transactions or Self-Service Terminal transactions you must contact us for approval and further instructions, rules and requirements that apply to CAT and Self-Service Terminal transactions. Failure to do so could result in additional charges or termination of this Agreement.

1.13. Displays and Advertising. You must prominently display appropriate Visa, MasterCard, Discover, and

American Express and, if applicable, other Card Organization decals and program Marks at each of your locations, in catalogs, on websites and on other promotional materials as required by Card Organization Rules. You may not indicate that Visa, MasterCard, Discover, American Express or any other Card Organization endorses your goods or services.

Your right to use the program Marks of the Card Organizations terminates upon the earlier of (i) if and when your right to accept the Cards of the respective Card Organization terminates (e.g., if your right to accept Discover Cards terminates, you are no longer permitted to use Discover Program Marks), (ii) delivery of notice by us or the respective Card Organization to you of the termination of the right to use the Mark(s) for that Card Organization, or (iii) termination of the license to use the program Marks by the respective Card Organization to us.

1.13.1. Discover Sublicense to Use Discover Program Marks. You are prohibited from using the Discover Program Marks, as defined below, other than as expressly authorized in writing by us. "Discover Program Marks" means the brands, emblems, trademarks and/or logos that identify Discover Network Cards, including, without limitation, Diners Club International Cards. Additionally, you shall not use the Discover Program Marks other than as a part of the display of decals, signage, advertising and other forms depicting the Discover Program Marks that are provided to you by us or otherwise approved in advance in writing by us.

You may use the Discover Program Marks only to promote the services covered by the Discover Program Marks by using them on decals, indoor and outdoor signs, advertising materials and marketing materials; provided that all such uses by you must be approved in advance by us in writing. You shall not use the Discover Program Marks in such a way that customers could believe that the products or services offered by you are sponsored or guaranteed by the owners of the Discover Program Marks. You recognize that you have no ownership rights in the Discover Program Marks. You shall not assign to any Person any of the rights to use the Program Marks.

1.13.2. American Express Sublicense to Use American Express Marks. You must not use the American Express Marks in any way that injures or diminishes the goodwill associated with that Mark, nor (without American Express' prior written consent) indicate that American Express endorses your goods or services. You shall only use the American Express Marks as reasonably necessary to perform your obligations under the Agreement and shall cease using the American Express Marks upon termination of the Agreement with American Express. The guidelines listed below apply to the Merchant's use of the American Express "Blue Box" logo.

- The "Blue Box" logo must appear on all point of purchase materials and signs.

- The space around the "Blue Box" must equal at least 1/3 the size of the box.
- The "Blue Box" logo minimum size is 3/8" and 1/2" is the preferred size.
- Always spell out American Express.

• A minimum distance of 1-1/2 times the size of the "Blue Box" must be allowed between the "Blue Box" logo and another Mark.

1.14. Cash Payments by and Cash Disbursements to Cardholders. You must not accept any direct payments from Cardholders for charges of merchandise or services which have been included on a Sales Draft; it is the right of the Issuer to receive such payments. You may not make any cash disbursements or cash advances to a Cardholder as part of a Card transaction unless you are a financial institution that has received express written authorization from Servicers, in advance. Further, you may not accept Cards for the purchase of travelers checks if the sole purpose is to allow the Cardholder to make a cash purchase of goods or services from you. For Discover, cash advances in authorized jurisdictions other than the United States may be conducted in an originating currency provided that cash advances may be subject to dispute and/or Acquirer fees.

1.15. Discover Cash Over Transactions. Cash Over transactions are not available for MasterCard or Visa transactions. You may issue Cash Over in connection with a Discover Card sale, provided that you comply with the provisions of this Agreement, including the following requirements:

- You must deliver to us a single Authorization request for the aggregate total of the goods/ services purchase amount and the Cash Over amount of the Card sale. You may not submit separate Authorization requests for the purchase amount and the Cash Over amount.
- The Sales Draft must include both the purchase amount and the Cash Over amount, and you may not use separate Sales Drafts for the purchase amount and Cash Over amount.
- No minimum purchase is required for you to offer Cash Over to a Discover Cardholder, provided that some portion of the total Card sale must be attributable to the purchase of goods or services.
 - The maximum amount of cash that you may issue as Cash Over is \$100.00. (Cash Over may not be available in certain markets. Contact us for further information.)

1.16. Telecommunication Transactions.

Telecommunication Card Sales occur when a telephone service provider is paid directly using a Card for individual local or long distance telephone calls. (NOTE: Pre-paid telephone service cards are not and do not give rise to Telecommunication Card Sales). Prior to conducting Telecommunication transactions you must contact us for approval and further instructions, rules and requirements. Failure to do so could result in

additional charges or termination of this Agreement.

2. Suspect Transactions

If the appearance of the Card being presented or the behavior of the person presenting the Card is suspicious in nature, you must immediately call the Voice Authorization Center and ask to speak to a Code 10 operator. Answer all their questions and follow their instructions. While not proof that a transaction is fraudulent, the following are some suggestions to assist you in preventing fraudulent transactions that could result in a Chargeback:

Ask yourself, does the Customer:

- appear nervous/agitated/ hurried?
- appear to be making indiscriminate purchases (e.g., does not care how much an item costs, the size, etc.)?
- make purchases substantially greater than your usual customer (e.g., your average transaction is \$60, but this transaction is for \$360)?
- insist on taking the merchandise immediately (e.g., no matter how difficult it is to handle, is not interested in free delivery, alterations, etc.)?
- appear to be purchasing an unusual amount of expensive items or the same items?
- take an unusual amount of time to sign the Sales Draft, or look at the back of the Card as he signs?
- talk fast or carry on a conversation to distract you from checking the signature?
- take the Card from a pocket instead of a wallet?
- repeatedly come back, in a short amount of time or right before closing time, to make additional purchases?
- cause an unusual, sudden increase in the number and average sales transactions over a one- to three-day period?
- tell you he has been having some problems with his issuer and request that you call a number (that he provides) for a "special" handling or Authorization?
- have a previous history of disputed charges?
- place orders to be shipped to an address other than the billing address, or use anonymous/ free email domains?
- place orders sent to zip codes or countries where you show a history of fraudulent claims?

Does the Card:

- have characters the same size, height, style and all within alignment?
- appear to be re-embossed (the original numbers or letters may be detected on the back of the Card)?
- have a damaged hologram?
- have an undamaged Magnetic Stripe on the back on the Card?
- have an altered signature panel (e.g., appear discolored, glued or painted, or show erasure marks on the surface)?
- have "valid from" (effective) and "valid thru" (expiration) dates consistent with the sale date?

If you use an electronic terminal and swipe the Card, make sure the account number displayed on the terminal and/or the Sales Draft matches the number on the Card. If you cannot or do not verify the account number and accept the sale, you are subject to a Chargeback and could be debited for the amount of the transaction. **IF THE NUMBERS DO NOT MATCH, DO NOT ACCEPT THE CARD AS A FORM OF PAYMENT, EVEN THOUGH AN AUTHORIZATION APPROVAL CODE FOR THE MAGNETICALLY SWIPED CARD NUMBER MAY BE RECEIVED.**

Fraud-Prone Merchandise Tips:

- Gift Cards, jewelry, video, stereo, computer and camera equipment, shoes and men's clothing are typically fraud-prone because they can easily be resold.
- Be suspicious of high dollar amounts and transactions with more than one fraud-prone item, e.g., two VCRs, three gold chains, etc.

If you suspect fraud:

- Call the Voice Authorization Center and ask to speak to a Code 10 operator.
- If the terminal does not display the Card number, call the POS Help Desk for terminal assistance.

REMEMBER: An Authorization Approval Code only indicates the availability of a Cardholder's credit at the time of the transaction. It does not warrant that the person presenting the Card is the rightful Cardholder. If proper procedures are not followed at the time of the transaction, you are subject to a Chargeback and your account may be debited for the amount of the transaction.

3. Completion of Sales Drafts and Credit Drafts

You must prepare a Sales Draft or Credit Draft, as applicable, for each Card transaction and provide a copy of it or a transaction receipt or copy of the Draft to the Cardholder at the time the Card transaction is completed.

3.1. Information Required. All of the following information must be contained on a single page document constituting a Sales Draft:

- Cardholder's account number must appear on the Credit Draft or Sales Draft in the manner required by applicable law and Card Organization Rules. **NOTE:** The copy of the Sales Draft or Credit Draft you provide to a Cardholder must not include the Cardholder's Card expiration date or any more than the last four digits of the Cardholder's Card number. Some states have similar requirements that also apply to the Sales Drafts or Credit Drafts you retain. MasterCard requires that Card expiration dates be excluded from the Sales Drafts or Credit Drafts your business retains. You are solely responsible to determine the Card account number truncation requirements and Card expiration date exclusion requirements for your state/jurisdiction.
- Clear imprint of the Card. Whenever the term "imprint" is used it refers to the process of using a manual

imprinting machine to make an impression of the Card on a Sales Draft; it does not include the printout from a printer attached to an electronic device. If you use an electronic device (e.g., Authorization/ draft capture terminal, cash register, POS Terminal, etc.), and swipe the Card to read and capture the Card information via the Magnetic Stripe, you do not have to imprint the Card. **HOWEVER, IF THE TERMINAL FAILS TO READ THE MAGNETIC STRIPE OR IF YOU ARE REQUIRED TO OBTAIN A VOICE AUTHORIZATION, THEN YOU MUST IMPRINT THE CARD. IN ADDITION, THE SALES DRAFT MUST HAVE THE CARDHOLDER'S SIGNATURE. FAILURE TO FOLLOW THESE PROCEDURES WILL PREVENT YOU FROM DEFENDING A TRANSACTION IN THE EVENT THAT IT IS CHARGED BACK UNDER A CLAIM THAT THE RIGHTFUL CARDHOLDER DID NOT AUTHORIZE THE PURCHASE. ENTERING INFORMATION INTO A TERMINAL MANUALLY WILL NOT PREVENT THIS TYPE OF CHARGEBACK. FOR MAIL, TELEPHONE, INTERNET AND OTHER CARD NOT PRESENT ORDERS SEE SECTION 3.2;**

- Cardholder's signature. However, eligible merchants participating in MasterCard's Quick Payment Service Program, Visa Easy Payment Program, and Discover's No Signature Program, and/or certain Discover transactions (see note below) are not required to obtain the Cardholder's signature under certain conditions set forth by each program;
- Date of the transaction;
- Amount of the transaction (including the approved currency of the sale);
- Description of the goods and/or services involved in the transaction (if there are too many items, combine them into one description; e.g., "clothing" instead of "one pair of pants, one shirt"). Do not carry information onto a second Sales Draft;
- Description of your merchandise return and Credit / refund policy;
- A valid Authorization Approval Code; and
- Merchant's Doing Business As ("D/B/A") name and location (city and state required) and Merchant Account Number.

When imprinting Sales Drafts, do not alter the Cardholder account number, circle or underline any information on the Sales Draft or alter a Sales Draft in any way after the transaction has been completed and signed. Stray marks and other alterations on a Sales Draft may render it electronically unscannable, unreadable or illegible. This may result in a Chargeback or Summary Adjustment to your account.

For Discover sales using a paper Sales Draft (as opposed to Electronic Draft Capture), the paper Sales Draft must also contain the initials of your representative or employee that conducted the transaction.

For Discover Credits, the Credit Draft must contain the signature of your authorized representative or employee

that conducted the transaction.

Discover Card Sales in an amount more than \$25.00 including sales taxes, tip, and/or Cash Over amount are not eligible for treatment as No Signature Required Card Sales and you may lose a dispute of such a Card Sale if the Merchant fails to obtain the Cardholder's Signature on the Sales Draft.

Eligible merchants participating in any No Signature Programs, Quick Payment Service or Small Ticket programs described above are only required to provide the Cardholder with the completed Sales Draft when requested by the Cardholder.

NOTE: For Visa, MasterCard and Discover transactions, if you are a merchant operating under certain merchant category codes approved by Visa, MasterCard and Discover, you are not required to obtain the Cardholder's signature so long as the full track data is transmitted in the Authorization request and the sale amount is \$25.00 or less.

3.2. Mail/Telephone/Internet (Ecommerce) Orders and Other Card Not Present Sales. You may only engage in mail/telephone/Internet orders provided they do not exceed the percentage of your total payment Card volume reflected on your Bankcard Addendum. Failure to adhere to this requirement may result in cancellation of your Agreement. Merchants conducting Internet transactions using MasterCard or Visa Cards must have special codes (an "Electronic Commerce Indicator") added to their Authorization and settlement records. Discover does not use an Electronic Commerce Indicator. Failure to register as a merchant conducting Internet transactions can result in fines imposed by the Card Organizations.

Mail, Telephone, Internet and other Card Not Present transactions have a substantially higher risk of Chargeback. Since you will not have an imprinted or magnetically swiped transaction and you will not have the Cardholder's signature on the Sales Draft as you would in a face-to-face transaction, you will assume all risk associated with accepting a mail/telephone/Internet or other Card Not Present transaction. The following procedures, while they will not eliminate Chargebacks, are useful in reducing them and should be followed by you:

- Obtain the expiration date of Card.
- On the Sales Draft, clearly print the Cardholder's account number; effective and expiration dates; date of transaction; description of the goods and services; amount of the transaction (including shipping, handling, insurance, etc.); Cardholder's name, billing address and shipping address; Authorization Approval Code; and merchant's name and address (city and state required); provided that you must effect PAN Truncation, and must not include the expiration date, on the copy of the Sales Draft or Credit Draft that you provide to the Cardholder and, as required by applicable law or Card Organization Rules, on the Sales Draft or Credit Draft you retain.

- For mail orders, write "MO"; for telephone orders, write "TO" on the Cardholder's signature line.
 - If feasible, obtain and keep a copy of the Cardholder's signature on file on a form authorizing you to submit telephone and mail order transactions.
 - You should utilize the Address Verification Service for all Card Not Present Transactions (see note below). Address Verification is specifically required for all Discover Card Not Present Transactions, and if you do not receive a positive match through AVS, you may not process the Discover Card Not Present Transaction. If you do not have AVS, contact us immediately.
 - You should obtain the 3-digit Card Validation Code number and include it with each Authorization request. Discover Card Organization Rules specifically require that you submit the Card Validation Code with the Authorization request for all Discover Card Not Present Transactions.
 - For telephone orders, it is recommended that written verification of the sale be requested from the Cardholder (sent by mail or fax).
 - You may not submit a transaction for processing until after the merchandise has been shipped or the service has been provided to the customer. (The Card Organizations will permit the immediate billing of merchandise manufactured to the customer's specifications (i.e., special/custom orders) provided the Cardholder has been advised of the billing details.)
 - You should provide a copy of the Sales Draft to the Cardholder at the time of delivery. You must also obtain proof of delivery of the goods or services to the address designated by the Cardholder (i.e., by getting a signature of the Cardholder or person designated by the Cardholder through the delivery carrier). If the Cardholder visits one of your locations to receive the goods or services purchased, obtain an imprint of the card and the Cardholder's signature.
 - Notify the Cardholder of delivery time frames and special handling and/or cancellation policies. Merchandise shipping dates must be within seven (7) days of the date Authorization was obtained. If, after the order has been taken, additional delays will be incurred (e.g., out of stock), notify the Cardholder and reauthorize the transaction.
 - You may not require a Cardholder to complete a postcard or other document that displays the Cardholder's account number in clear view when mailed.
 - If you accept orders via the Internet, your web site must include the following information in a prominent manner:
 - Complete description of the goods or services offered;
 - Description of your merchandise return and Credit / refund policy;
 - Customer service contact, including email address and/or telephone number;
 - Transaction currency (U.S. dollars, unless permission is otherwise received from Servicers);
 - Any applicable export or legal restrictions;
 - Delivery policy;
 - Consumer data privacy policy;
 - A description of the transaction security used on your website; and
 - The sale or disclosure of databases containing Cardholder account numbers, personal information, or other Card transaction information to third parties is prohibited.
 - Address of Merchant including country.
 - Cancellation policy.
 - Date any free trial period ends.
 - You may not accept Card Account Numbers through Electronic Mail over the Internet.
- NOTE:** Address Verification Service ("AVS") does not guarantee against Chargebacks, but used properly, it assists you in reducing the risk of fraud by confirming whether certain elements of the billing address provided by your customer match the billing address maintained by the issuer. AVS also may help you avoid incurring additional interchange expenses.
- AVS is a separate process from obtaining an Authorization and will provide a separate response. A transaction may not match addresses when submitted for AVS and still receive an Authorization. It is your responsibility to monitor the AVS responses and use the information provided to avoid high-risk transactions.
- 3.2.1. Discover Protocol for Internet Transactions.**
Each Internet Discover Card transaction accepted by you and submitted to us shall comply with Discover standards, including, without limitation, Discover standards governing the formatting, transmission and encryption of data, referred to as the "designated protocol." You shall accept only those Internet Discover Card transactions that are encrypted in accordance with the designated protocol. As of the date of these Operating Procedures, the designated protocol for the encryption of data is Secure Socket Layer (SSL).
- We may, at our discretion, withhold Settlement until security standards can be verified. However, the designated protocol, including any specifications with respect to data encryption, may change at any time upon thirty (30) days advance written notice. You shall not accept any Internet Discover Card transaction unless the transaction is sent by means of a browser which supports the designated protocol.
- 3.2.2. Additional Requirements for eCommerce Transactions.** You agree to develop and maintain a point of presence on the Internet at your expense. You will be responsible for all costs of connectivity and communication between you, the Internet and us. You agree to utilize SSL (Secure Sockets Layer) or other secure compatible encryption method acceptable to us

in providing your eCommerce transactions to us for Authorization, processing and settlement. You agree to identify separately any high-risk transactions you submit. These high-risk transactions include, but are not limited to, any under Merchant Category Code 5967 - Direct Marketing - Inbound Telemarketing Merchants.

3.3. Customer Service Telephone Numbers for Cards Other Than Visa, MasterCard and Discover.



4. Data Security and Persons Used by Client
THE FOLLOWING IS IMPORTANT INFORMATION REGARDING THE PROTECTION OF CARDHOLDER DATA. PLEASE REVIEW CAREFULLY AS FAILURE TO COMPLY CAN RESULT IN SUBSTANTIAL FINES AND LIABILITIES FOR UNAUTHORIZED DISCLOSURE AND TERMINATION OF THIS AGREEMENT.

4.1. Payment Card Industry Data Security Standards (PCI DSS). Visa, MasterCard, Discover, American Express and JCB aligned data security requirements to create a global standard for the protection of Cardholder data. The resulting Payment Card Industry Data Security Standards ("PCI DSS") defines the requirements with which all entities that store, process, or transmit payment card data must comply. PCI DSS is the name used to identify those common data security requirements. The Cardholder Information Security Program ("CISP") is Visa USA's data security program, the Site Data Protection ("SDP") program is MasterCard's data security program and Discover Information Security and Compliance ("DISC") is Discover's data security program, and the Data Security Operating Policy ("DSOP") is American Express' data security program, each based on the PCI DSS and industry aligned validation requirements. PCI DSS compliance validation is focused on Merchant Equipment (as defined below) where Cardholder data is processed, stored, or transmitted, including:

- All external connections into your network (i.e., employee remote access, third party access for processing, and maintenance);
- All connections to and from the Authorization and settlement environment (i.e., connections for employee access or for devices such as firewalls, and routers); and
- Any data repository outside of the Authorization and settlement environment. For the purposes of this Section 4, "Merchant Equipment" means any and all equipment you use in connection with Card Authorization, clearing, completing, settling, transmitting or other related processing, including, without limitation, all telecommunication lines and wireless connections and software, systems, point-of-sale terminals, card readers, merchandise and card

scanners, printers, PIN pad devices and other hardware, whether owned by you, Merchant Providers or other Persons used by you.

The Card Organizations or we may impose fines or penalties, or restrict you from accepting Cards if it is determined that you are not compliant with the applicable data security requirements. We may in our sole discretion, suspend or terminate Services under this Agreement for any actual or suspected data security compromise. You agree that you will not request any Authorizations, submit any Sales Drafts or Credit Drafts until you have read and understood the PCI DSS, CISP, SDP and DISC for which you acknowledge we have provided you sufficient information to obtain, and you will be deemed to have done so upon our receipt of your request or submission of any Authorizations, Sales Drafts or Credit Drafts.

- You must comply with the data security requirements described in this Section 4.1, including, without limitation, PCI DSS, SDP, CISP, DISC and DSOP, and any additional Card Organization requirements applicable to payment applications and PIN transactions.

Detailed information about PCI DSS can be found at the PCI DSS Council's website: www.pcisecuritystandards.org.

Detailed information about Visa's CISP program can be found at Visa's CISP website: www.visa.com/cisp.

Detailed information about MasterCard's SDP program can be found at the MasterCard SDP website: www.mastercard.com/sdp.

Detailed information about DISC can be found at Discover's DISC website: <http://www.discovernetwork.com/fraudsecurity/disc.html>.

Detailed information about DSOP can be found at American Express' DSOP website: www.americanexpress.com/datasecurity.

4.2. Data Security Requirements. You must comply with the data security requirements shown below:

- You must install and maintain a secure network firewall to protect data across public networks.
- You must protect stored data and data sent across networks, including methods indicated in the PCI DSS.
- You must use and regularly update anti-virus software and keep security patches up-to-date.
- You must restrict access to data by business "need to know," assign a unique ID to each person with computer access to data and track access to data by unique ID.
- You must not use vendor-supplied defaults for system passwords and other security parameters.
- You must regularly test security systems and processes.
- You must maintain a policy that addresses information security for employees and contractors.

- You must restrict physical access to Cardholder information.
- You may not transmit Cardholder account numbers to Cardholders for Internet transactions.
- You cannot store or retain Card Validation Codes (three-digit values printed in the signature panel of most Cards, and a four-digit code printed on the front of an American Express Card) after final transaction Authorization.
- You cannot store or retain Magnetic Stripe data, PIN data or AVS data. Only Cardholder account number, Cardholder Name and Cardholder expiration date can be retained subsequent to transaction Authorization.
- You must destroy or purge all Media containing obsolete transaction data with Cardholder information.
- You must keep all systems and Media containing Card account, Cardholder, or transaction information (whether physical or electronic) in a secure manner so as to prevent access by, or disclosure to, any unauthorized party.
- For Internet transactions, copies of the transaction records may be delivered to Cardholders in either electronic or paper format. You must use only services and Merchant Equipment that have been certified as PCI DSS compliant by the Card Organizations.

4.3. [Reserved].

4.4. [Reserved].

4.5. [Reserved].

4.6. Required Information for Discover Security Breaches. For security breaches involving Discover transactions and/or track data, you must provide us and/or Discover with the following information: (i) the date of breach; (ii) details concerning the data compromised (e.g., account numbers and expiration dates, Cardholder names and addresses, etc.); (iii) the method of such breach; (iv) your security personnel contacts; (v) the name of any person (including law enforcement) assisting you with your investigation of such breach; and (vi) any other information which we reasonably request from you concerning such breach, including forensics reports. You shall provide such information as soon as practicable, and the items listed in (i)-(v) shall be provided to us in any event within 48 hours of your initial notification to us of the breach.

4.7. [Reserved].

4.8. [Reserved].

4.9. [Reserved].

5. Authorizations

Each Authorization request you submit to us must fully comply with the applicable provisions of this Agreement. Submission of an Authorization request that does not fully comply may result in assessment of additional fees to you, a declined Authorization response or a Chargeback to you.

You must obtain an Authorization Approval Code from us (as authorized pursuant to Section 5.4) for all

transactions. A positive Authorization response for MasterCard remains valid for seven (7) days for electronic processed transactions. For true paper merchants for Visa and MasterCard transactions the Authorization remains valid for thirty (30) days.

A positive Authorization response for Discover transactions remains valid for ninety (90) days. An Authorization Approval Code for American Express Non T&E transactions are good for seven (7) days, American Express T&E transactions are good for thirty (30) days. Failure to settle within these timeframes may result in a late presentment Chargeback. Failure to obtain an Authorization Approval Code for a sales transaction may result in a Chargeback and/or the termination of your Agreement. Authorization Approval Codes can be obtained through your POS Terminal or a Voice Response Unit ("VRU"). Any fees related to Authorizations will be charged for a request for an Authorization Approval Code, whether or not the transaction is approved.

Do not attempt to obtain an Authorization Approval Code provided by someone other than us except as described in Section 5.4. If a Cardholder or another service provider provides you with either an Authorization Approval Code or with a telephone number for obtaining Authorizations, the Authorization Approval Code you receive may not be valid. Even if the transaction is initially processed and funded, it may be charged back at a later date. Also, if you receive a purported Authorization Approval Code from someone other than us, we will not have the supporting records and will be unable to verify that you received the Authorization if that is later questioned in a Chargeback.

An Authorization Approval Code only indicates the availability of credit on an account at the time the Authorization is requested. It does not warrant that the person presenting the Card is the rightful Cardholder, nor is it a promise or guarantee that you will not be subject to a Chargeback.

If you obtain Address Verification, you must review the AVS response separately from the Authorization response and make your own decision about whether to accept the transaction. A transaction can receive an Authorization Approval Code from the Issuer even if AVS is unavailable or reflects that the address provided to you does not match the billing address on file at the Issuer. If the authorized Cardholder disputes such a transaction, you will be responsible for the resulting Chargeback.

If you receive a Referral response to an attempted Authorization, you may not submit the transaction without calling for and receiving a voice Authorization. After receiving a Referral response you may not attempt another Authorization on the same Card through your POS Terminal.

If you fail to obtain an Authorization Approval Code or if you submit a Card transaction after receiving a decline (even if a subsequent Authorization attempt results in an

Authorization Approval Code), your transaction may result in a Chargeback and may be assessed fines or fees by the Card Organizations for which you will be responsible. These currently range from \$25 to \$150 per transaction. To avoid these costs and related Chargebacks, always obtain an Authorization Approval Code directly from your terminal before submitting a transaction for settlement. For Cards other than Visa, MasterCard and Discover (e.g., American Express, etc.) or for check acceptance, you must follow the procedures for authorization and acceptance for each.

You may not attempt to obtain multiple Authorizations for a single transaction. If a sale is declined, do not take alternative measures with the same Card to obtain an approval of the sale from other Authorization sources. Instead, request another form of payment. If you accept and process a transaction that was declined, or attempt multi-transactions and/or multi-Authorizations, you are subject to a Chargeback, Card Organization fines and/or cancellation of your Agreement.

For MasterCard Credit Card or Debit Card transactions, automated fuel dispensers must ensure that completion messages are submitted within sixty minutes of the Authorization.

5.1. Card Not Present Transactions.

- If the Card used is a U.S.-issued MasterCard or Visa Card, you should obtain and submit with your Authorization request the Card Validation Code (CVV2 or CVC2); however, you must obtain and submit with your Authorization request the CVV2 and CVC2 for all non-U.S.-issued Cards.
- If the Card used is a Discover Card, whether issued in the U.S. or not, you must obtain and submit with your Authorization request the Discover Card Validation Code (CID).

However, for recurring transaction Authorizations you should submit the Card Validation Code with the first Authorization request only, and not with subsequent recurring transaction Authorization requests. (See Section 1.7). **NOTE:** For each Card Not Present Discover transaction, you must also verify the name and billing address of the Discover Cardholder using the Address Verification System (AVS), and if you do not receive a positive match, do not process the Discover Card Not Present transaction.

5.2. Authorization via Telephone (Other Than Terminal/Electronic Device Users).

- Call your designated voice Authorization toll free number and enter the Authorization Information into the VRU using a touch tone phone or hold for an Authorization representative.
- If advised to pick up a Card, use reasonable and peaceful means to do so, and do not take any action that will alarm or embarrass the Card presenter. You will bear all responsibility for claims, liabilities, costs and expenses as a result of any action by you, your employees, vendors or agents, that attempt to retain

a Card without the Issuer's direct request or failure to use reasonable, lawful means in retaining or attempting to retain the Card. Forward the Card to: Attn: Rewards Department, P.O. Box 5019, Hagerstown, MD 21740. You may be paid a reward for the return of the Card.

- On occasion, the Authorization Center will ask you to obtain identification from the Cardholder before issuing an approval code. If you are instructed to do so, clearly write the appropriate identification source and numbers in the space provided on the Sales Draft unless otherwise prohibited by law.
- If the sale is declined, please remember that our operators are only relaying a message from the Issuer. The fact that a sale has been declined should not be interpreted as a reflection of the Cardholder's creditworthiness. The Cardholder should be instructed to call the Issuer.

5.3. Authorization via Electronic Devices.

- If you use an electronic terminal to obtain an Authorization Approval Code, all sales should be authorized through this equipment. Authorizations through other methods will result in additional charges to you.
- If your terminal malfunctions, refer to your Quick Reference Guide, if necessary, or call the POS Help Desk. The problem will either be corrected promptly or may require terminal programming or replacement. During the period in which your terminal is not functioning, remember to check it periodically since most terminal problems are temporary in nature and are quickly corrected.
- If a terminal is moved or if wires are disconnected, causing malfunction, call the POS Help Desk immediately and follow their instructions. You may be responsible for any service charges incurred for reactivation of the terminal.
- Until the terminal becomes operable, you must call your designated voice Authorization toll free number and enter Authorization Information into the VRU using a touchtone phone. During this time, each transaction must be imprinted using a manual Imprinter machine. Failure to obtain an Authorization Approval Code and to imprint these transactions could result in a Chargeback to your account.

5.4. Third Party Authorization System. If you have contracted with another Authorization network to obtain Credit Card Authorization, liability resulting from discrepancies with that network must be resolved between you and that network. We will not research Chargebacks resulting from Authorization Approval Codes obtained from another Authorization service organization. Such Chargebacks will be passed through to you for resolution. If an Authorization provided by a third party Authorization system is challenged in a Chargeback, you must obtain proof (e.g., third party Authorization logs) from the Authorization source and submit it to us within the time frame specified on the

Chargeback documentation.

IF YOU CONTRACTED TO USE ONE OF OUR AUTHORIZATION SERVICES, DO NOT USE ANOTHER THIRD PARTY SYSTEM WITHOUT NOTIFYING CUSTOMER SERVICE. OTHERWISE, WE WILL BE UNABLE TO SUCCESSFULLY RESEARCH AND DEFEND ANY AUTHORIZATION RELATED CHARGEBACKS ON YOUR BEHALF. THIS DELAY WILL SIGNIFICANTLY DECREASE YOUR TIME TO RESEARCH AND PROVIDE PROOF OF AUTHORIZATION, THUS REDUCING YOUR OPPORTUNITY TO REVERSE A CHARGEBACK.

If you utilize another Authorization network, you will be responsible for the downgrade of any transactions to a higher cost interchange that result from a mismatch of information to our systems and those of third party Authorization networks.

If you use a third party Authorization network, you must also comply with Section 4.7.

Call the following for other Card types:



Available 24 hours/day; 7 days/week.

All approved sales authorized in this manner must be entered manually as "post Authorization" transactions into the terminal, once the terminal becomes operational. All Credit transactions must be entered into the terminal for data capture. You may be subject to a Charge back if you receive a Referral and subsequently receive an approval. To reduce the risk of such a Chargeback, the Card should be Imprinted using a manual Imprinter machine. (For specific procedures on Electronic Data Capture, refer to the terminal operating instructions/users guide.) If the terminal malfunctions for more than twenty-four (24) hours, contact Customer Service for further instructions on processing your transactions.

5.5. Automated Dispensing Machines. Records must be produced for all transactions whose origin and data capture are automated dispensing machines or Limited Amount Terminals. Records should include the Cardholder account number, merchant's name, terminal location, transaction date and amount.

5.6. Pre-Authorization for T&E (Travel & Entertainment) and Restaurant Merchants. If you are a business engaged in providing travel and/or entertainment services (e.g., car rentals, hotels, motels, etc.) or a restaurant business, and engage in the practice of "pre-Authorization" you must comply with the following general procedures:

- A hotel, motel, or car rental merchant may obtain an estimated Visa, MasterCard or Discover Authorization at the time of check-in.
- Restaurants must not add an estimated tip amount to the Authorization request beyond the value of the goods provided, or services rendered, plus any applicable tax.

- You must notify the Cardholder of the dollar amount you intend to pre-authorize.
- If the customer decides to use another form of payment (e.g., cash, check, etc.) you must promptly call the Voice Authorization Response Unit to delete the Authorization hold. Provide the Cardholder's account number, original dollar amount and date of the transaction, and the Authorization Approval Code. If a new transaction takes place, a new Imprinted and signed Sales Draft for the exact amount and a new Authorization Approval Code for that amount must be obtained.
- **VEHICLE RENTAL PROVIDERS MAY NOT INCLUDE POTENTIAL VEHICLE DAMAGE OR INSURANCE DEDUCTIBLES IN ANY PRE-AUTHORIZATIONS.**
- If you receive a decline on a transaction, you must wait twenty-four (24) hours before attempting to reauthorize. If you reauthorize prior to this time frame and receive an approval, you may be subject to a Chargeback and a fine imposed by the Card Organizations.
- Hotels, motels, and car rental merchants are allowed up to a 15% variance above the amount authorized. If the final amount charged to the Cardholder exceeds the original estimate by more than 15% above the pre-Authorization, you must authorize any additional amounts, and all incremental Authorization Approval Codes must be written in the Authorization area along with the date of Authorization and the amount authorized.
- The Card Organization Rules provide that certain establishments are permitted to submit a pre-Authorization of up to a 20% (instead of 15%) above the amount authorized. If the final amount exceeds the amount pre-authorized by more than 20%, you must authorize the additional amount. Estimating the Authorization amount to include a tip is prohibited. The Authorization request should include only the amount associated with the bill presented to the consumer.
 - You should obtain an Authorization for the initial estimated charges and then monitor the charges to ensure that the actual charges made do not exceed the estimated charges. If the actual charges exceed the amount of the initial estimated Authorization (and any subsequent estimated Authorizations), then you must secure a positive Authorization for the additional amount. **NOTE:** Subsequent Authorizations should only be for the additional amount of total charges and not include amounts already authorized.
- The estimated amount of any pre-Authorization for lodging accommodations must be based on (i) the intended length of stay; (ii) the room rate; (iii) applicable taxes and service charges; and (iv) other miscellaneous charges as dictated by experience.
- If an Authorization request is declined, no charges occurring after that date will be accepted for that

Cardholder.

- You do not need to obtain a final Authorization if the total sum of charges (the final amount) does not exceed 120% of the previously authorized charges. You must record the dates, authorized amounts, and their respective Authorization Approval Codes on the Sales Draft(s).

5.7. Discover Procedure for Request for Cancellation of Authorization. If a Discover Card sale is cancelled or the amount of the transaction changes following your receipt of Authorization for the sale, you must call your Authorization Center directly and request a cancellation of the authorization. An Authorization may be cancelled at any time within fifteen (15) days of your receipt of the Authorization, but must be cancelled before the sales data relating to the transaction is submitted to us, after which the Authorization cannot be changed. For an Authorization cancellation, you must provide us with the following information, in this order:

- The Discover Merchant Number used in the Authorization;
- The Card number;
- The original amount of the Authorization being cancelled;
- The new amount of the total transaction (if any);
- The original Authorization Approval Code for the Authorization being cancelled;
- The expiration date of the Card; and
- A brief reason for the Authorization cancellation.

5.8. Partial Authorization and Authorization Reversal. Partial Authorization provides an alternative to a declined transaction by permitting an Issuer to return an Authorization approval for a partial amount, an amount equal to or less than the transaction amount requested by the merchant when the available card balance is not sufficient to approve the transaction in full. The Cardholder is able to use up the remaining funds on the Card and select another form of payment (i.e., another payment card, cash, check) for the remaining balance of the transaction. For Discover Credit Card or Debit Card transactions, partial Authorization support is optional for Card Not Present Transactions. For MasterCard, partial authorization is optional for batch-authorized electronic commerce transactions, mail order and telephone order transactions, and recurring transactions. If you support partial Authorizations, a partial Authorization indicator must be included in each Authorization request.

An Authorization reversal must be submitted if the Authorization is no longer needed, a partial amount of the total authorized is submitted for the settled transaction, or the Cardholder elects not to complete the purchase. The transaction sent for settlement must be no more than the amount approved in the partial Authorization response. In the event that you wish to support the partial Authorization functionality, you must contact Processor for additional rules and requirements.

6. Submission/Deposit of Sales Drafts and Credit Drafts

6.1. Submission of Sales for Merchants Other Than Your Business. You may present for payment only valid charges that arise from a transaction between a bona fide Cardholder and your establishment. If you deposit or attempt to deposit transactions that arise from sales between Cardholders and a different business than the one approved by us in our Agreement with you, then the transaction may be charged back, we may suspend or debit funds associated with all such transactions, and we may immediately terminate your account and the Agreement.

6.1.1. Factoring. Factoring is considered merchant fraud and strictly prohibited. Factoring is the submission of Authorization requests and/or Sales Drafts by a merchant for Card transactions transacted by another business. If you submit Sales Drafts on behalf of another person, you will suffer any losses associated with the disputes of any such Sales Draft and/or transaction. Also, if any fraud is involved, you could face criminal prosecution.

6.2. Timeliness. In order to qualify for the lowest Interchange Discount Rate, all Sales and Credit Drafts must be properly completed and submitted daily. If you have not received payment for submitted Sales Drafts after one (1) week from your normal payment date, contact Customer Service. Late Submission of Sales or Credit Drafts may result in increased interchange rates or fees or in a Chargeback to you.

6.3. Reserved.

6.4. Electronic Merchants: Daily Batching Requirements & Media Submission. Batches must be transmitted to us by the time required by applicable Card Organization(s) in order to be processed on the date of transmission. Additionally, if you deposit via magnetic tape, electronic transmissions or Electronic Data Capture terminal and have contracted to send the actual Sales Drafts and Credit Drafts to us for imaging and retrieval, the Media must be batched daily by register/terminal following the procedures below. Failure to do so may result in a processing fee and/or a Chargeback due to our inability to retrieve the Media as requested by the Issuer.

- A register/terminal Batch header form must be filled out for each Batch of Media.
- The Batch header must be imprinted with your Merchant Identification Card, and all areas completed properly (i.e., Batch number, date, amount, number of items, etc.).
- The Batch/deposit total must match to the settled/reconciled amount displayed on the terminal upon closing the Batch.
- Any discrepancies between the actual Media and electronic display must be reconciled and corrected before storing the Media (for merchants who contract to hold their Media) or before sending us the copies of the deposit. Otherwise, transactions may appear to be a new Submission and may be manually keyed (causing duplicate billing to Cardholders and resulting in Chargebacks) or we may not be able to retrieve an

item when requested by the Issuer.

- It is your responsibility to ensure that the actual Media is batched correctly and, depending on the terms of your Agreement, either stored at your location or sent to Processor. (In some cases, the actual Media is sent daily to your head office, and forwarded to Processor for imaging.)
- You must confirm that your equipment has transmitted its Batches to us at least once daily. Even if your equipment is designed or programmed to close and submit Batches without your intervention, it is ultimately your responsibility to confirm that the Batches have been transmitted to us for processing.

7. Settlement

Except as otherwise set forth in this Agreement, your funds for MasterCard/Visa /Discover and American Express transactions will be processed and transferred to your financial institution as stated in the Master Contract. If you have been classified by Discover as having a Discover Direct Strategic Relationship with Discover, we will not acquire your Discover transactions and they will be subject to your agreement with Discover.

You understand that for American Express transactions, Authorizations are obtained from and settlements are funded by American Express. American Express will provide you with its own agreement that governs those transactions, which may include the American Express Card Acceptance Agreement contained in the Bankcard Addendum; If you elect the American Express OnePoint program and are approved for it by American Express. You acknowledge and agree that if we have not agreed to or do not acquire transactions for any Card type (i) we have no liability or responsibility whatsoever for the settlement of or disputes regarding those transactions and (ii) you will pursue directly with the related Card Organization all claims and disputes regarding those transactions. You agree to pay us for per item processing, Authorization and other fees in the Bankcard Addendum for any non-acquired transaction services you receive from us.

8. Refunds/Exchanges (Credits)

8.1. Refunds

- You must promptly complete and submit a Credit Draft for the total amount of the Credit, which must include the following information:
 - The account number and expiration date;
 - The Cardholder's name;
 - Your name, city, state and Merchant Account Number;
 - A description of the goods or services;
 - The transaction date of the Credit;
 - The total amount of the Credit; and
 - For Discover transactions, the approved currency used and the signature of your authorized representative or employee.
- You cannot process a Credit transaction that does not correspond to a previous sale/ purchase transaction on the original Sales Draft.

- Full refunds must be for the exact dollar amount of the original transaction including tax, handling charges, etc. (You must identify the shipping and handling charges incurred.) The refund amount may not be for more than the original Card sale amount.
- All dollar amounts and other handwritten information must be clearly written. (Stray marks on the Credit Draft will render it unscannable/ illegible.)
- Do not circle or underline any information on the Credit Draft.
- Imprint the Credit Draft with the same Card used by the Cardholder to make the original purchase when applicable. You should not credit an account that differs from the account used for the original transaction.
- Never give cash or check Credit refunds for Card sales.
- Have the Cardholder sign the Credit Draft, give the Cardholder the appropriate copy, and deposit the Credit Draft immediately. Failure to process a Credit within five (5) calendar days may result in a Chargeback.
- Authorization is not required for Credits.
- You cannot intentionally submit a sale and an offsetting Credit at a later date solely for the purpose of debiting and crediting your own or a customer's account.
- You are responsible for paying all refunds submitted to us on your Merchant Account. We assume no responsibility for verifying any Credits or refunds.
- Do not process a Credit transaction once a Chargeback is received. Credits issued after a Chargeback has been received may not be recoverable, and you will be financially responsible for the Credit as well as the Chargeback.
- YOU ARE RESPONSIBLE TO SECURE YOUR TERMINALS AND TO INSTITUTE APPROPRIATE CONTROLS TO PREVENT EMPLOYEES OR OTHERS FROM SUBMITTING CREDITS THAT DO NOT REFLECT BONA FIDE RETURNS OR REIMBURSEMENTS OF PRIOR TRANSACTIONS.

8.2. Exchanges.

- No additional paperwork is necessary for an even exchange. Just follow your standard company policy.
- For an uneven exchange, complete a Credit Draft (follow the procedures outlined in Section 8.1) for the total amount of only the merchandise returned. The Cardholder's account will be credited for that amount. Then, complete a new Sales Draft for the total amount of any new merchandise purchased.

9. Retention of Records For Retrievals and Chargebacks

9.1. Legible Copies.

For Visa and MasterCard: You must securely retain legible copies of all Sales Drafts and Credit Drafts or any other transaction records for a period of eighteen (18) months from the date of each transaction and a period of

five (5) years for the retention of healthcare Sales Drafts and Credit Drafts. The Sales Drafts you retain must comply with all requirements set forth in Section 3.1.

For Discover: You must securely retain legible copies of all Sales Drafts and Credit Drafts or any other transaction records for the longer of (i) 365 days or (ii) the resolution of any pending or threatened disputes, claims, disagreements or litigation involving the Card transaction. You must also keep images or other copies of Sales Drafts for no less than three (3) years from the date of the Discover transaction.

For American Express: You must submit the Credit to American Express directly for payment. You must securely retain legible copies of all Sales Drafts and Credit Drafts or any other transaction records for twenty-four (24) months from the date you submitted the corresponding Credit. You must also provide a copy of the Credit Draft to the Cardmember or as required by applicable law, truncate the Card Number and do not print the Card's expiration date on copies of Credit Drafts delivered to the Cardmember.

9.2. Sales and Credit Drafts. You must provide all Sales Drafts and Credit Drafts or other transaction records requested by us within the shortest time limits established by Card Organization Rules. You are responsible for any deficiencies in Card transaction data transmitted or otherwise delivered to us.

10. Chargebacks, Retrievals and Other Debits

10.1. Chargebacks.

10.1.1. Generally. Both the Cardholder and the Issuer have the right to question or dispute a transaction. If such questions or disputes are not resolved, a Chargeback may occur. As a result, we will debit your Settlement Account or settlement funds for the amount of each Chargeback. It is strongly recommended that, whenever possible, you contact the Cardholder directly to resolve a disputed transaction or Chargeback, unless the dispute involves a Discover Cardholder, in which case Discover rules and regulations expressly prohibit you from contacting the Discover Cardholder regarding the dispute. You are responsible for all Chargebacks, our Chargeback fees, and related costs arising from your transactions.

10.1.2. Transaction Documentation Requests. In some cases, before a Chargeback is initiated, the Issuer will request a copy of the Sales Draft, via a request for transaction documentation. We will forward the request to you. You must respond to the request within the time frame and manner set forth in the request. We will then forward your response to the Issuer. If you fail to timely respond, we will so notify the Issuer and a Chargeback may result. Upon receipt of a transaction documentation request, immediately retrieve the requested Sales Draft(s) using the following guidelines:

- Make a legible copy, centered on 8 1/2 x 11-inch paper (only one (1) Sales Draft per page).

- Write the 'case number' from the request for transaction documentation on each copy/page.
- If applicable, make copies of a hotel folio, car rental agreement, mail/phone/internet order form, or other form of receipt.
- If a Credit transaction has been processed, a copy of the Credit Draft is also required.
- Letters are not acceptable substitutes for Sales Drafts.
- Fax or mail legible copies of the Sales Draft(s) and Credit Drafts, if applicable, to the fax number or mail address provided on the request form.
- If you fax your response, please set your fax machine to print your fax number and name on the documents that you send. We can use this information to help determine where the documentation received originated from should additional research be required.
- Additionally, please set the scan resolution on your fax machine to the highest setting. The higher resolution setting improves the clarity of characters and graphics on the documentation transmitted and helps reduce the number of illegible fulfillments and/or Chargebacks.

If we do not receive a clear, legible and complete copy of the transaction documentation within the timeframe specified on the request, you may be subject to a Chargeback for "non-receipt" for which there is no recourse.

A handling fee may be charged by the Issuer and will be debited from your Settlement Account or settlement funds if a transaction documentation request results from a difference in the following information on the Sales Draft and the transmitted record: Merchant name or an incorrect city, state, foreign country and/or transaction date.

10.1.3. Chargeback Process. Regardless of whether you respond to a transaction documentation request, a Chargeback may be debited to your Settlement Account for numerous reasons (see below). If the Issuer submits a Chargeback, we will send you a Chargeback notification, which may also include a request for transaction documentation.

Due to the short time requirements imposed by Visa, MasterCard and Discover and American Express, it is extremely important that you respond to a Chargeback notification and transaction documentation request within the time frame set forth in the notification. Do not process a Credit transaction once a Chargeback is received; the Issuer will credit the Cardholder's account. Credits issued after a Chargeback has been received may not be recoverable, and you may be financially responsible for the Credit as well as the Chargeback. If the information you provide is both timely and, in our sole discretion, sufficient to warrant a representation of the transaction and/or reversal of the Chargeback, we will do so on your behalf.

However, representment and/or reversal is/are ultimately contingent upon the Issuer and/or Cardholder accepting the transaction under applicable Card Organization guidelines. Representment or reversal is not a guarantee that the Chargeback has been resolved in your favor.

For Visa Chargebacks: If we reverse the Chargeback and represent the transaction to the Issuer, the Issuer, at its sole discretion, may elect to submit the matter for arbitration before Visa. Visa currently charges a \$250 filing fee and a \$250 review fee. You will be responsible for all such fees and charges whether or not a decision is made in your favor, any other applicable fees and charges imposed by Visa, as they may change from time to time. Such fees and charges will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.

For MasterCard Chargebacks: If we reverse the Chargeback and represent the transaction to the Issuer, the Issuer, at its sole discretion, may elect to resubmit the Chargeback. In such event, at the discretion of Processor, we will debit your Settlement Account or settlement funds for the Chargeback. However, if you feel strongly that it is an invalid Chargeback, we may, on your behalf and at your request, submit the matter for arbitration before MasterCard. MasterCard currently charges a \$250 filing fee and a \$250 review fee. You will be responsible for all such fees and charges whether or not a decision is made in your favor, any other charges imposed by MasterCard as they may change from time to time. Such fees and charges will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.

For Discover Chargebacks: If Discover rejects our representment request and you feel strongly that the Chargeback is invalid, we may, at the discretion of Processor and on your behalf and at your request, submit the matter for dispute arbitration before Discover. Discover charges fees for representment requests and an arbitration fee as published in their fee schedule.

If the Chargeback is not disputed within the applicable time limits set forth by Visa, MasterCard and Discover Card Organization Rules, reversal rights are forfeited. Our only alternative, for Visa and MasterCard non-fraud Chargeback reason codes, is to attempt a "good faith collection" from the Issuer on your behalf. This process can take up to six (6) months and must meet the Issuer's criteria (e.g., at or above a set dollar amount). Good faith collection attempts are not a guarantee that any funds will be collected on your behalf. Issuers normally charge good faith collection fees, which are deducted from the transaction amount if accepted in addition to any processing fees that are charged by us.

For American Express Chargebacks: You may request a Chargeback reversal if the Chargeback was applied in

error. In order for your request to be considered, you must have responded to the original inquiry within the specified timeframe, request the Chargeback reversal no later than twenty (20) days after the date of the Chargeback, and provide all supporting documentation to substantiate the error. If a Chargeback is applied, the Chargeback reversal can only be requested if you prove that you already issued a Credit to the Cardmember for the amount of the disputed charge.

NOTE: Discover and American Express do not offer good faith collection for Acquirers. Visa and MasterCard Card Organization Rules require that a merchant make a good faith attempt and be willing and able to resolve any disputes directly with the Cardholder. Discover Card Organization Rules and Regulations, however, prohibit you and/or us from contacting the Cardholder directly regarding dispute(s) or any other matter, except as required for acceptance of Discover transactions, and require you and/or us to submit any responses to dispute notices directly to Discover. Due to Card Organization Rules, you may not re-bill a Cardholder after a Chargeback is received for that transaction, even with Cardholder authorization.

We strongly recommend that you include a detailed rebuttal letter along with all pertinent documents when responding to a transaction request or a Chargeback notification (e.g., rental agreement, Imprinted portion of the invoice or Sales Draft; the portion signed by the Cardholder; and the area where the Authorization Approval Codes, with amounts and dates, are located).

Due to the short time frames and the supporting documentation necessary to successfully (and permanently) reverse a Chargeback in your favor, we strongly recommend the following:

- Avoid Chargebacks by adhering to the guidelines and procedures outlined in these Operating Procedures.
- If you do receive a Chargeback, investigate, and if you dispute the Chargeback, submit the appropriate documentation within the required time frame.
- Whenever possible, contact the Cardholder directly to resolve the dispute, unless the dispute relates to a Discover Cardholder, in which case direct contact with the Discover Cardholder regarding the dispute is prohibited by Discover Card Organization Rules.
- If you have any questions, call Customer Service.

10.1.4. Chargeback Reasons. The following section outlines the most common types of Chargebacks. This list is not exhaustive. For ease of understanding, we have combined like Chargebacks into six groupings. We have included recommendations on how to reduce the risk of Chargebacks within each group. These are recommendations only, and do not guarantee that you will be able to prevent

Chargebacks.

1. 1. **Authorization Issues:** Proper Authorization procedures were not followed and valid Authorization was not obtained.

The following scenarios could cause an Authorization Related Chargeback to occur:

- Authorization not obtained.
- Authorization was declined.
- Transaction processed with an expired card and Authorization was not obtained.
- Transaction was processed with an invalid account number and Authorization was not obtained.
- Card Recovery Bulletin (CRB) or Exception File was not checked (transactions below floor limit).

To reduce your risk of receiving an Authorization Related Chargeback:

- Pre-notify the Cardholder of billings within 10 days.
- American Express customers have the option to receive written notification of the recurring transaction at least (10) days prior to submitting, or any time the charge amount exceeds a maximum amount that has been set by the cardholder.
 - Obtain valid Authorization on the day of the transaction.
 - Card Present Transactions - Authorization must be obtained on the transaction date for the amount settled.
 - Card Not Present Transactions - Authorization must be obtained on the transaction date for the amount settled. However, if merchandise is being shipped, Authorization must be obtained within seven (7) calendar days of the transaction ship date.
 - If a declined response is received, then request another form of payment from the Cardholder.
 - If a Referral response is received, then follow proper voice procedures to obtain a valid Authorization and obtain an imprint of the card.
 - "Pick-up" response indicates that the Issuer is requesting for the card to be retained and returned back to them. The Card should not be accepted for payment. Additionally, you can choose to retain the Credit Card and return it to the Acquirer.
 - Merchants should not exceed any predetermined thresholds for specific terminal types as specified by each Card Organization.

2. **Cancellations and Returns:** Credit was not processed properly or the Cardholder has cancelled and/or returned items.

The following scenarios could cause a Cancellation and Return Related Chargeback to

occur:

- Cardholder received damaged or defective merchandise.
- Cardholder continued to be billed for cancelled recurring transaction.
- Credit transaction was not processed.

To reduce your risk of receiving a Cancellation and Return Related Chargeback:

- Issue Credit to the Cardholder on the same account as the purchase in a timely manner. Do not issue Credit to the Cardholder in the form of cash, check or in store/merchandise Credit as we may not be able to recoup your funds in the event the transaction is charged back.
- Ensure customers are fully aware of the conditions for recurring transactions. Cancel recurring billings as soon as notification is received from the Cardholder or as a Chargeback, and issue the appropriate Credit as needed to the Cardholder in a timely manner.
- Pre-notify the Cardholder of billings within ten (10) days (Domestic) and fifteen (15) (International) prior to billing, allowing the Cardholder time to cancel the transaction.
- Provide proper disclosure of your refund policy for returned/cancelled merchandise, or services to the Cardholder at the time of transaction.
 - Card present, Cardholder signed the Sales Draft containing disclosure.
 - If applicable, the words "NO EXCHANGE, NO REFUND," etc. must be clearly printed in 1/4" lettering on the Sales Draft near or above the Cardholder signature.
 - Ecommerce, provide disclosure on website on same page as check out requiring Cardholder to click to accept prior to completion.
 - Card Not Present, provide cancellation policy at the time of the transaction.
 - Provide cancellation numbers to Cardholder's when lodging services are cancelled.
 - Ensure delivery of the merchandise or services ordered to the Cardholder.

3. **Fraud:** Transactions that the Cardholder claims are unauthorized; the account number is no longer in use or is fictitious, or the merchant was identified as "high risk."

The following scenarios could cause a Fraud Related Chargeback to occur:

- Multiple transactions were completed with a single card without the Cardholder's permission.
- Counterfeit card was utilized and proper

acceptance procedures were not followed.

- Authorization was obtained; however, full track data was not transmitted.

Cardholder states that they did not authorize or participate in the transaction. **NOTE:** Visa Fraud Chargebacks: Chargeback representment rights do not exist if you failed to fulfill a retrieval request and/or to provide a Sales Draft that contains all required data elements. To preserve Chargeback representment rights, respond to all retrieval requests with a clear legible copy of the Sales Draft that contains all required data elements within the required timeframe that is specified by the retrieval request.

To reduce your risk of receiving a Fraud Related Chargeback:

Card Present Transactions:

- Obtain an Authorization for all transactions.
- If you are utilizing an electronic device to capture Card information, swipe all Card transactions through your electronic Authorization device to capture Cardholder information and ensure the displayed Cardholder number matches the number on the Card.
- If you are unable to swipe the Card or if a Referral response is received, imprint the Card using a valid imprinting device that will capture the embossed Card and merchant information. Do not alter the imprint on the draft in any way. Manually entering the information into the terminal does not protect you from this type of Chargeback. All pertinent information relating to the transaction must be written on the manually imprinted draft (transaction date, dollar amount, Authorization Approval Code and merchandise description) along with the Cardholder signature.

NOTE: Do not imprint on the back of a signed Sales Draft. The imprint must be on the transaction document that contains all transaction elements to prove the Card was present at the time of the transaction.

- Obtain the Cardholder signature for all transactions; ensure the signature on the Sales Draft matches the signature on the back of the Card.
- Process all transactions one time and do not Batch out transactions multiple times.
- Educate staff on procedures to eliminate point of sale (POS) fraud.

Card Not Present Transactions:

- Participation in recommended Fraud Prevention Tools:

- Verified by Visa Program
- MasterCard SecureCode
- Address Verification Services
- CVV2, CVC2 and CID Verification

NOTE: While transactions utilizing these tools may still be disputed, the service may assist you with your decision to accept the Card for the transaction.

- Ensure you ship to the AVS confirmed address (bill to and ship to should match).
- Obtain Authorization for all transactions.
- Ensure merchant descriptor matches the name of the business and is displayed correctly on the Cardholder statement.
- Ensure descriptor includes correct business address and a valid customer service number.

4. Cardholder Disputes: Merchandise or services not received by the Cardholder, Merchandise defective or not as described.

The following scenarios could cause a Cardholder Dispute Chargeback to occur:

- Services were not provided or merchandise was not received by the Cardholder.
- The Cardholder was charged prior to merchandise being shipped or merchandise was not received by agreed upon delivery date or location.
- Cardholder received merchandise that was defective, damaged or unsuited for the purpose sold, or did not match the description on the transaction documentation/verbal description presented at the time of purchase.
- Cardholder paid with an alternate means and their Card was also billed for the same transaction.
- Cardholder cancelled service or merchandise and their Card was billed.
- Cardholder billed for a transaction that was not part of the original transaction document.

To reduce your risk of receiving a Cardholder Dispute Related Chargeback:

- Provide Services or Merchandise as agreed upon and described to the Cardholder; clearly indicate the expected delivery date on the sales receipt or invoice.
- Contact the Cardholder in writing if the merchandise or service cannot be provided or is delayed, and offer the Cardholder the option to cancel if your internal policies allow.
- In the event that the Cardholder received defective merchandise or the merchandise received was not as described, resolve the issue with the Cardholder at first contact.
- If the merchandise is being picked up by the Cardholder, have them sign for the merchandise after inspection that it was

received in good condition.

- Do not charge the Cardholder until the merchandise has been shipped, ship according to the agreed upon terms and obtain signed Proof of Delivery from the Cardholder.
- If unable to provide services or merchandise, issue a Credit to Cardholder in a timely manner.
- Accept only one form of payment per transaction and ensure the Cardholder is only billed once per transaction.
- Do not bill Cardholder for loss, theft or damages unless authorized by the Cardholder.

5. Processing Errors: Error was made when transaction was processed or it was billed incorrectly.

The following scenarios could cause a Processing Error Chargeback to occur:

- Transaction was not deposited within the Card Organization specified time frame.
- Cardholder was issued a Credit Draft; however, the transaction was processed as a sale.
- Transaction was to be processed in a currency other than the currency used to settle the transaction.
- The account number or transaction amount utilized in the transaction was incorrectly entered.
- A single transaction was processed more than once to the Cardholder's account.
- Cardholder initially presented Card as payment for the transaction; however Cardholder decided to use an alternate form of payment.
- Limited amount or self-service terminal transaction was processed for an amount which is over the pre-determined limit.

To reduce your risk of receiving a Processing Error Related Chargeback:

- Process all transactions within the Card Organization specified timeframes.
- Ensure all transactions are processed accurately and only one time.
NOTE: In the event that a transaction was processed more than once; immediately issue or contact us to issue voids, transaction reversals or Credits.
- Ensure that credit transaction receipts are processed as Credits and sale transaction receipts are processed as sales.
- Ensure all transactions received a valid Authorization Approval Code prior to processing the transaction and obtain a legible magnetic swipe or imprinted Sales Draft that is signed.
- Do not alter transaction documentation or

make any adjustments unless the Cardholder has been contacted and agrees to any modifications of the transaction amount.

- Ensure limited amount, self-service and automated fuel dispenser terminals are set properly to conform to the pre-determined limits.

6. Non Receipt of Information: Failure to respond to a Retrieval Request or Cardholder Does Not Recognize.

The following scenarios could cause Non Receipt of Information Chargeback to occur:

- The transaction documentation was not provided to fulfill the retrieval request.
- The retrieval request was fulfilled with an illegible Sales Draft or was an invalid fulfillment (incorrect Sales Draft or the Sales Draft did not contain required information which may include signature).
- The Cardholder does not recognize or is unfamiliar with the transaction due to the merchant name and/or location not matching the name and/or location where the transaction took place.

To reduce your risk of receiving a Non Receipt of Information Related Chargeback:

- Provide a clear and legible copy of the Sales Draft that contains all required data elements within the required time frame that is specified on the retrieval request.
- Ensure that the most recognizable merchant name, location and/or customer service phone number is provided on all transactions.
- Retain copies of all transaction documentation for the required time frame that is specified by each Card Organization.
- Develop efficient methods to retrieve transaction documentation to maximize ability to fulfill requests.

10.2. Other Debits. Except where invoicing is required under the Master Agreement, we may also debit your Settlement Account or your settlement funds in the event we are required to pay Card Organization fees, charges, fines, penalties or other assessments as a consequence of your sales activities. Such debits shall not be subject to any limitations of time specified elsewhere in the Agreement, including, without limitation the following, which we may add to or delete from this list as changes occur in the Card Organization Rules.

- Card Organization fees, charges, fines, penalties, registration fees, or other assessments including any fees levied against us or any amount for which you are obligated to pay us under the Master Contract.
- Currency conversion was incorrectly calculated.
NOTE: For Discover transactions, you are

not permitted to convert from your local Discover approved currency into another currency, nor may you quote the price of a transaction in U.S. Dollars if completed in another approved currency.

- Discount Rate not previously charged.
- Reversal of deposit posted to your account in error.
- Debit for Summary Adjustment not previously posted.
- Reversal of Credit for deposit previously posted.
- Debit for Chargeback never posted to your account.
- Debit for EDC Batch error fee.
- Card Organization Merchant Chargeback/fraud monitoring fees – excessive Chargeback handling fees.
- Failure of transaction to meet Member Controller Authorization Service ("MCAS") Cardholder account number on exception file.
- Original transaction currency (foreign) not provided.
- Travel Voucher exceeds maximum value.
- Debit and/or fee for investigation and/or Chargeback costs related to this Agreement, or for costs related to our collection activities in an amount no less than \$100.00.
- Costs arising from replacement or damage to equipment rented.
- Payment of current or past due amounts for any equipment purchase, rental or lease.
- Incorrect merchant descriptor (name and/or city, state) submitted.
- Incorrect transaction date submitted.
- Shipping and handling fees.
- Costs or expenses associated with responding to any subpoena, garnishment, levy or other legal process associated with your account.

10.3. Summary (Deposit) Adjustments/Electronic Rejects. Occasionally, it is necessary to adjust the dollar amount of your summaries/Submissions (deposits) and credit or debit your Settlement Account or settlement funds accordingly. The following is a list of the most frequent reasons for Summary (Deposit) Adjustments/Electronic Rejects:

- Your summary reflected an arithmetic error.
- Submitted sales not included in your Agreement (e.g., American Express).
- The dollar amount is unreadable/ illegible.
- The Cardholder's account number is unreadable/illegible.
- Duplicate Sales Draft submitted.
- Card number is incorrect/incomplete.
- Summary indicated credits, but no credits were submitted.

10.4. Disputing Other Debits and Summary Adjustments. In order to quickly resolve disputed debits and Summary Adjustments, it is extremely

important that the items listed in this section be faxed or sent to the address listed on the notification.

If the Summary Adjustment is for an unreadable or incorrect Cardholder account number, resubmit the corrected Sales Draft with your next deposit. Also, if the transaction is over thirty (30) calendar days old, you must reauthorize and obtain a valid Authorization Approval Code.

A clear and legible copy of the Sales Draft containing the following should be obtained from your files:

- Date of sale/Credit;
- Cardholder's account number, name and signature;
- Total amount of the sale and description of goods and services; and
- Date and Authorization Approval Code.

Include a dated cover letter detailing the reasons for requesting a review of the debit or Summary Adjustment and documentation to support your dispute. (You should retain a copy of the correspondence and all documentation for your files.) If the inquiry is related to prior correspondence, be sure to include the control number we previously used.

Immediately fax or mail the Sales Draft or Credit Draft to the fax number or address provided on your notification letter.

If you have any questions, please call the Customer Service number provided on the Bankcard Addendum. If a Customer Service Representative informs you that additional documentation is required in order to fully review the item, please immediately submit your rebuttal and transaction documentation to the fax number or address listed on the debit notification.

11. Account Maintenance

11.1. Change of Settlement Account Number. If you change the Settlement Account in which you receive the proceeds of your transactions, you must call Customer Service or your Relationship Manager immediately. If you accept payment types other than Visa, MasterCard and Discover (such as the American Express Card and TeleCheck Services), you are also responsible for contacting the Card Organizations or companies governing those Cards to notify them of this change.

11.2. Change In Your Legal Name or Structure. You must call Customer Service or your Relationship Manager and request a new Agreement. Due to 1099-K reporting requirements, you must always report to us as soon as possible any change in your legal name and/or Tax Identification Number ("TIN") information. Failure to notify us in a timely manner of any change of this information may result in back-up withholding of your settlement funds or resulting issues with 1099-K reporting, for which we will not be liable or responsible (please refer to the Bankcard Addendum for further information).

11.3. Change in Company DBA Name, Address or Telephone/ Facsimile Number. To change your company or location DBA name, address (or e-mail

address) or telephone/ facsimile number, you must send the request in writing to the address on your statement.

11.4. Other Change(s) in Merchant Profile. You must immediately notify us of any change to the information on file with us in your merchant profile, including: (i) any new lines or types of business; (ii) change in ownership; (iii) the opening, closing or liquidation of business or any location; (iv) change in Card processing method (i.e., paper Sales Drafts to POS Terminal); (v) voluntary or involuntary party to a bankruptcy case; (vi) entry into a loan or other agreement with a Person that seeks to affect this Agreement; and/or (vii) change from a business that exclusively conducts Card-present retail sales to one that accepts Card sales by mail, telephone or Internet transactions. We retain the right to terminate this Agreement if you fail to notify us of any change to the information in your merchant profile.

11.5. Charges for Changes to Account Maintenance. You may be charged for any changes referenced in this Section or any other changes requested by you or otherwise necessary related to account maintenance.

12. Card Organization Monitoring

Visa, MasterCard, Discover and American Express have established guidelines, merchant monitoring programs, and reports to track merchant activity, such as, but not limited to, excessive Credits, Chargebacks, reported fraud and increased deposit activity. In the event you

exceed the guidelines, engage in practices that could circumvent such monitoring programs or submit suspicious transactions as identified by a Card Organization or any related program or reports, you may be subject to: (i) operating procedure requirement modifications; (ii) Chargebacks and/or increased fees; (iii) settlement delay or withholding; (iv) termination of your Agreement; or (v) audit and imposition of fines.

13. Supplies

Placing Orders.

- To order additional supplies, call Customer Service when you have two months' inventory left. We will ship you an adequate amount of supplies. The amount of supplies (based on usage) on hand should not exceed a three- to six-month supply.
- In an EMERGENCY, please contact Customer Service using the number provided in the Bankcard Addendum. If supplies are sent via an express delivery service, the delivery charges will be billed to your merchant account.
- You are responsible for unauthorized use of sales/Credit and summary Media. We recommend that you store all supplies in a safe location.
- You may be charged for supplies and applicable shipping and handling charges.

As used in this Agreement, the following terms mean as follows:

Acquirer: Bank in the case of Visa, MasterCard and certain debit transactions or Processor in the case of Discover transactions that acquire Card sale transactions from merchants such as yourself.

Address Verification: A service provided through which the merchant verifies the Cardholder's address, in whole or in part. Primarily used by Mail/Telephone/Internet order merchants, Address verification is intended to deter fraudulent transactions. However, it is not a guarantee that a transaction is valid.

Affiliate: A Person that, directly or indirectly, (i) owns or controls a party to this Agreement or (ii) is under common ownership or control with a party to this agreement.

Agreement: Means the Master Services Agreement, the Merchant Services Bankcard Addendum and its supplements and this Operating Guide, as all of which may be amended from time to time.

Anticipated Interchange Levels: See Non-Qualified Interchange Fee.

Authorization: Approval by, or on behalf of, the Issuer to validate a transaction, or in the case of EBT Card transactions, the Issuing state or related EBT service provider to validate an EBT Card transaction. An Authorization indicates only the availability of the Cardholder's Credit Limit or funds at the time the Authorization is requested.

Authorization Approval Code: A number issued to a participating merchant by the Authorization Center (or third party authorization service), which confirms the Authorization for a sale or service.

Authorization Center: A department that electronically communicates a merchant's request for Authorization on Credit Card transactions to the Cardholder's bank and transmits such Authorization to the merchant via electronic equipment or by voice Authorization. Bank: Bank of America, N.A. or its successors or assigns.

Bankruptcy Code: Title 11 of the United States Code, as amended from time to time.

Batch: A single Submission to us of a group of transactions (sales and Credits) for settlement. A Batch usually represents a day's worth of transactions.

Card: See either Credit Card or Debit Card.

Cardholder: Means the individual or entity whose name is embossed on a Card and any authorized user of such Card.

Card Not Present Sale/Transaction: A transaction that occurs when the Card is not present at the point-of-sale, including Internet, mail-order and telephone-order Card sales.

Card Organization: Any entity formed to administer and promote Cards, including, without limitation, Visa, MasterCard, Discover and any applicable EBT and/or PIN Debit networks.

Card Organization Rules: The rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Card Organization and related authorities, including, without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association (including, with respect to EBTs, the Quest Operating Rules).

Card Validation Codes: A three-digit value printed in the signature panel of most Cards and a four-digit value printed on the front of an American Express Card. Visa's Card Validation Code is known as CVV2; MasterCard's Card Validation Code is known as CVC2; Discover's Card Validation Code is known as a CID. Card Validation Codes are used to deter fraudulent use of an account number in a non-face-to-face environment (e.g., mail orders, telephone orders and Internet orders).

Card Verification Value (CVV) / Card Validation Code (CVC): A unique value encoded on the Magnetic Stripe of a Card used to validate Card information during the Authorization process.

Cash Benefits: An EBT account maintained by an Issuer that represents pre-funded or day-of-draw benefits, or both, administered by one or more government entities, and for which the Issuer has agreed to provide access under the EBT program. Multiple benefits may be combined in a single cash benefit account.

Cash Over Transaction: Dispensing of cash by a merchant in connection with a Card sale, other than a PIN Debit Card transaction, for the purchase of goods or services.

Chargeback: A Card transaction (or disputed portion) that is returned to us by the Issuer. Client is responsible for payment to us for all Chargebacks.

Client: The party identified as "Client" on the Bankcard Addendum. The words "Subscriber," "you" "your" and "Merchant" refer to Client.

Credit: A refund or price adjustment given for a previous purchase transaction, including, without limitation, for the return of merchandise by a Cardholder to you.

Credit Card: A valid device bearing the Marks of Visa, MasterCard, Discover or American Express and authorizing the Cardholder to buy goods or services on credit and, to the extent the Bankcard Addendum or Schedules so provide, a valid device authorizing the Cardholder to buy goods or services on credit and issued by any other Card Organization specified thereon.

Credit Draft: A document evidencing a Credit by you to the Cardholder, whether electronic, paper or some other form, all of which must conform to Card Organization Rules and applicable law.

Credit Limit: The credit line set by the Issuer for the Cardholder's Credit Card account.

Customer Activated Terminal (CAT): A magnetic stripe terminal or chip-reading device (such as an automatic dispensing machine, Limited Amount Terminal, or Self-Service Terminal) that is not an ATM.

Debit Card: See either PIN Debit Card or Non-PIN Debit Card.

Dial-Up Terminal: An Authorization device which, like a telephone, dials an Authorization Center for validation of transactions.

Discount Rate: A percentage rate and/or amount charged a merchant for processing its Credit Card and Non-PIN Debit Card sale and Credit transactions, as set forth in the Bankcard Addendum. Transactions that fail to meet applicable interchange requirements will be charged additional amounts as set forth in the Bankcard Addendum.

Discover: DFS Services LLC or its successors or assigns.

EBT Card: See Section 29 of the Bankcard Addendum.

EBT Rules: See Section 29.1 of the Bankcard Addendum.

Electronic Benefit Transfer (EBT): An Electronic Benefits Transfer system used to deliver certain government delivered benefits, including, without limitation, Cash Benefits and FNS, SNAP and WIC Benefits to EBT customers.

Electronic Draft Capture (EDC): A process which allows a merchant's Dial-Up Terminal to receive Authorization and capture transactions and to electronically transmit them to the Processor. This eliminates the need to submit paper for processing.

Factoring: The submission of Authorization requests and/or Sales Drafts by a merchant for Card sales or cash advances transacted by another business.

General Terms: Section of the Bankcard Addendum, including any amendments or modifications.

Gross: When referred to in connection with transaction amounts or fees, refers to the total amount of Card sales, without set-off for any refunds or Credits.

Imprinter: A manual or electric machine used to physically imprint the merchant's name and ID number as well as the Cardholder's name and Card number on Sales Drafts.

Issuer: The financial institution or Card Organization which has issued a Card to an Individual or entity.

Limited Amount Terminal: A Customer Activated Terminal that has data capture only capability, and accepts payment for items such as parking garage fees, road tolls, motion picture theater entrance, or magnetic-stripe telephones.

Magnetic Stripe: A stripe of magnetic information affixed to the back of a plastic Credit or Debit Card. The Magnetic Stripe contains essential Cardholder and account information. Marks: Names, logos, emblems, brands, service marks, trademarks, trade names, tag lines or other proprietary designations.

MasterCard: MasterCard International Incorporated or its successors or assigns.

Media: The documentation of monetary transactions (i.e., Sales Drafts, Credit Drafts, computer printouts, etc.)

Merchant Account Number (Merchant Account; Merchant Number): A number that numerically identifies each merchant location, outlet, or line of business to the Processor for accounting and billing purposes. Merchant Numbers appear on Merchant Account statements and other documentation from us. A different number, which varies based on the Card Organization Card type used for a transaction, may appear on the Sales Draft or Credit Draft for a location, outlet or line of business (referred to as an "entitlement number"). We use the entitlement numbers internally and with the related Card Organizations to cross reference each Merchant Number. The appearance of an entitlement number for the related location, outlet or line of business on a Sales Draft or Credit Draft satisfies the requirement under Section 3.1 that the Merchant Account Number appear on those documents.

Merchant Identification Card: A plastic embossed card supplied to each merchant to be used for imprinting information to be submitted with each Batch of paper Sales Drafts. Embossed data includes Merchant Account Number, name and sometimes merchant ID code and terminal number.

Merchant Provider: Any Person engaged by you to provide services to you involving or relating to (i) access to Cardholder data, transaction data or information related to either Cardholder data or transaction data or (ii) PIN encryption, including without limitation, Encryption Service Organizations (ESOs). "Merchant Provider" also includes any franchisor or other Person that provides or controls a centralized or hosted network environment, irrespective of whether Cardholder data is being stored, transmitted or processed through it.

Non-Bank Services: Products and/or Services for which Bank is not responsible, or a party to this Agreement, including American Express and Electronic Benefits Transfer Transactions, TeleCheck Check Services, Gift Card Services and Transactions Involving Cards from other Non-Bank Card Organizations, such as Discover, Voyager Fleet Systems, Inc., Wright Express Corporation and Wright Express Financial Services Corporation Leasing,

TransArmor, Fraud Services, Wireless Global Gateway e4, and other items as may be indicated in the Bankcard Addendum.

Non-PIN Debit Card: A device with Visa, MasterCard or Discover or other Card Organization Marks that is tied to a Cardholder's bank account or a prepaid account and which is processed without the use of a PIN.

Non-Qualified Interchange Fee (Non-Qualified Interchange Rate): For certain pricing methods only, the percentage rate or amount, as further described in the Bankcard Addendum, that will be charged for transactions that do not qualify for the Card Organization Interchange programs associated with your Merchant Account as identified in the rate Schedules provided to you by us for those pricing methods ("Anticipated Interchange Levels").

Non-Qualified Surcharge: For certain pricing methods only, a surcharge, which is a percentage rate or amount, applied to any transaction that fails to qualify for Anticipated Interchange Levels, as further described in the Bankcard Addendum. The Non-Qualified Surcharge (the amount of which is set forth on the Bankcard Addendum) is in addition to the Non-Qualified Interchange Fee.

Operating Procedures: The information prepared by Processor, containing operational procedures, instructions and other directives relating to Card transactions. The current Operating Procedures are set forth in Subpart A of this Agreement.

PAN Truncation: A procedure that results in only the last four digits of a Cardholder's account number appearing on the copy of a Sales Draft or Credit Draft that the Client provides to the Cardholder and, as required by applicable law or Card Organization Rules, the Sales Draft or Credit Draft retained by the Client.

Person: A third party individual or entity, other than the Client, Processor or Bank.

PIN: A Personal Identification Number entered by the Cardholder to submit a PIN Debit Card transaction.

PIN Debit Card: A device bearing the Marks of one or more ATM networks (such as NYCE® or Star®) used at a merchant location by means of a Cardholder-entered PIN in the merchant PIN Pad.

PIN Debit Sponsor Bank: The Bank identified on the Bankcard Addendum signed by you.

Point of Sale (POS) Terminal: A device placed in a merchant location which is connected to the Processor's system via telephone lines and is designed to electronically authorize and record with, and transmit settlement data to, Processor for all sales transactions.

Prepaid Gift Cards: A non-reloadable Card with respect to which the identity of the Cardholder is known to the issuer solely because the Cardholder registered the Card with the Issuer or its Agent for the Cardholder to be eligible to receive a replacement Card in the event the original Card Plastic is lost or stolen shall constitute a Prepaid Gift Card.

Processor: Banc of America Merchant Services, LLC or its successors and assigns. Except for Services provided by Servicers, the words "we," "us" and "our" refer to Processor.

Recurring Payment Indicator: A value used to identify transactions for which a Cardholder provides permission to a merchant to bill the Cardholder's Card account at either a predetermined interval or as agreed by the Cardholder for recurring goods or services.

Referral: A message received from an Issuer when an attempt for Authorization requires a call to the Voice Authorization Center or Voice Response Unit (VRU).

Reserve Account: An account established and funded by at our request or on your behalf, pursuant to the Bankcard Addendum.

Resubmission: A transaction that the Client originally processed as a Store and Forward transaction but received a soft denial from the respective PIN Debit network or Card Organization. The resubmission transaction allows the merchant to attempt to obtain an approval for the soft denial, in which case Client assumes the risk that the transaction fails.

Retrieval Request/Transaction Documentation Request: A request for documentation related to a Card transaction such as a copy of a Sales Draft or other transaction source documents.

Sales Draft: Evidence of a purchase, rental or lease of goods or services by a Cardholder from, and other payments to, Client using a Card, including preauthorized orders and recurring transactions (unless the context requires otherwise); regardless of whether the form of such evidence is in paper or electronic form or otherwise, all of which must conform to Card Organization Rules and applicable law.

Sales/Credit Summary: The identifying form used by a paper Submission merchant to indicate a Batch of Sales Drafts and Credit Drafts (usually one day's work). Not a Batch header, which is used by electronic merchants.

Schedules: The schedules, fee schedules, rate schedules, exhibits, attachments, enclosures, addenda and other documents, including revisions thereto, which may be incorporated into or made part of this Agreement concurrently with or after the date of this Agreement.

Self-Service Terminal: A Customer Activated Terminal that accepts payment of goods or services such as prepaid cards or video rental, has electronic capability, and does not accept PINs.

Service Modification Form (SMF): A form, including a Renewal Form, that Client completes and executes to confirm elections after the date of this Agreement, of Card types, Services, Other Services, or any special instructions, and Client's agreement to the fees therefor. Each SMF (including all Schedules thereto) is a document that is part of the Bankcard Addendum.

Services: The activities undertaken by Processor and/or Bank, as applicable, to authorize, process and settle all United States Dollar denominated Visa, MasterCard and Discover transactions undertaken by Cardholders at Client's location(s) in the United States, and all other activities necessary for Processor to perform the functions required by the Bankcard Addendum.

Servicers: For Visa and MasterCard Credit and Non-PIN Debit Card transactions and for PIN Debit transactions, Bank and Processor collectively, in which case, subject to applicable law and Card Organization Rules. Bank and Processor, shall be jointly, but not also severally, liable to the Client. The words "we," "us" and "our" refer to Servicers for Services provided by Servicers; otherwise, those words refer to Processor.

Settlement Account: An account or account(s) at a financial institution designated by Client as the account to be debited and credited by Processor or Bank for Card transactions, fees, Chargebacks and other amounts due under the Agreement or in connection with the Agreement.

Split Dial: A process which allows the Authorization terminal to dial directly to different Card processors (e.g., American Express) for Authorization. In this instance, the merchant cannot be both EDC and Split Dial. Split Dial is also utilized for Check Guarantee companies.

Split Dial/Capture: Process which allows the Authorization terminal to dial directly to different Card processors (e.g., Amex) for Authorization and Electronic Draft Capture.

Store and Forward: A transaction that has been authorized by a merchant when the merchant cannot obtain an Authorization while the customer is present, typically due to a communications failure. The merchant will store the transaction electronically in their host system and retransmit the transaction when communications have been restored.

Submission: The process of sending Batch deposits to Processor for processing. This may be done electronically or by mail.

Summary Adjustment: An adjustment to your Submission and/or Settlement Accounts in order to correct errors. (See Sections 10.3 and 10.4.)

Telecommunication Card Sale: Individual local or long-distance telephone calls, for which the telephone service provider is paid directly by use of a Card. These do not include, however, calls paid for with pre-paid telephone service cards. Telecommunication Card Sales are considered Card Not Present Sales.

Transaction Fees: Service costs charged to a merchant on a per transaction basis.

Us, We and Our: See Servicers or Processor.

Visa: Visa U.S.A., Inc. or its successors or assigns.

You, Your: See Client.



©2013 Banc of America Merchant Services, LLC. All rights reserved. All trademarks, service marks and trade names referenced in this material are the property of and licensed by their respective owners. Merchant Services are provided by Bank of America, N.A. and its representative Banc of America Merchant Services, LLC. Banc of America Merchant Services, LLC is not a bank, does not offer bank deposits, and its services are not guaranteed or insured by the FDIC or any other government agency. SOFL Rev: 04/13