Merchant Processing Agreement

Terms and Conditions

These Terms and Conditions apply to your card processing program. If you are agreeable to these by using this and any other related services, you agree to abide by these terms and conditions. These Terms and Conditions may be updated or amended at any time without notice. If you disagree with any updated or amended terms and conditions, you may terminate your agreement with us in accordance with the instructions set forth herein.

A. Merchant Agreement. This Agreement binds you on the earlier of your execution of this Agreement or your submission of a transaction for a period of transaction activity, Daily Proceeds, reserves and funds transfers for transaction settlement according to our standard operating procedures.

B. Exclusivity. This Agreement is a “requirements contract.” This means you shall exclusively receive the Services from us. However, we have no obligation to process a Visa or MasterCard transaction beyond the authority of a U.S. member of Visa and MasterCard, or to process Discover or American Express transactions outside the United States. Merchant agrees that Processor is Merchant’s exclusive provider, at all of your locations, of the Services and any services that are the equivalent of the Services available from another provider, including any Services or their equivalents that relate to any Cardholder transactions or billing statements at that location or any of your representatives to place your endorsement on any Card transaction at any time. We have the right to charge your Designated Account without notice or to require your submission of a transaction for processing. Additionally, you agree to review our reports (including those made electronically or in writing, for any period and for any purpose). We may require you to immediately retain a specific third-party to perform the audit or require you to retain a specific third-party to perform the audit or require you to retain a specific third-party to perform the audit or require you to retain a specific third-party to perform the audit.

C. Acceptance of Cards. You shall not sell, assign, transfer, or encumber any part of your interest in the Reserve Account, or any present or future rights under this Agreement, including your right to receive payments or funds. Neither we nor Member Bank are obligated to honor any purported attempt to sell, assign, transfer, or encumber any interest, rights, payments, or funds. In the event you breach this Section, we have the right to withhold funds payable to you, in addition to any other rights we may have at law or equity. You shall indemnify and hold us harmless from any fines or penalties assessed against you or us. You agree to provide us with audited annual financial statements for your business using generally accepted accounting principles, at any time upon request. Additionally, you agree to provide any other financial information within fifteen days of a request by us.

D. You shall timely assist us in complying with all Laws and Operating Regulations related to the Services. This obligates you to execute and deliver all instruments we deem necessary for you to meet your obligations under the Agreement. Further, you agree to allow our auditors (third-party or internal), and the auditors of any Association or Other Network, to review the documents, records, procedures, systems, controls, equipment, and physical assets related to your transactions upon reasonable notice at any time. You also agree to assist our auditors as necessary. If an Association, Member Bank, or regulatory agency requires a third-party audit, or if the Operating Regulations or applicable laws require a third-party audit, we may retain a third party to perform the audit or require you to immediately retain a specific third-party to perform the audit or require us to immediately retain a specific third-party to perform the audit.

E. In the case of a delayed merchant-deposited check, you agree to deliver the Card transaction record to us within two business days of the merchant-deposited check or to any other person or entity for whom you agree to act as representative to place your endorsement on any Card transaction at any time. We have the right to refuse your endorsement on any Card transaction. You waive notice of dispute related to any individual Card transaction. You shall not store Cardholder data, including track-2 data, in violation of the Laws or Operating Regulations. Additionally, you agree to review our reports (including those made electronically or in writing, for any period and for any purpose). We may require you to immediately retain a specific third-party to perform the audit or require you to retain a specific third-party to perform the audit or require you to retain a specific third-party to perform the audit or require you to retain a specific third-party to perform the audit.

F. You shall post the notation “Future Date” for any Card transaction for which you are uncertain of the transaction date.

G. Your Responsibilities. You agree to provide us with audited annual financial statements for your business using generally accepted accounting principles, at any time upon request. Additionally, you agree to provide any other financial information within fifteen days of a request by us. You shall not store Cardholder data, including track-2 data, in violation of the Laws or Operating Regulations. Further, you shall not retain or store magnetic stripe data following the authorization of a Card transaction.

H. You are responsible for the quality, accuracy, and adequacy of all transactions and transactions-related information. You will ensure that all Cardholder information is adequately protected and used only for authorized purposes and in accordance with guidelines for monitoring the quality and delivery of data. When submitting Card transaction, settlement, and other data and information to us, you agree to follow our communications.
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provides and document formats. You agree to only transmit information and data to us with a
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K. You may use a third-party agent ("Agent") to perform some of your obligations under
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L. You agree that it is important to notify us about changes in your business. Because
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M. Optional Services. We may offer you products and services through one or more
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N. Optional Services. We may offer you products and services through one or more
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O. You agree to pay us all Provider-imposed fees and assessments in connection with
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Q. Bankruptcy. You agree to execute and deliver to us any documents we request to
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R. Wireless Service Acknowledgement. We are not responsible for verifying your
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S. Documentation. Your failure to so qualify. In addition, Card transactions that do not meet the necessary criteria for
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T. You shall pay all taxes imposed in connection with the Services. If we pay taxes for
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U. You agree to pay for any fines, fees, penalties, loss allocations, assessments, registration
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V. Service Level Agreements. Any service levels that appear in other parts of the
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W. The Discount Rate, Transaction Fee and other fees may be based, in whole or in part, on
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X. You agree to notify us of any bankruptcy, receivership, insolvency or similar action or
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G. We believe that if any of your services or our performance of any service under the Agreement are found to increase regular savings or reputation harm, we reserve the right to (i) terminate the Agreement at any time; or (ii) suspend or cease providing any service or the Services at any time.

H. Other Termination Rights.

We have a right to terminate this Agreement at any time by providing written notice of termination with sixty (60) days notice.


A. You authorize, our agents, and third parties to initiate ACH credit/debit entries to or from the Designated Account, the Reserve Account, or any other account you maintain at any bank, financial institution, or other applicable financial institution.

B. You acknowledge and consent to our obligations to report your business name and the name of your principals to the Associations if we determine you to be in violation of the Operating Regulations, Rules Summary, or the Laws.

C. You will increase either at any time upon our request.

D. By providing you with thirty (30) days written notice.

E. We have the right to divert your funds to a Reserve Account or to temporarily suspend processing for a reasonable time to investigate any real or potentially improper transaction activity.

F. This Agreement is a security agreement under the Uniform Commercial Code. You grant us a security interest in and lien upon all: (i) funds in the Designated Account; (ii) funds in the Reserve Account; (iii) amounts due you under this Agreement, including rights to receive reimbursement from, and amounts you owe us under, the Agreement, including any sums owed to us for the Services; (iv) any amounts held as set-off amounts you owe us from amounts we owe you or your affiliates.


A. You shall indemnify and hold us, our directors, officers, employees, affiliates, and agents harmless from and against all proceedings, claims, demands, losses, liabilities, damages, costs, expenses, and attorneys’ fees that we suffer or incur in the discharge of our obligations hereunder, including, without limitation, costs, or penalties levied against us by an Association, any Card issuer, or any Other Network, and attorneys’ and collection fees and expenses) resulting from or otherwise arising out of: (i) the Services; (ii) any breach of any term or condition of this Agreement; (iii) any

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misrepresentation by you under this Agreement; (iv) any acts or omissions in connection with the Services that (i) constitute a knowing violation of the privacy, reasonable expectations of privacy, or reasonable expectations of confidentiality of your employees and agents; (v) your processing activities and provision of goods and services to Cardholders; (vi) any violation of the Operating Regulations, the Rules Summary, or the Laws; (vii) any violation that we reasonably believe to be fraudulent; (viii) any breach, hindrance, or violation of the processing system resulting from, arising out of, or in any way related to your use to the Services, including your use of an Agent or any other third party processor or system, or your ability to connect to the Internet or an external network; (ix) any act or omission of a third-party with which you have contracted, (x) any bankruptcy procedure, or any claims or proceedings by creditors of yours or any third party. In the event of a suspected or confirmed loss or theft of any transaction information, you shall inform us immediately of the suspected or confirmed loss or theft of any transaction information, and shall seek to cooperate in any ensuing investigation, including any forensic investigation. You shall provide us with prompt written notice of transaction information, whether or not you process transactions via internet, mail, phone, face-to-face or any other method.

B. We are not liable for, nor in default under this Agreement, for any delays, failure to perform, loss of performance, or interruption in service resulting directly or indirectly from a Force Majeure Event. A “Force Majeure Event” includes labor disputes; fire; weather; acts of God; acts of a public enemy; other casualty; power outages; funding delays (however caused); governmental or regulatory failure to perform, or interruption of any Services resulting, directly or indirectly, from errors in data input or output; or other events beyond our reasonable control that are beyond the event of your Designated Account. Our exclusive remedy for any claim against us is termination of the Agreement. You shall not be released, discharged, or modified by: (i) our extending the time for payment (for any Obligation) to you, Guarantor, or any other person who signs this Agreement as a Guarantor (each a “Guarantor”); (ii) our delay or omissions in exercising any rights, taking any actions, or pursuing any remedies against Merchant or Guarantor; (iii) our release or discharge of you, Guarantor, or any other person who signs this Agreement as a Guarantor; or (iv) our delay or omissions in exercising any rights, taking any actions, or pursuing any remedies against anyone else (including another Guarantor) or any other person who signs this Agreement as a Guarantor.

12. Miscellaneous Terms and Conditions.

A. Title to the Services. You agree that the Services are licensed and not sold. As a result, a) you shall not copy, reproduce, alter, modify, create derivative works, publicly display, publish, upload, post, transmit, resell, or distribute any of them; b) you shall not assign any right to use the Services by license or sublicense or any other arrangement; c) you shall not sublicense the Services to any other person without the prior written consent of American Express. You shall not use the Services for any purpose for which you do not have the necessary rights and authorities to do so, such as any purpose for which you do not have the necessary licenses and/or approvals, or any purpose for which you do not have the necessary rights to do so. The Services are licensed by American Express and you are only licensed to use them for your own personal, non-commercial purposes.

B. Notices. You shall deliver any notices or other communications in writing via certified mail or reputable overnight courier (postage prepaid) to the following address: Worldpay ISO Inc., Attention: General Counsel/Legal Department, 8500
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Governors Hill Drive, MD 18164-3043, Symmes Township, OH 45239-1314. Notices delivered in this manner become effective upon our actual receipt. Our communications to you shall be delivered via email, facsimile (effective upon transmission confirmation), ordinary or certified mail (effective the seventh day after mailing), reputable overnight courier (effective upon delivery), or via a report, communication via Portal Service or invoice (effective upon receipt). The words or phrases "we," "us," "our," "you," or "your" shall mean: (i) for any time when you, as the Merchant, are the party to this Agreement, you or you and your authorized representative, (ii) for any time when Member Bank is the party to this Agreement, Member Bank or the party to this Agreement, (iii) for any time when you and your authorized representative are the parties to this Agreement, you and your authorized representative, or (iv) for any time when us and our authorized representative are the parties to this Agreement, us and our authorized representative.

C. We have no obligation to process any Visa or MasterCard transaction beyond the authority of a U.S. member of Visa and MasterCard or any Discover Network Card or American Express transaction outside the United States and other United States territories. Changes, additions, or deletions you make to the Agreement unless they are part of a written amendment that is signed by you and us.

E. Amendments. We may amend this Agreement or change rates at any time. You do not have any right to oppose, delay, or refuse to accept any change or adjustment for interchange, fees, or assessments without providing us notice. This Section of this Agreement. If you continue to process transactions after, or fail to notify us that you contest a change within seven days of actual or constructive notice, you will be deemed to have accepted that change. We have the right to make Association and Other Network changes and increases in interchange, fees, and in addition to our other rights in this Agreement, you expressly authorize us or our affiliate to collect amounts due or our affiliate by debiting any deposit account you maintain with Member Bank.

G. Notice of Change of Address. You are responsible for verifying the amount of funds actually deposited to and available in your Designated Account on a daily basis. We are not responsible for the processing of any Visa or MasterCard transaction, and may use an ISO/MSP in connection with this Agreement to express their mutual intent. No rule of strict construction shall operate against the party providers software used to provide the Security Services. You shall not, and shall have no right to, own, copy, distribute, sub-license, sub-license or otherwise transfer any portion

iv. Class Action Waiver. YOU AND/OR GUARANTOR ALSO WAIVE ANY RIGHT TO PARTICIPATE IN A CLASS ACTION AGAINST US OR MEMBER BANK.

M. Headings and Construction. The parties have used the headings in this Agreement for convenience only. No heading shall affect the interpretation of any provision. These Terms and Conditions are subordinate to the Rules Summary, the Operating Regulations, and the applicable rules and regulations of any Network and/or Association.

N. Other Rights and Acknowledgements. We may change Member Banks at any time without notifying you. Any Member Bank may delegate all or part of its duties to its own agent. We have the right to assign this Agreement to any entity we designate, and we are not your agent, and we are not in a joint venture, partnership with you (or vice-versa). Both you and we are independent contractors.

Q. Association/Other Network Agreements. You may sign a merchant agreement with an Association or Other Network ("Other Merchant Agreement"). An Other Merchant Agreement is an agreement or contract that you enter into with an Association(s), Other Network(s), your or your behalf. We do not have to comply with the terms or conditions of an Other Merchant Agreement. We have a right to cease providing Services for any Other Networks or Associations in our sole discretion. We agree to pay all reasonable costs, fees, and expenses, as reasonable charges, in order to allocate those fees, fines, assessments, or penalties in any manner and in our sole discretion.

R. Routing. You authorize us to decide where to route a Card transaction. If we, and you shall abide by the requirements of 41 CFR §§ 63.1-4(a), 60-300.5(a) and 741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination on the basis of color, race, religion, sex, or national origin. Moreover, these regulations, if applicable, require each of us to take affirmative action to affirmatively act in good faith to take such action as is necessary to assure that the regulations are fully effective.

S. Security Services. Security Services may individually or collectively mean EMV services provided wholly or partially by a third party with our support (collectively referred to as "Security Services"). Security Services may individually or collectively mean EMV Rules Summary, Operating Regulations, and/or Laws; (ii) prevent any and all unauthorized use of the Security Services, in itself, will: (i) result in your compliance with the Rules Summary, Operating Regulations, and/or Laws; (ii) prevent any and all unauthorized access or use of the Security Services; (iii) be uninterrupted or error-free. You shall not acquire any interest in (ownership, intellectual property or otherwise) any of the third party provider software used to provide the Security Services. You shall not have any right to, own, copy, distribute, sub-license, sub-license or otherwise transfer any portion

15. NPC Security Services. Security Services may individually or collectively mean EMV

16. Alternate Funding. If you request and are approved for Alternate Funding, we will generally initiate an ACH of settlement funds due to you to the Designated Account within one business day (i.e., any day the Federal Reserve is open for business, other than Sundays or State or Federal holidays). Provided we receive the settlement transaction data by the applicable cutoff time. You are responsible for taking any actions required by the ACH within one business day. If you are not approved for Alternate Funding, we will set you up with Premium Funding Services, whether written or oral. All prior understandings have merged into this Agreement.

17. Amendments. If you are approved for Alternate Funding, we will generally initiate an ACH of settlement funds due to you to the Designated Account within one business day (i.e., any day the Federal Reserve is open for business, other than Sundays or State or Federal holidays). Provided we receive the settlement transaction data by the applicable cutoff time. You are responsible for taking any actions required by the ACH within one business day. If you are not approved for Alternate Funding, we will set you up with Premium Funding Services, whether written or oral. All prior understandings have merged into this Agreement.

18. Attorneys' Fees. You shall reimburse and indemnify us for all attorneys' fees and other costs and expenses we incur or pay in: (i) defending our rights under this Agreement; (ii) enforcing the Agreement; or (iii) collecting any amounts you owe us under the Agreement.

19. Survival. Provisions that impose or could impose a continuing obligation on you shall survive the expiration or termination (for any reason) of this Agreement. This includes all terms of this Agreement that are intended to vest in us our right to demand of you, and your duties with respect to account maintenance.

20. Association/Other Network Agreements. You may sign a merchant agreement with an Association or Other Network ("Other Merchant Agreement"). An Other Merchant Agreement is one that we have or will have no right or obligation to enforce, and is a separate and independent agreement. We have no responsibility for Association's, Other Networks or Associations in our sole discretion. You agree to pay all reasonable costs, fees, and expenses, as reasonable charges, in order to allocate those fees, fines, assessments, or penalties in any manner and in our sole discretion.

21. Arbitration, Governing Law, Jury Waiver, and Class Action Waiver. This Section applies to you, any Guarantor, or any other party who claims an interest in this Agreement.

22. Severability. If any part of this Agreement shall not be declared invalid or unenforceable, the invalidity or illegality of any part of this Agreement shall not invalidate the rest of the Agreement. The Agreement shall instead be construed as if the invalid or illegal provision were not part of the Agreement. Our delay or failure to exercise any right under this Agreement shall not operate as a waiver or estoppel of such right.

23. Signature. An original, a copy, facsimile copy, or digital, photographic or electronic copy of your signature serves as the signature for this Agreement. Further, duplicate original records of this Agreement (digital, photographic, or otherwise) have the same force and effect as the original record. Any signature including e-signature or "click to agree" processes is an acceptable form of showing agreement.

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of such third party provider software used to provide the Security Services or any materials provided by us or to modify, decompose, or reverse engineer any such software, materials, or the Services.

A. EMV Non-Enabled Fee. The EMV Non-Enabled Fee is effective if you do not have EMV enabled equipment and/or software. The EMV Non-Enabled Fee is determined based on the chargeback liability risk of your MCC as determined by us. Transactions will be evaluated and assessed monthly at the MID level. This fee is based on the gross sales amount of each card present transaction.

B. EMV Support. Europay, MasterCard, and Visa (“EMV”) is a set of global standards for credit, debit and contactless card payments. EMV chips help prevent in-store fraud and are nearly impossible to counterfeit. If you have not made the investment in chip-enabled technology, you may be held liable for card-present fraud. EMV acceptance requires an EMV enabled standalone terminal or POS system. We are enabled to process in-store EMV transactions to help reduce fraud liability.

C. Point to Point Encryption. The P2PE Service is a two part service designed to: (i) encrypt (make unreadable) card data information at the origin of the payment transaction, which is a PCI PTS certified Secure Cryptographic Device (SCD) that has licensed P2PE functionality that aligns with the P2PE technologies hosted by us, and, (ii) decrypt card data information at the destination of the transaction, which are our data systems. You acknowledge and agree that SCD P2PE functionality is required and may require you to engage an appropriate third party provider or authorized reseller and said licensed functionality may incur fees in addition to those set forth herein. Card data information protected by the P2PE Service may include Track 1 or Track 2 data (Magnetic Stripe Data obtained through a magnetic card swipe) or PAN Data (Manually Entered Personal Account Number ("card") data) as appropriate to the type of transaction processed on the SCD. The SCD functionality supporting the P2PE Service is designed to securely store or generate encryption keys which are used in conjunction with the P2PE functional data at the moment that the card data is encrypted by the SCD. The P2PE Service applies only to transactions that were encrypted by the SCD and sent from the terminal to our authorization and settlement systems pursuant to the Agreement. Supported transactions include those associated with credit (signature), debit (signature) and debit (PIN). Operations of P2PE Service to you is subject to the availability of the licensed encryption software from the applicable third party provider and your compliance with the Agreement.

D. PCI Program. The Card Organizations have mandated that all merchants must comply with the PCI DSS found at www.pcisecuritystandards.org or see www.visa.com/pts for additional information. We have a PCI DSS program (“PCI Program”) to assist merchants with PCI DSS validation. Member Bank is not a party to or liable for PCI Program.

(i) Benefits of PCI. Upon enrollment in the PCI Program, you are eligible to receive:

(a) Access to an online PCI certificate validation system, where you can complete your Self-Assessment Questionnaire (SAQ);
(b) Access to remote scanning services, which includes monthly vulnerability scanning for up to five (5) of your computer system/device (IP) addresses (additional fees apply if you have more than 5 IPS). This applies to PCIP merchants only.

(ii) PCI Compliance Validation Process.

(i) Validation Requirement. In order to take full advantage of the PCI Program, you must validate your compliance with the PCI DSS on an annual basis or as otherwise required by us or a Card Organization as more fully set forth herein. To validate your compliance with the PCI DSS, you must successfully complete a SAQ and, if applicable, a vulnerability scan as provided for under this Agreement:

(ii) Self-Assessment Questionnaire (SAQ). A SAQ is a list of questions developed by the Payment Card Industry Security Standards Council ("PCI SSC").

(iii) Vulnerability Scans. A vulnerability scan ("Scan") is necessary for any merchant with Internet accessible IP addresses connected to that could allow access to their cardholder data environment. This includes, but is not limited to internet connected terminals, internet connected registers, and ecommerce environments. Here are the steps to receive your Scan:

1. Once you have completed your SAQ, the system will guide you to schedule a Scan, if applicable.
2. The Scan will identify vulnerabilities or gaps that may allow unauthorized or malicious users to gain access to your network and potentially compromise cardholder data. The Scan does not require you to install any software, and no denial-of-service attacks will be performed.
3. Upon completion of the Scan, you will receive a link to your full compliance report. A network vulnerability review failure means that the Scan discovered areas of severe vulnerability. The report describes the issues found and provides you with recommendations for scan resources to begin fixing the problems. The tool will guide you to remediate the failed Scan and work toward achieving compliance. Once you have addressed the vulnerabilities, you may simply schedule a follow-up Scan to ensure your remediation of the problem meets the PCI DSS requirements.

(iv) Certificate of Validation. Upon successful completion of the Scan and if applicable, your Certificate of Validation will be issued. You can print your Certificate through our portal once you have completed a paper version of the SAQ, your Certificate will be mailed to you.

(v) Re-Validation. You must maintain a current, successfully completed SAQ and timely pass quarterly Scans, if applicable, in order to take full advantage of the PCI Program. A SAQ is no longer current if the Certificate of Validation issued by us to you is more than one (1) years old. You also are required to re-validate by completing a new SAQ and passing Scans, if applicable, when you make a change in your processing environment or if you fail to timely complete a required quarterly Scan.

1. A change in your processing environment requiring re-validation occurs when you transition from one card-processing environment to another such that your SAQ changes, necessitating re-validation under a new SAQ. With respect to a re-validation required due to change in your processing environment, you must complete the re-validation process within twenty-four (24) hours of such change in order to maintain your validation of compliance with the PCI DSS.

2. With respect to a re-validation required due to failure to complete a required quarterly Scan, we will deem your failure to complete a Scan within ten (10) days of the end of the preceding quarter to require re-validation under the PCI Compliance Validation Process, in order to maintain your validation of compliance with the PCI DSS.

3. With respect to a re-validation required due to the expiration of the annual SAQ or any other reason for which Re-Validation is required, you will have five (5) days to complete the PCI Compliance Validation Process, in order to maintain your validation of compliance with the PCI DSS.

Once you have successfully completed the re-validation of your PCI DSS compliance, we will issue you a new Certificate of Validation for the current validation period.

C. Costs.

(i) We may assess you a non-compliance fee if you do not validate your compliance with the PCI DSS.

E. Security Policy. As part of PCI DSS, the Card Organizations require that you have a security policy that covers the security of credit card information.

F. Amendment. The Security Services is subject to change from time to time by us. Any changes will be effective fifteen (15) days following the date notice of such change is sent to you, even if it was not received by you.

G. Further Information. Please contact your customer service representative.

H. Waiver: Limitations on Waiver. Upon your successful validation of compliance with the PCI DSS under the PCI Program, we agree to waive your liability to us, up to $50,000, for the following fees and costs incurred as a result of a verified compromise of cardholder data that are otherwise your liability under this Agreement: (1) fees and costs associated with a required forensic audit conducted by an approved Qualified Incident Response Assessor (QIRA); (2) fees or assessments levied by a Card Organization as a result of the required forensic audit; and (3) fees and costs associated with the production and distribution of replacement credit cards for compromised card numbers (the “Waiver”).

The Waiver provided under this Section is also subject to the following:

(i) Our agreement to waive your liability is limited to fees and costs described in this Section is only effective upon: (1) your continued validation of compliance with the PCI DSS and participation in the PCI Program; and (2) your successful completion of the PCI Compliance Validation Process described in Section 15.D.b above; provided, however, that there is no change in your business practices regarding Card acceptance. Your continuing qualification for the Program and the use of a Waiver amount for those MIDs is limited to $100,000. In addition, if a MID is one of a group of MIDs that are eligible for and receive a multi-merchant discount for the PCI Program fees, the aggregate Waiver for all MIDs in such group is $100,000.

(ii) Your validation of compliance with the PCI DSS through the PCI Program is required for us to provide the Waiver. To validate your PCI compliance, Merchant must successfully complete the PCI Compliance Validation Process described in Section 15.D.b above and timely re-validation of your compliance with the PCI DSS, including annual completion of a SAQ and passing quarterly vulnerability scans, if applicable, payment of the Program cost, and otherwise complying with the terms of the Program Agreement and the Agreement.

(iii) If you are in compliance with the requirements of subsection (i) above, we agree to waive up to $50,000 in fees and costs described in this Section for each unique Merchant Identification Number (MID). If you have multiple MIDs that have the same federal tax identification number (or in the case of a sole proprietorship, the same social security number), then the maximum aggregate Waiver amount for those MIDs is limited to $100,000. In addition, if a MID is one of a group of MIDs that are eligible for and receive a multi-merchant discount for the PCI Program fees, the aggregate Waiver for all MIDs in such group is $100,000.

(iv) Our Waiver of up to $50,000 of the costs and fees described is limited to one (1) compromise of cardholder data incident per Program year. Any subsequent incidents occurring during the same Program year are not eligible for the Waiver, and any costs and fees associated with such incident(s) remain your liability under this Agreement. Chargebacks and reversals are not eligible for the Waiver under any circumstances.

16. Representations and Warranties. You represent and warrant that:

A. Information. Any information you have submitted is true, complete, and accurate. This includes information about your entity type, the nature of your business (e.g., products and services sold, manner of sale, etc.), and the financial condition and ownership and executive structure of your business.

B. Corporate Power. You and the person signing this Agreement on your behalf have the power to execute this Agreement and to perform under this Agreement. The person signing this Agreement may execute any future documents and take any future action on your behalf.

C. Existence/Organization. You are a person or an entity validly existing and organized in the United States.

D. No Litigation. You have no knowledge of an actual or threatened action, suit, or proceeding that might impair your financial condition or prevent you from operating your business as you now conduct it. You have never appeared on MasterCard’s MATCH system or the Combined Terminated Merchant File, except as already disclosed in writing.

Transactions. The Card Transactions you submit to us: (i) represent the obligations of the authorized Cardholder for merchandise or services actually sold, rented, or rendered (except for any delayed delivery or advance deposit authorized by the Rules) and must not involve any element of credit for any other purpose; and (ii) represent bona fide Cardinals of merchandise and/or services not previously submitted and do not represent a refinancing of

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Merchant Processing Agreement
Terms and Conditions

any prior obligation; (iii) are not subject to any dispute, setoff, or counterclaim against the price; (iv) are not, to your knowledge or notice, fraudulent, not authorized by the Cardholder, subject to any other infirmity or impairment; and (v) do not result from any sale outside your normal course of business, as described in the Application.

F. **Products and Services.** The following items are true: (i) you have complete power and authority to sell the products and services you offer and to display the advertisements you use; (ii) your products and services are not illegal, and you will not accept a Card for any illegal transaction; (iii) you will prominently and unequivocally inform each Cardholder of your identity at all points of interaction during the transaction to distinguish you from any other party; (iv) your products, services, and business name do not infringe upon the rights of any other person, including trademark, copyright, confidentiality or patent rights; and (v) you will not sell, market, or display any products or services that would jeopardize our reputation.

G. **PIN Debit & EBT Card Processing Services; Availability of Terminals.** We will process PIN debit EBT Card transactions for you if indicated in the Application and/or an Amendment. If you accept EBT Cards, the terms in Addendum A shall apply. We will provide sponsorship services to you (through a third party bank), if applicable. You will take all steps necessary to ensure that point-of-sale devices and PIN pads will be available for Cardholder use and will function in a reliable manner.

17. **Special Association Considerations.** There are a few special rules regarding your participation in the Discover or American Express Card programs.

A. **Discover.** We have no liability for not processing or settling a retained Discover merchant's Discover Cards (as defined by Discover).

B. **American Express.** The following terms apply only to your American Express Program (see the American Express merchant requirements for capitalized terms).

i. You authorize us to exchange transaction and settlement information with American Express on your behalf.

ii. You agree to comply with the American Express Program terms provided in the Rules Summary, and the American Express Merchant Operating Guide, which can be located at http://www.americanexpress.com/merchantguide and is incorporated herein by reference.

iii. We may disclose Transaction Data, Merchant Data, and other information about you to American Express. American Express may use the disclosed information for any lawful business purpose.

iv. In the event your Charge Volume exceeds (1) $1,000,000 in a rolling twelve month period, or (2) $1,000,000 in any three consecutive months ("High CV Merchant"), American Express may convert you to a direct Card acceptance relationship. Upon conversion, you will be bound by American Express' then-current Card Acceptance Agreement and corresponding pricing and fees.

v. You shall only sell bona fide goods and services at your establishment(s). Your Card transactions shall be free of liens, claims, and encumbrances, other than ordinary Card tax. Additionally, you shall not assign any payments you are due under the Agreement to a third party. However, you may sell and assign future transaction receivables to us or our affiliated entities and/or any other cash advance funding source we (or our affiliates) partner with.

vi. This Agreement confers third party beneficiary rights in American Express for enforcing terms against you. It imposes no obligations on American Express.

vii. You may opt out of accepting American Express Cards in writing without affecting your rights to accept other payment products.

viii. We may terminate your right to accept American Express Cards if: (i) you breach the Agreement; (ii) American Express instructs us to do so; or (iii) you engage in fraudulent or any other activity justifying termination.

ix. You may not bill or collect from any American Express cardholder for any purchase or payment on the Card unless chargeback has been exercised, you have fully paid for the purchase, and you otherwise have the right to do so.

x. You agree to remove any American Express Licensed Marks from your website or any other location when your participation in the Program ends.

xi. If you do not participate in the American Express Program or EA Program, we will have no liability for not processing or settling your American Express transactions. Further, American Express cards will not be included in the definition of Cards.

18. **Key Definitions.** The following definitions are especially important:

A. "Agreement" means the Merchant Processing Agreement (including these Terms and Conditions), the Application, Rules Summary, Operating Regulations, and any attached addenda, exhibits, schedules, or other documents.

B. "Associations" means, collectively, MasterCard International Inc. ("MasterCard"), Visa U.S.A., Inc. ("Visa"), DFS Services LLC dba Discover Network ("Discover") (including any card issuer of payment cards processed and settled through the Discover network, which may include Japanese Credit Bureau ("JCB"), China Union Pay ("CUP") and Diners Club International ("DCI"), and American Express Travel Related Services Company, Inc. ("American Express") and certain similar entities.

C. "Application" means either the physical/virtual form or the act of making application to Worldpay ISO Inc. by providing information via a web page user interface.

D. "Cards" means Association or Other Network branded cards that enable consumers to purchase goods and services from Merchants.

E. "Cardholder(s)"; persons authorized to use Association or Network branded cards.

F. "Effective Date" means the later of (i) the date you signed the Application, or (ii) the date we approved the Application.

G. "ISO/MSP" means an independent Card organization/member service provider operating under the Operating Regulations.

H. "Laws" means all applicable state, federal, and local laws, rules, and regulations.

I. "Member Bank" means a member of Visa® MasterCard® and/or Other Networks, as applicable, that provides sponsorship services in connection with this Agreement.

J. "Operating Regulations" means the Association and Network bylaws, operating regulations, rules, policies and procedures. The Operating Regulations may be changed or updated from time to time without notice.

K. "Other Networks" or "Networks" means, collectively, all Processor supported networks not defined above as Associations.

L. "Rules Summary" means the document containing a summary of key Operating Regulations governing this Agreement as amended from time to time.
Good Business Practices That Will Help Reduce Your Processing Costs

- Use an imprinted sales ticket with signature for all “key entered” transactions. This will assist you with issues such as chargebacks.
- Close and settle your sales transactions daily. This will help reduce those instances where “Mid-Qualified” or “Non-Qualified” discount rates are assessed.
- Balance your Merchant Account, processing statements from Processor, Member Bank, Associations, and Third Party Service Providers, and your sales slips to assure that you are receiving anticipated funds in a timely fashion, as more fully described below. Because of the number of parties involved in the processing of credit card and other electronic transactions, the only way to ensure that you receive all funds is by balancing each day’s sales tickets against daily ACH deposits.
- Respond within the acceptable time frame to retrievals and/or chargebacks in order to assure the most favorable outcome possible.
- Do not call the voice authorization center for services other than authorization.
- Settle disputes with your customers before they reach “chargeback” status. A chargeback is like a returned check, it is expensive and time consuming.
- Read your Merchant Processing Agreement and these Rules closely and thoroughly.
- Shipping products overseas without a card present should be clearly monitored. Merchant has little ability to prevent a chargeback in this type of situation.
- You should carefully reconcile sales tickets against deposits daily, particularly in the following situations: installation of new equipment, new downloads, adding new products to your terminal, power outages, change in your Merchant Account.

1. Honoring Cards

A. You shall honor all Cards when presented in accordance with these Rules for the purchase of goods or services or in processing a request for credit resulting from such a transaction, by an authorized holder of a Card without imposing any special conditions not required by any Rules. However, if you do not deal with the public at large (for example, if your business is a private club), you are required to honor a valid Card only if presented by a cardholder who has purchasing privileges or a membership with you. You may attempt to steer customers who initially present a Card to an alternative method of payment, such as by providing discounts for cash, but you may not do so in a confusing or misleading manner or make such offers available only to cardholders. You may also consider whether present circumstances create undue risk, for example if the sale involves high-value electronics, but the card signature panel is not signed, and the Cardholder does not have any other identification.

B. Cardholder Identification. You will identify the Cardholder and check the expiration date and signature on each Card. You will not honor any Card if:
   - (i) the Card has expired; and/or (ii) the signature on the Sales Draft does not correspond with the signature on the Card; or (iii) the account number or cardholder information on the Card does not match the account number on the Card’s magnetic stripe (as printed in electronic form) or the account number is listed on a current Electronic Warning Bulletin file. Unless permitted under the Laws and Rules, you will not require a Cardholder to provide personal information, such as a home or business telephone number, a home or business address, or a driver’s license number, as a condition for honoring a Card.

C. Responsibility for Transactions. Merchant is responsible for ensuring that the Cardholder understands that the Merchant is responsible for the transaction, including goods or services that are the subject of the transaction, and for related customer service, dispute resolution, and performance of the terms and conditions of the transaction. A Merchant must prominently and unequivocally inform the Cardholder of the identity of the Merchant at all points of interaction so that the Cardholder readily can distinguish the Merchant from any other party such as a supplier of goods or services to the Merchant.

D. Card Recovery. You will use your reasonable, best efforts to recover any Card: (i) on Visa Cards, if the printed four digits above the embossed account number do not match the first four digits of the embossed account number; (ii) if you are advised by Member Bank (or its designee), the issuer of the Card or the designated voice authorization center to retain it; (iii) if you have reasonable grounds to believe the Card is counterfeit, fraudulent or stolen, or not authorized by the Cardholder; or (iv) for MasterCard Cards, the embossed account number, indent printed account number and/or encoded account number do not agree, or the Card does not have a MasterCard hologram on the lower right corner of the Card face. This obligation upon you in no way authorizes a breach of the peace or any injury to persons or property, and you will hold Processor or Member Bank harmless from any claim arising from any injury to person or property or other breach of peace.

E. Return Policy. You will properly disclose to the Cardholder, at the time of the transaction and in accordance with the Rules, any limitation you have on accepting returned merchandise.

F. No Claim Against Cardholder. You will not have any claim against, or right to receive payment from a Cardholder unless Member Bank or Processor refuses to accept the Sales Draft or revokes its prior acceptance of the Sales Draft (after receipt of a chargeback or otherwise). You will not accept any payments from a Cardholder relating to previous charges for merchandise or services included in a Sales Draft, and if you receive such payment, you will promptly remit them to Member Bank. You may not reimburse a Cardholder in cash or check for any transaction.

G. Disputes With Cardholders. You must ensure that the Cardholder understands that you are responsible for the transaction, for any related customer service, dispute resolution, and performance of the terms and conditions of the transaction. All Disputes between you and any Cardholder relating to a transaction will be settled between you and the Cardholder. Neither Processor nor Member Bank bears any responsibility for such transactions. You shall not require a Cardholder to waive his or her rights to dispute the transaction as a condition of the sale.

H. Employee Actions. You are responsible for your employees’ actions while in your employ.

I. Prohibitions on Card Acceptance. You may not do any of the following:
   - (i) submit for payment into interchange any transaction that is illegal or that you should have known was illegal; (ii) require a Cardholder to complete a postcard or similar device that includes the Cardholder’s account number, expiration, signature, or any other account-related data in plain view when mailed; (iii) add a tax to a transaction, unless a law or a Card Organization requires you to impose a tax, and in such event the tax amount must be included in the transaction amount and not collected separately; (iv) request or use an account number for any purpose other than as payment for goods or services, except as permitted by the Rules; (v) disburse funds in the form of travelers cheques, if the sole purpose is to allow cardholder to make a cash purchase of goods or services from you, (vi) permit a Cardholder to purchase travelers cheques, or other similar item, if the sole purpose is to allow the Cardholder to make a cash purchase of goods or services from Merchant; (vii) accept a Card to collect or refinance an existing debt that has been deemed uncollectible; (viii) enter into interchange a transaction that represents collection of a dishonored check; (ix) require a Cardholder to waive his/her rights to dispute a transaction as a condition of sale; (x) accept Cardholder payments for previous Card charges incurred at the Merchant location; (xi) submit for payment into interchange any transaction that may in the sole discretion of a Card Organization, damage the goodwill of such Card Organization or reflect negatively on a Card Organization’s brands; (xii) add any surcharge to a transaction; (xiii) enter into interchange any transaction receipt for a transaction that was previously charged back to Member Bank and subsequently returned to you, irrespective of Cardholder approval (you may pursue payment from the customer outside of the Card Organization system; (xiv) accept a Card for the purchase of Scrip; (xv) accept a Visa Electron Card or a Visa TravelMoney Card for manual cash disbursement; or (xvi) redeem a Visa Prepaid Card for cash. You may establish a minimum sale amount as a condition for honoring Cards, provided that the minimum transaction amount does not differentiate between Card Organizations and/or issuers and the minimum transaction amount does not exceed $10.00 (or any higher amount established by applicable law or the Rules). Unless otherwise set forth below or otherwise allowed by applicable law or the Rules, you may not establish a maximum sale amount as a condition for honoring Cards. You may establish a maximum sale amount as a condition for honoring Cards if you are a department, agency or instrumentality of the U.S. Government, you are a corporation owned or controlled by the U.S. Government, or your primary business is reflected by one of the following MCCs: 8220 (Colleges, Universities, Professional Schools and Junior Colleges), 8244 (Schools, Business and Secretarial), or 8249 (Schools, Trade and Vocational), provided that the maximum transaction amount does not differentiate between Card Organizations and/or issuers.

J. Security Features. You are required to examine the Card security features prior to completing a sale. You should examine the Card to be sure there has been no tampering to the signature panel. Specific Card security features are as follows:
i. Visa:
   a. The “DOVE” hologram should appear to fly when tilted.
   b. All Visa account numbers begin with a “4” and can be up to 19 digits long.
   c. The first four digits of the embossed account number match the four digits printed on the account number of the Card.
   d. The “V” to the right of the expiration date should be a special letter (a “Flying V” not a normal “V”).

ii. MasterCard:
   a. The MasterCard Global hologram or the Debit MasterCard hologram and the MasterCard brand mark stacked within a retainer line, or the MasterCard brandmark without a retainer line if the hologram is on the back.
   b. All MasterCard account numbers are 16 digits long.
   c. The first four digits of the embossed account number match the four digits printed on the account number of the Card. The last four digits of the account number are embossed over the hologram.

iii. Discover Network: (certain valid devices (e.g., radio frequency enabled Cards, key fobs, contactless Cards, and JCB and DCI Cards) may not display the features described below).
   a. Card numbers are at least 16 digits embossed on the front of the Card.
   b. The word DISCOVER or DISCOVER NETWORK will appear in ultraviolet ink on the front of the Card when it is held under an ultraviolet light.
   c. An overprint on the signature panel reads Discover Network.
   d. The Discover Network three-dimensional hologram, bearing a distinct circular shape and images of a globe pierced by an arrow, water and stars on a repetitive pattern background (the “Discover Network Hologram”) appears on the front of certain Discover Network Cards. The hologram reflects light and appears to move as the Card is rotated.

When an Electronic Cash Register or Electronic Draft Capture terminal reads the magnetic stripe on the Card, you must check the Card account number on the terminal (if displayed) against the account number embossed on the Card or follow such other security check as is mandated by Processor from time to time.

If the Card is read with a terminal that displays the Card number and the Sales Draft is printed, you shall verify that the account number displayed on the terminal and the printed card numbers on the Sales Draft match the embossed numbers on the face of the Card. In the event that they do not match, the sale must not be completed. Failure to follow these checks and procedures will expose you to chargebacks. If the terminal is programmed to require you to key the last 4 or more digits of each Card used for a sale, and the terminal indicates that the numbers keyed are not the same as those present on the Card, the sale must not be completed.

K. Advertising. You must display Visa, MasterCard, Discover Network and any other applicable Card issuer, Debit Network and EBT Network decals and program marks on promotional materials that Processor furnishes, including, if applicable, the JCB, CUP, DCI and/or Electron symbol, in equal prominence near the point-of-sale devices and as otherwise required by the Rules. Your use of the promotional materials of Visa, MasterCard, Discover Network or any other Association or State will not indicate, directly or indirectly, that Visa, MasterCard, Discover Network or any other Association or State endorse any goods or services other than their own and you must not refer to Visa, MasterCard, Discover Network or any other Association or State in stating eligibility for your products or services.

L. Acceptance Procedures. You may ask or incent your customers to use alternative forms of payment other than a Visa or MasterCard. Discounts can be offered on alternate card brands, card types or payment types. Card brand or payment method preference can be promoted, as well as the ability to inform your customers of the costs associated with accepting a particular card type or brand.

i. MasterCard Specific Requirements. You may request or encourage a customer to use a payment card with an acceptance brand other than MasterCard or other form of payment or a Card of a different product type (e.g., traditional cards, premium cards, rewards cards) than the Card the consumer initially presents. You may do so by methods that include, but are not limited to:
   a. offering the customer an immediate discount from your list, stated, or standard price, a rebate, a free or discounted product or service, or any other incentive or benefit if the customer uses a particular payment card with an acceptance brand other than MasterCard or other particular form of payment;
   b. offering the customer an immediate discount from your list, stated, or standard price, a rebate, a free or discounted product or service, or any other incentive or benefit if the customer, who initially presents a MasterCard, uses instead another payment card or another form of payment;
   c. expressing a preference for the use of a particular payment card or form of payment;
   d. promoting the use of a particular general purpose payment card with an acceptance brand other than MasterCard or the use of a particular form or forms of payment through posted information, through the size, prominence, or sequencing of payment choices, or through other communications to customers (provided that merchants will abide by the MasterCard trademark standards relating to the display of its marks); or
   e. communicating to customers the reasonably estimated or actual costs incurred by you when a customer uses particular payment cards or forms of payment or the relative costs of using different general purpose payment cards or forms of payment.

You are free to engage in the POS practices that are described above, or any other substantially equivalent practices.

ii. Visa Specific Requirements. You may steer customers to use a particular network brand, such as Visa or MasterCard, to a type of payment card, such as a “non-reward” credit card; or to another preferred form of payment. You may also encourage a customer who initially presents a Visa card to use a payment card with a different network brand, a different type of payment card, or a different form of payment. You may engage in any of the following steering activities:
   a. offering a customer a discount or rebate, including an immediate discount or rebate at the point of sale;
   b. offering a free or discounted product;
   c. offering a free or discounted or enhanced service;
   d. offering the customer an incentive, encouragement or benefit;
   e. expressing a preference for the use of a particular brand or type of general purpose card or a particular form of payment;
   f. promoting 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;
   g. communicating 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
   h. engaging in any other practices substantially equivalent to these.

You are not required to display the Visa mark in a size as large as other payment marks. You may promote acceptance brands other than Visa through the size, prominence, or sequencing of payment choices. However, you must continue to respect a cardholder’s ultimate decision to pay with Visa: you still have an obligation to accept for payment properly presented Visa cards, including rewards cards. In addition, surcharging of Visa cards and steering among Visa cards based on the issuing bank are not permitted and you must ensure that your steering practices are not performed in a confusing manner.

iii. American Express Specific Requirements. If you accept American Express cards, you must comply with the American Express rules regarding card acceptance. You should review your agreement with American Express for further details on the requirements for American Express card acceptance.

   A. Required on all Transactions. You will obtain a prior authorization via electronic terminal or similar device before completing any transaction, including MO/TO transactions. You will follow any instructions received during such authorization process. Upon receipt of authorization, you may consummate only the transaction authorized and must note on the Sales Draft the authorization number. Where authorization is obtained, you will be deemed to warrant the true identity of the customer as the Cardholder. If you receive a negative authorization response, you may not complete the sale and may be requested to recover the Card, if you can do so by reasonable and peaceful means. If you do recover the Card, you should notify the voice authorization center and ask for further instructions. Transactions will be deemed invalid on Cards that are expired, whether or not an authorization has been obtained. For electronic commerce transactions, you must attempt to obtain the Card expiration date and forward it as part of the authorization request. You may not, after receiving a negative response or decline on an authorization request, split the sale amount into multiple transactions in order to obtain a valid authorization for each one so that the separate transactions total the original dollar amount of the sale.
B. Effect. Authorizations are not a guarantee of acceptance or payment of the Card transaction and will not waive any provision of this Agreement or otherwise validate a Fraudulent Transaction or a transaction involving the use of an expired Card. Obtaining an authorization will not assure payment to you for a Card transaction. The fact that an authorization is obtained by you will not affect Processor’s or Member Bank’s right thereafter to revoke the authorization of a Card transaction or to charge back the transaction to you. In no event will the fact that an authorization is obtained by you be deemed to be Processor’s or Member Bank’s 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.

C. Unreadable Magnetic Stripes. If you authorize and present Card transactions electronically and your terminal is unable to read the magnetic stripe on the Card, you will obtain an imprint of the Card and the Cardholder’s signature on the imprinted draft before presenting the Sales Draft to Member Bank and Processor for processing.

D. Procedures. If an unsigned Card is presented at the point of sale, you must request that Cardholder provide proof of identification and sign the card before completing the sale. Details of the identification provided must be placed on the Sales Draft unless prohibited by local law. If the Cardholder refuses to do so, the sale must not be completed. In any of the following cases, you shall obtain authorization from the voice authorization center, designated or approved by Processor or Member Bank, before completing a sales transaction:

i. paper merchants whose sales exceed your floor limit as established by Processor or Member Bank, or amended from time to time;

ii. an unsigned Card is presented;

iii. if you believe the Card may be counterfeit or stolen or that the sale is in some other manner suspicious or unusual, you should state to the voice authorization clerk, “This is a Code 10” and await further instruction; or

iv. in any other circumstances established by Processor or Member Bank stated in the Rules and/or this Agreement.

E. If you are approved to utilize batch authorization by Processor, you may obtain batch authorization for certain sales after such sales have occurred provided, however, that authorization for each transaction is obtained by end of the calendar day upon which such sale was initiated and that you do not present the batch by account number or BIN. Further, you explicitly agree that you will be responsible for any fines, fees, chargebacks, assessments, and declined or disputed transactions that may result from using a batch authorization process.

3. Sales Drafts.

A. Forms. You will use a Sales Draft to document each Card transaction. Each Sales Draft will be legibly imprinted with: (i) Merchant’s name, identification number, and city and state; (ii) the information embossed on the Card presented by the Cardholder (either electronically or manually); (iii) the date of the transaction; (iv) a brief description of the goods or services involved; (v) the transaction authorization number; (vi) the total amount of the sale (including any applicable taxes) or credit transaction; and (vii) adjacent to the signature line, a notation that all sales are final, if applicable. If you use an electronic terminal to print Sales Drafts, the account number must be truncated on the cardholder copy of the Sales Draft. This means that only the last 4 digits of the account number may appear. The entire expiration date must be suppressed on receipts provided to cardholders.

B. Signatures. Sales Drafts must be signed by the Cardholder. The requirement for the Cardholder’s signature on the Sales Draft will only be waived if the Card transaction is a valid MOTO or electronic commerce card transaction, which fully complies with the requirements set forth in this Agreement, or if otherwise permitted by the Rules.

C. Delivery and Retention of Sales Drafts. You will deliver a complete and legible copy of the Sales Draft or credit voucher to the Cardholder at the time of the transaction. You shall store all Sales Drafts and transaction records in a limited access area for at least 1 year after the date of sales. You will retain the Merchant copy of the Sales Draft or credit memorandum for at least 12 months following the date of completion of the transaction for Visa Card transactions, at least 18 months following the date of completion of the transaction for MasterCard Card transactions and at least 3 years following the date of completion of the transaction for Discover Network Card transactions (or such longer period as the Rules may require), which documentation must be maintained in a secure manner in accordance with your obligations under the Bank Card Merchant Agreement. You will submit to Processor or Member Bank a legible copy of a Sales Draft if any Card holder consents to such activity. If you receive a chargeback for an international Cardholder, you are responsible for any currency conversion differences in the dollar amount. You will be charged the fee indicated on the Merchant Application for each chargeback.

4. Chargebacks.

Failure to comply with the Rules will reduce Processor or Member Bank’s ability to reverse chargebacks and increase the likelihood of your receiving a chargeback. You may be subject to a chargeback on sales for a minimum period of 180 days of the date the sale was entered into the Association’s processing system. Processor may hold funds from your account to cover any chargebacks for the later of 270 days following the effective date of termination of this Agreement or 180 days from the date of your last chargeback. Processor or Member Bank will mail all chargeback documentation to the address provided by you. You agree to respond promptly to all chargebacks. If Processor or Member Bank elects, at its discretion, to take action on chargebacks after the Association time limits have expired, such action shall be done at additional cost. You will not redeposit sales that have been previously charged back and not represented. This restriction applies whether or not the Cardholder consents to such activity. If you receive a chargeback for an international Cardholder, you are responsible for any currency conversion differences in the dollar amount. You will be charged the fee indicated on the Merchant Application for each chargeback.

5. Chargeback Reasons.

A. Summary. The summary of reasons for chargebacks include, but are not limited to, any one of the following:

i. an invalid Card account number submitted by you;

ii. neither the Cardholder nor a person authorized by the Cardholder received the goods or services requested;

iii. the Cardholder received the good or services but disputes the quality;

iv. the Cardholder never received credit for a returned item or a canceled order;

v. the Cardholder was charged incorrectly;

vi. the amount of the sale exceeded the floor limit and an authorization was not obtained or was denied;

vii. the sale was authorized but not for the correct amount;

viii. the authorization code provided is invalid;

ix. the Card was expired at the time of the sale or had not reached its effective date;

x. the Sales Draft was not signed. An exception will be made where MOTO sales are permitted by Processor;
xi. the Card issuer has information that a Merchant fraud has occurred;

xii. the Card account number and the amount of sale is missing from Sales Draft or is illegible;

xiii. the Sales Draft bears the imprint of a Card which to the Associations is a counterfeit Card because the Card is not embossed in accordance with the standards set forth in the Rules, even if the sale was authorized.

6. Chargeback Monitoring Programs.

A. If you exceed a 1% chargeback to interchange ratio for all incoming chargebacks for a particular location you are considered an excessive chargeback merchant and may be subject to a Card Organization's monitoring programs. You are responsible for monitoring your monthly chargeback percentage and developing chargeback reduction plans as required by the Card Organizations. Excessive chargeback activity for an unreasonable period of time may result in termination of this Agreement. The purpose of these programs is to reduce the use of lost, stolen, fraudulent, and counterfeit Cards.

In the event that you are identified under these programs as exceeding the acceptable threshold value of such Cards, you may become liable for chargebacks and sales on lost, stolen, or counterfeit Cards regardless of the Card acceptance procedures followed, and this Agreement may be terminated by Process or Member Bank and/or Process or Member Bank may immediately cease providing services to Merchant without notice.

C. Excessive Activity. Your presentation to Processor of Excessive Activity will be a breach of this Agreement and cause for immediate termination. “Excessive Activity” means, during any monthly period, and for any one of Merchant’s terminal identification numbers or Merchant Identification Numbers, chargebacks and/or retrieval requests in excess of 1% of the average monthly dollar amount of your Card transactions or returns in excess of 3% of the average monthly dollar amount of Sales Drafts. You authorize, upon the occurrence of Excessive Activity, Member Bank and Processor to take additional actions as either of them may deem necessary, including but not limited to suspension of processing privileges or creation or maintenance of a Reserve Account in accordance with this Agreement.

7. Credits.

A. Credit Memoranda. You will issue a credit memorandum, instead of making a cash advance, a disbursement or a cash refund on any Card transaction. Member Bank will debit the Merchant Account for the total amount of each credit memorandum submitted to Processor. You will not submit a credit relating to any Sales Draft not originally submitted to Processor, nor will you submit a credit that exceeds the amount of the original Sales Draft. You will, within the time period specified by applicable law, provide Processor with a card memorandum of credit or credit statement for every return of goods or services, or return or refund, or any credit claiming to be for the purchase of goods or services.

B. Revocation of Credit. Member Bank or Processor may refuse to accept any Sales Draft or revoke its prior acceptance of a Sales Draft in the following circumstances: (i) the transaction giving rise to the Sales Draft was not made in compliance with this Agreement, the Laws and the Rules; (ii) the Cardholder disputes his/her liability to Member Bank for any reason, including but not limited to those chargebacks and/or credit memorandum numbers or Merchant Identification Numbers, chargebacks and/or retrieval requests in excess of 1% of the average monthly dollar amount of your Card transactions or returns in excess of 3% of the average monthly dollar amount of Sales Drafts. You authorize, upon the occurrence of Excessive Activity, Member Bank and Processor to take additional actions as either of them may deem necessary, including but not limited to suspension of processing privileges or creation or maintenance of a Reserve Account in accordance with this Agreement.

C. Returns. If you agree to credit a Cardholder for any merchandise or service that was the subject of a sale, you must provide a Credit Transaction Receipt using the same Card as in the original sale. Such credit shall not exceed the original sale amount. You shall not make any cash refund on sales. You may limit the acceptance of returned merchandise or establish a policy to make price adjustments for any sale provided proper disclosure is made and the Merchant determines that the goods or services are delivered to the Cardholder at the time of the sale. Proper disclosure means the words “NO REFUND,” “EXCHANGE ONLY,” or “IN STORE CREDIT ONLY” are printed in large letters near the signature line on all copies of the Sales Draft prior to obtaining the Cardholder’s signature on the Sales Draft. You may stipulate other special circumstances or terms of the sale on the Sales Draft. For each credit transaction, you must be able to provide Processor or Member Bank with evidence of the original purchase.

D. Fraud and Factoring. You agree that, except as otherwise contemplated herein or otherwise permitted by Processor, you will use the services provided by Processor only for your own internal and proper business purposes and will not resell, directly or indirectly, any of the services or any portion thereof to any third party. You must deposit only transactions that directly result from Cardholder transactions at your merchant locations. You must not deposit transactions resulting from any transaction involving a Card between a Cardholder and another entity (with the exception of Payment Service Providers (PSPs), who may deposit transactions resulting from a transaction between a Cardholder and a Service Provider (e.g., a Merchant and a PSP)). You will not present for processing or credit, directly or indirectly, any transaction not originated as a result of a Card transaction directly between you and a Cardholder or any transaction you know or should know to be fraudulent or not authorized by the Cardholder. Perpetrators of Fraudulent Transactions will be referred to law enforcement authorities. You will not sell, retain or otherwise disclose Cardholder information other than in the course of performing your obligations under this Agreement. You will not deposit any Sales Draft representing the refinancing of an existing obligation of a Cardholder. In addition to Processor’s and Member Bank’s ability to establish and maintain a Reserve Account, you agree that Processor may, within its sole discretion, suspend the disbursement of Sales Draft funds for any reasonable period of time required to investigate suspicious or unusual deposit activity. Upon completion of Processor's investigation, Processor may transfer such Sales Draft funds into a Reserve Account.

8. Other Types of Transactions.

A. Mail Order and Telephone Order. You may not solicit or accept mail orders or telephone orders or any transaction in which the Cardholder and Card are not present (“MO/TO”) without prior written authorization from Processor. MO/TO transactions completed without prior written consent of Processor or Member Bank will be a breach of this Agreement and cause for immediate termination in addition to any other remedies available under the Laws and the Rules. You may be required to use an address verification service (“AVS”) on MO/TO transactions and are encouraged to use AVS even if not required. AVS is not a guarantee of payment and the use of AVS will not waive any provision of this Agreement or validate a Fraudulent Transaction. You will obtain the expiration date of the Card for a MO/TO transaction and submit the expiration date when obtaining authorization of the Card transaction. For MO/TO transactions, you will type or print legibly on the signature line of the Sales Draft the following applicable words or letters: mail order or “MO” or telephone order or “TO”. If you are specifically authorized by Processor or Member Bank to accept MO/TO sales, no sale shall be submitted for processing prior to the shipping of the product or the provision of services purchased by the Cardholder. If you supply goods and/or services under a preauthorization order, you shall not charge a Cardholder for goods after receiving notice from a Cardholder that the authorization for goods or services is canceled. The form of payment or use of funds received shall reflect the goods or services purchased by the Cardholder.

B. Recurring/Quasi Cash Transactions. You may not accept transactions where the goods or services are performed periodicaly without Processor’s consent. If you receive such consent, you must obtain a written request from the Cardholder for such goods and services to be charged to the Cardholder’s account, for the frequency of the recurring charge and the duration of time during which such charges may be made. You will not complete any recurring transaction after receiving: (i) a cancellation notice from the Cardholder, (ii) notice from Processor or Member Bank indicating that you may not accept such transaction, or (iii) a request from the Cardholder that the Card is not to be honored. You must print legibly on the Sales Draft the words “Recurring Transaction”. You shall not accept sales for processing that are classified as “QuasiCash Transactions” including but not limited to the sale of casino gaming chips, money orders, opening deposits on financial or other accounts, wire transfer money orders, or the purchase of an item that is not a card (i.e., a check). You will not accept recurring transaction for any transaction involving a Cardholder and another entity (with the exception of Payment Service Providers and MasterCard processing terminal to issue script exchangeable for cash, products, or services as a result of a sale. You must not submit for payment into interchange any transaction that represents the refinancing or transfer of an existing Cardholder obligation that is deemed to be uncollectible, or that arises from the dishonor of a Cardholder’s personal check.

C. Multiple Sales Drafts. You will include a description and total amount of goods and services purchased in a single sales transaction on a single Sales Draft or transaction record, unless: (i) partial payment is entered on the Sales Draft or transaction record and the balance of the transaction amount is paid in cash or by check at the time of transaction, or (ii) a Sales Draft represents an
advance deposit in a Card transaction completed in accordance with this Agreement and the Rules. If the total amount of both Sales Drafts exceeds the floor limit, authorization must be obtained. The use of multiple Cards for one purchase is permissible as long as an individual Sales Draft is used for each Card. The use of multiple sales on one Card, for one purchase, is not permitted.

D. Deposits.

i. Prior Consent. You will not accept for payment by Card any amount representing a deposit or partial payment for goods or services to be delivered in the future without prior written consent of Processor. The acceptance of a Card for payment or partial payment of goods or services to be delivered in the future without consent will be deemed to be a breach of this Agreement and cause for immediate termination in addition to any other remedies available under the Laws or Rules.

ii. Acceptance. If you have obtained prior written consent, then you will complete such Card transactions in accordance with this Agreement, the Rules, and the Laws. Cardholders must execute one Sales Draft upon making a deposit with a Card and a second Sales Draft upon paying the balance. You will note upon the Sales Draft the words “deposit” or “balance” as appropriate. You will not deposit the Sales Draft labeled “balance” until the goods have been delivered to Cardholder or you have fully performed the services.

E. Future Delivery. You will not present any Sales Draft or other memorandum to Member Bank or Processor for processing (whether by electronic means or otherwise) which relates to the sale of goods or services for future delivery without Processor’s prior written authorization. If Member Bank or Processor have previously given such consent, you represent and warrant to Member Bank and Processor that you will not rely on any proceeds or credit resulting from such transactions to purchase or furnish goods or services. You will maintain sufficient working capital to provide for the delivery of goods or services as agreed upon in the future date independent of any credit or proceeds resulting from Sales Drafts or other memoranda taken in connection with future delivery transactions.

F. Electronic Commerce Transactions.

i. Electronic Commerce. You must obtain the consent of Processor to process electronic commerce (“EC”) transactions, and you may process such transactions only if the transactions comply with the Payment Card Industry Security Standard requirements set forth below. If you submit EC transactions without Processor’s consent, Processor may immediately terminate this Agreement. You understand that transactions processed via EC are high risk and subject to a higher incidence of chargebacks. A Merchant must not refuse to complete an EC transaction using a MasterCard card solely because the Cardholder does not have a digital certificate or other secured protocol. You are liable for all chargebacks and losses related to EC transactions, whether or not: a) EC transactions have been encrypted; and/or b) you have obtained the consent of Processor to engage in such transactions. Encryption is not a guarantee of payment and will not waive any provision of this Agreement or otherwise create a Fraudulent Transaction. You are responsible for contracting with a third-party payment gateway or other Internet service provider. You must ensure that such third parties transmit Sales Drafts to Processor and Member Bank in an acceptable format and in compliance with the Rules, including but not limited to PCI DSS. All communication costs related to EC transactions are your responsibility. You understand that Processor will not manage the EC telecommunications link and that it is your responsibility to manage that link. All EC transactions will be settled by Member Bank into a depository institution of the United States in U.S. currency.

ii. Requirements. For goods to be shipped on EC transactions, you may obtain authorization up to 7 calendar days prior to the shipment date. You need not obtain a second authorization if the Sales Draft amount is within 15% of the authorized amount provided that the additional amount represents shipping costs. Further, your website must contain all of the following information: a) complete description of the goods or services offered, b) returned merchandise and refund policy, c) customer service contact, including electronic mail address and/or telephone number, d) transaction currency (such as U.S. or Canadian dollars), e) export or legal restrictions, if known, and f) delivery policy. If you store Cardholder account numbers, expiration dates, and other personal Cardholder data in a database, you must follow Association guidelines on securing such data.

iii. Cardholder Information Security Program. If you accept EC transactions, you must: install and maintain a working network firewall to protect data accessible via the Internet, keep security patches up-to-date, encrypt stored data and data sent over open networks, use and update antivirus software, restrict access to data by business “need-to-know”, assign a unique ID to each person with computer access to data, not use vendor supplied defaults for system passwords and other security parameters, track access to data by unique ID, regularly test security systems and processes, maintain a policy that addressed information security for employees and contractors, and restrict physical access to Cardholder information.

iv. Physical Address. If you accept EC transactions, your website must include the physical address of your permanent establishment, along with your country of domicile, either:

• On the same screen view as the checkout screen used to present the total purchase amount, or
• Within the sequence of webpages the Cardholder accesses during the checkout process.

v. You acknowledge and agree that you will only submit Electronic Commerce Card transactions in U.S. Dollars that arise from a Cardholder’s purchase over the Internet. If software is to be purchased by you, you will be responsible for sublicensing fees and all other fees for software and the software program utilized by that provider that enables you to connect to and maintain communication between you, the Internet and Processor. You will, at all times, maintain in effect a sublicense agreement for any such software. You agree to use any such software and the software program properly and for the purposes for which it was intended.

G. Third Party Service Provider Transactions.

i. Authorization. Upon your request, Processor will provide access to authorization and/or data capture services for Third Party Service Provider transactions, such as American Express, and all settlement and chargeback obligations and similar financial responsibilities arising from your transactions involving third-party service providers will be governed by your agreement with such Third Party Service Providers. You must enter into a separate agreement with such Third Party Service Providers and must abide by the terms and conditions of such Third Party Service Providers. Neither Processor nor Member Bank are responsible for funding such transactions. The terms of this Agreement will apply to Third Party Service Providers. Processor may notify you in writing of the fees applicable to Third Party Service Provider transactions. Third Party Service Providers separately invoice Merchants for their services, and their fees are not necessarily included in this Agreement (including the Merchant Application). Any applicable fees and charges for third party services will be disclosed by the applicable Third Party Service Provider and may be subject to adjustment in accordance with the Third Party Service Provider’s terms and conditions. Additionally, Processor charges a transaction fee for such transactions in addition to those fees charged by Third Party Service Providers (see the Merchant Application). Your acceptance of cards, the symbols of organizations other than the Debit Networks or the Card Organizations, such as American Express and transmission of such card transactions to Processor will constitute your agreement to the terms of this Agreement with regard to such cards. Termination of your Agreement with Processor does not automatically terminate your agreement with Third Party Service Providers.

ii. Information. Processor and Member Bank reserve the right and you agree and consent to allow Processor and Member Bank to share your credit report and credit history with all Third Party Service Providers. Changes made to this Agreement, such as address or ACH changes, do not automatically make the same changes for the Third Party Service Provider. You must contact the Third Party Service Provider to make the changes. Processor is neither liable nor responsible for such changes. If false data is provided to Processor or the Merchant Account has had any suspected fraudulent activity, Processor reserves the right to share such false or suspected fraudulent information with other financial entities and processors.

iii. Statements. You must reconcile your sales tickets for each Third Party Service Provider’s transactions against deposits to your bank account daily. Each Third Party Service Provider provides its own statement, and you must reconcile and resolve all issues regarding the transactions directly with that Third Party Service Provider. Each Third Party Service Provider sets its own rates and fees for its services, and may adjust such rates and fees in accordance with your agreement with such Third Party Service Provider. Processor and Member Bank are not liable or responsible for these transactions and have no legal access to such transactions.

iv. JCB. The following special provisions apply (notwithstanding any contrary provision in this Agreement) to your JCB Card transactions: (i) you may not use the sales draft data and deposit data 3 days after the transaction and must retain microfilm or legible copies of sales drafts and credit vouchers for at least three (3) years after the transaction; (ii) for purposes of your chargeback liability with respect to JCB Card transactions, an Authorization obtained on a transaction does not override any chargeback reason which may apply to the item; (iii) if you process JCB Card transaction data electronically, your account number must be included in the JCB Card transaction data transmitted to us, in addition to the other information required to be included on each sales draft or credit voucher; (iv) if you are a lodging
merchant. JCB Cardholders must be allowed to cancel reservations at resort establishments until 4:00 p.m. on the scheduled arrival date; and (v) by contracting for JCB settlement services, you authorize JCB to publish your name, address and telephone number in JCB solicitation materials.

H. Age Restricted Products. If you are engaged in the sale of age restricted products such as alcoholic beverages, tobacco products, weapons and/or any other applicable age-restricted products or services, you must comply fully with all local, state and federal laws governing the distribution of age-related products. You certify herein that you will implement age verification procedures governing the sale of such products, including age verification of each customer against an official government records database before entering certain transactions into the credit card payment system. For face-to-face sales, you will require the signature of the Cardholder. To verify legal age, you will also require the Cardholder to present a valid, government-issued photo identification card in the same name and address as the Cardholder. For sales made via mail, telephone and/or the Internet, you will (1) only deliver age-restricted products to the name and address listed as belonging to the Cardholder, and (2) require, without exception, the signature of the Cardholder, as well as presentation of a valid, government-issued photo identification card in the same name and address as the card holder to verify legal age upon delivery of the merchandise. Failure to abide by all applicable age verification laws may result in fines and/or loss of credit card merchant charge privileges, as well as termination of your account with Processor and Member Bank.

You shall not receive money from a Cardholder and subsequently prepare a credit voucher for the purpose of depositing to the Cardholder’s account. Cash disbursement by you to a Cardholder is not permitted. Additionally, you shall not make any cash advance to an employee, principal, or family member of Merchant, who is a Cardholder. You will not accept sales from Cardholders where the primary purpose of the transaction is for the provision of working capital to business and not the purchase of goods and/or services from the business.

10. Third Parties.
A. Services. You may be using special services or software provided by a third party to assist you in processing transactions, including authorizations and settlements, or accounting functions. You are responsible for ensuring compliance with the requirements of any entity other than Processor or its authorized designee ("third party terminals") to process transactions. If you elect to use third party terminals, you agree (i) the third party providing the terminals will be your agent in the delivery of Card transactions to Member Bank via a data processing network; and (ii) to assume full responsibility and liability for any failure of that third party to comply with the Rules or this Agreement. Neither Member Bank nor Processor will be responsible for any losses or additional fees incurred by you as a result of any error by a third party agent or a malfunction in a third party terminal.

A. Estimate. A special authorization procedure is available if you estimate the transaction amount based upon Cardholder’s intended rental length at time of rental, the applicable rental rate, tax, and/or mileage rates. Such estimated transaction amount shall not include ancillary charges representing amounts to cover potential vehicle damages or insurance deductible when Cardholder waives insurance at time of rental.

B. Procedures. Special terminal downloads may be required in order to qualify for certain rates on Vehicle Rental transactions. You shall record on the Sales Draft the date, amount, and all authorization approvals obtained. You shall disclose to Cardholder the amount authorized at the time of rental. If no authorization was obtained at the time of rental and you, based upon Cardholder’s actual charges, later estimate that the transaction amount will exceed the applicable floor limit, you may obtain an Authorization approval code for the new estimated amount.

You may obtain authorization for additional amounts (above any amount not authorized) on the car rental pickup date or prior to the car rental return date. Additional authorization is not necessary if the sales transaction does not exceed the sum of the authorized amounts plus 15% of the sum of the authorized amounts.

Paper processing merchants shall authorize by using the established floor limits. Any Merchant that wishes to accept a sales transaction that is under the established floor limits, and that is not authorized, is liable for the resulting chargebacks from those Card numbers listed on the Electronic Exception File. In the case of a Merchant depositing paper drafts, such drafts shall be deposited with Processor or Member Bank within 5 days of the sale date.

A. You will fully cooperate with any forensic investigation initiated by an Association (including but not limited to any investigation that is ongoing at the time your Merchant Agreement is signed) until such time as the investigation is completed.

A. Travel and Entertainment ("T&E") Merchants. A merchant whose primary function is to provide travel related services shall be referred to as a Travel & Entertainment ("T&E") Merchant. These include, but are not limited to, car rental, lodging, and central reservation services. A T&E Merchant may process delayed or amended charges if the Cardholder has consented to be liable for those charges. These charges may NOT include charges for loss, theft, or damage.

B. Services. T&E Merchants may participate in any of the following Visa T&E Services:

- Priority CheckOut Service
- T&E Advance Deposit Service
- T&E Cash Disbursement Service
- Visa Reservation Service

C. Visa Priority CheckOut Service.
You agree to:

i. accept all Visa Cards in accordance with this Agreement;
ii. have Cardholder complete, sign, and return a Priority CheckOut Agreement ("PCO Agreement") which includes the Cardholder’s mailing address;
iii. complete a Sales Draft which includes the total sales amount and the words “Priority CheckOut” on the signature line;
iv. review the completed PCO Agreement and ensure the account number matches the account number on the Sales Draft if applicable;
v. comply with normal authorization and deposit requirements;
vi. at the Cardholder’s request, you must mail the Sales Draft copy, the itemized bill, and the signed PCO Agreement to the Cardholder within 3 business days of the Cardholder’s departure; and
vii. you must retain the itemized bill and signed PCO Agreement for a minimum of 6 months after the transaction date.

D. T&E Advance Deposit Service.
You agree to:

i. accept all Visa Cards in accordance with this Agreement;
ii. obtain the Cardholder name, account number, expiration date on the Card, telephone number, mailing address, scheduled date of arrival/embarkation/rental, and intended length of stay/term/rental;
iii. determine the advance deposit amount, which is the cost of the intended length of stay, cost of the cruise, or cost of the intended term of rental, not to exceed 14 days;
iv. provide the deposit amount to the total obligation;
v. provide: (1) reservation confirmation code to the Cardholder advising that it be retained, (2) advance deposit amount, and (3) cancellation policy requirements;
vi. advise the Cardholder the accommodations will be held according to the reservation and provide written confirmation if requested;
vii. advise the Cardholder that you will retain the deposit amount if the Cardholder has not canceled the reservation within the specified time frames;

vi. you must not charge for a no show transaction;
ix. complete the Sales Draft including advance deposit amount, Cardholder name, mailing address, telephone number, account number, expiration date, the words “Advance Deposit” on the signature line, confirmation code, scheduled date of arrival/embarkation/rental, and the date and time the cancellations privileges, if any, expire without forfeiture;
x. follow normal authorization procedures;
xi. mail a Sales Draft copy and cancellation policy to the Cardholder within 3 business days of the sales date;

xii. accept all Cardholder cancellations within the time limits specified by you;

xiii. upon cancellation, you shall complete a Credit Transaction Receipt with the information set out in (ix) above and include the cancellation code. You must deposit the Credit Transaction Receipt within 5 days of the transaction date and mail a copy to the Cardholder within 3 days of the transaction date of the Credit Transaction Receipt;

xiv. for a Lodging Merchant, if the reserved accommodations are unavailable, you must provide the Cardholder the following services without charge: (1) refund the entire advance deposit amount, (2) a copy of the Credit Transaction Receipt to the Cardholder, (3) comparable accommodations at an alternate establishment for the number of nights specified in the reservation not to exceed 14 nights or until the reserved accommodations become available, (4) two three-minute telephone calls, (5) message forwarding to the alternate establishment, (6) transportation to the alternate establishment and return to the original establishment and, if requested, daily transportation to and from the alternate establishment and your location; and

xv. for a Car Rental Merchant if the reserved vehicle is unavailable, you are required to provide the Cardholder the following services without charge: (1) refund the entire T&E deposit amount, (2) provide a comparable vehicle for the number of days specified in the reservation, not to exceed 14 days or until the reserved vehicle becomes available.

xvi. for a Cruise Line Merchant if the reserved accommodations are unavailable, and no comparable accommodations are available on the ship, the Merchant may offer: (1) a comparable cruise within the same approximate sailing dates and number of sailing days specified in the reservation, (2) any extra nights’ accommodations or air fare to a different port city necessitated by the Cardholder’s acceptance of alternate accommodations. The Merchant must refund the entire T&E deposit amount, if comparable accommodations are not available or the Cardholder does not accept the offered accommodations. The Merchant must provide a credit receipt to the Cardholder and the Merchant must provide all of the following without charge, (1) one night’s hotel accommodation, if required, (2) transportation to the hotel as well as the airport, (3) Airline transportation to the airport nearest the Cardholder’s residence, (4) reasonable out-of-pocket expenses incurred by the Cardholder because the guaranteed accommodations were not available.

E. T&E Cash Disbursement Service: You may make cash disbursement to a registered Visa Gold or Platinum Cardholder under the following conditions:

i. Cardholder indicates at registration the intent to pay for services with a Visa Card;

ii. Before disbursement, you review positive identification, and, if permitted by applicable law, record type and number on the Sales Draft;

iii. You complete an 80 column Cash Disbursement Sales Draft or a 51 column Cash Disbursement T&E Sales Draft that includes the Cardholder’s positive identification or a Cash Disbursement Record;

iv. You do not disburse more than $250.00 during the Cardholder’s stay. Cash availability may limit cash disbursements; and

v. You must not include any additional fees or charges except taxes or charges imposed by law on the transaction amount.

F. Visa Reservation Service: Any Merchant who accepts Cards to guarantee reservations must do so in accordance with the following requirements:

i. You must accept all Visa Cards in accordance with this Agreement;

ii. You must obtain the Cardholder’s account number, expiration date, and name embossed on the Card. You must quote to Cardholder the rate of reserved accommodation, Merchant’s name and address, and the Confirmation Code advising that it be retained. Advise the Cardholder that if he/she has not checked in by checkout time the following day after his/her scheduled arrival date or the reservation was not properly canceled, the Cardholder will be billed for one night’s lodging plus applicable taxes. If requested, you will provide a written confirmation with the above information including the Visa reservation service provisions relating to the Cardholder’s obligation, and any other reservation details;

iii. You must accept all cancellations prior to the specified time. The Merchant must not require more than 72 hours cancellation notification prior to the scheduled arrival date. But, if the Cardholder makes the reservation within 72 hours of the scheduled arrival date, the cancellation deadline must be no earlier than 6:00 p.m. on the arrival date. If you require that the Cardholder cancel before 6:00 p.m. on the arrival date, you must mail the cancellation policy to the Cardholder;

iv. If the reservation is properly canceled, you must provide a cancellation code and advise the Cardholder to retain it. If requested, you must mail a confirmation of cancellation that includes the Cardholder name, account number, card expiration date, cancellation code, and details related to the canceled reservation;

v. If Cardholder has not claimed or canceled the accommodation by the specified time, the room(s) must be held available in accordance with the reservation until checkout time the following day. You may then complete a Sales Draft for 1 night’s lodging plus applicable tax, indicating the Cardholder’s account number, expiration date, and name embossed on the Card and the words “No Show” on the Cardholder signature line. You must obtain an authorization code for the no show transaction;

vi. If guaranteed accommodations are unavailable, you must provide the Cardholder with comparable accommodations as described in Section 14.C.xiv above. These services shall be provided at no cost to Cardholder.

15. Health Care Transactions and Programs

A. Preauthorized Health Care Transactions.

i. Order Form. Merchants accepting Preauthorized Health Care Transactions must have the Cardholder complete an order form containing the following:

a. a request for the services to be charged to the Cardholder’s account;

b. assignment of insurance benefits to you;

c. authorization for you to charge the Cardholder’s account for only that portion of the bill subsequent to your receipt of any applicable insurance payment;

iv. duration of time, not to exceed 1 year, for which permission is granted; and

v. If the Preauthorized Health Care Transaction is renewed, the Cardholder must provide an updated order form.

ii. Procedures. Merchants accepting Preauthorized Health Care Transactions must:

a. retain a copy of the order form during the period it is in effect;

b. provide a copy of the order form upon Processor or Member Bank’s request; and

c. type or print the words “Preauthorized Health Care” on the signature line of the Sales Draft; and

d. submit a Sales Draft within 90 days of the service date and request authorization for the amount due upon receipt of notice of adjudication from Cardholder’s insurance company.

iii. Cancellation. You must not complete a Preauthorized Health Care Transaction after receiving a decline response or a notice of cancellation from Cardholder, Processor or Member Bank.

B. Health Care Auto-Substantiation. Merchants participating in Health Care Auto-Substantiation must comply with the provisions of the Visa Health Care Auto-Substantiation Transactions Documents. The Merchant must also obtain a license from and be certified by SIGIS, the Special Interest Group for Health Care Auto-Substantiation Transactions.

C. Health Care Eligibility Service. Merchants participating in the Health Care Eligibility Service must comply with the provisions of the Visa Health Care Eligibility Service Implementation Guide.

16. Visa Supermarket Program.

A merchant that wishes to participate in the Visa Supermarket Incentives Program must first obtain a Supermarket Incentives Agreement with Processor or Member Bank.

17. Telephone Services.

A telephone service Merchant must not accept payment for a telephone call when the Card number is either entered via touchtone key pad or provided to an operator. This prohibition excludes the following:

i. Telephone Service Transactions conducted at an Unattended Cardholder-Activated Terminal

ii. Transactions for which the Issuer has a contract with the carrier

iii. Transactions involving telephone services that have been explicitly approved by Visa and provide appropriate risk controls

iv. Telephone orders for goods and services; and

v. Transactions provided by Inbound Teleservices Merchants, as specified in the Visa Merchant Data Standards Manual

18. Automated Fuel Dispenser

A. Procedures.
i. When an Automated Fuel Dispenser ("AFD") transaction takes place, the card must be presented and the entire, unaltered contents of either Track 1 or Track 2 of the magnetic stripe must be read and transmitted along with a value of "90" in the POS entry mode code field.

ii. The Merchant name, city, state, and zip code of the station location where the transaction took place must be included in any authorization and clearing message.

iii. A transaction receipt must be produced and the transaction must be cleared within 2 days of the transaction date.

iv. You must obtain an authorization for the exact amount of the transaction or use the status check procedure, which requires you to request an authorization for no more than $1.00.

v. You must use the status check procedure if the floor limit is zero and the actual transaction amount is no more than the maximum set by Visa and MasterCard, which amounts are currently $125.00 for Visa transactions and $100.00 for MasterCard transactions.

vi. You must have an established self-service terminal operating plan on file with Processor or Member Bank and must establish a velocity check program that monitors the volume and frequency of account transactions.

vii. The transaction ratio of chargebacks to total Visa Interchange for Merchant must not exceed an average of 0.30% for the previous 6 months.

viii. The transaction ratio of fraud to total Visa Interchange for Merchant must not exceed an average of 0.40% for the previous 6 months.

ix. Under no circumstances should you use an arbitrary estimation of the transaction amount to obtain an authorization.

x. An AFD must not dispense scrip.

xi. Terminals at automated fuel dispensers do not qualify for the Qualified Rate set forth on the Merchant Application. In order to qualify for the Automated Fuel Dispenser Transaction Rate the authorization must be obtained within 1 day of the transaction date and the sale must be for less than than the maximum amount set by Visa and MasterCard, currently $125.00 for Visa transactions and $100.00 for MasterCard transactions.

B. Programming. Processor is not responsible for programming or reprogramming of fuel dispensers.

19. Equipment

If you enter into a lease or rental agreement for the use of credit card processing equipment, you understand that such agreement is separate and apart from the Merchant Processing Agreement and is subject to the terms and conditions of the lease or rental agreement. Neither Processor nor Member Bank is a party to such leases and neither is affiliated with the third party institutions. Such leases are typically non-cancelable 48-month leases.

Termination of your Merchant Processing Agreement with Processor does NOT automatically terminate your equipment lease, it only terminates your processing agreement with Member Bank with respect to payment card processing and any other electronic transactions that are settled through the Member Bank as designated on your monthly statement from the Member Bank. You acknowledge that you have selected the equipment set forth on the Merchant Application based upon your own independent evaluation and you are not relying upon any warranty or representation of any third party, including but not limited to the representations of a sales representative, regarding the equipment. Processor is not responsible for and is not able to provide customer service for equipment, such as POS devices, installed by and/or operated by any third party. Merchant shall contact the third party for service of this equipment. Merchant shall not allow any third party to install, remove, or modify any terminal software application of Processor or Member Bank without the express written consent of Processor or Member Bank.

20. Imprinters.

You must be in possession of a working imprinter, a supply of blank Sales Drafts and an accurate imprinter plate showing your DBA name, city, state, and Merchant Identification Number. If you are not in possession of the above equipment, you must contact Processor to obtain such equipment. Failure to use the equipment and supplies listed above will seriously increase your liability for chargebacks. You must obtain an imprint of a Card when a Card will not swipe. Obtaining an imprint of a Card will greatly reduce your chance of a chargeback.


You are responsible for ensuring that your Merchant Identification Number ("MID") is kept confidential. When a change to your Merchant Account is required, you must disclose your MID to the Processor representative as confirmation of the request. You are responsible for seeking a change or clearing any charge that has authority to do so. If the person requesting the change discloses the proper MID, Processor or Member Bank shall assume that person has the proper authority to make the change. You shall be fully liable for any changes to your Merchant Account after disclosure of the MID. Processor or Member Bank may request from you additional information to further verify your identity.

22. Use of Third Party Terminals and/or Software.

If you elect to use the terminal of a third party provider of software (such as POS or Accounting System vendors) to capture and transmit to Processor or Member Bank, you assume full responsibility and liability for any failure of such third party provider to comply with the Rules. The third party provider is the source for information regarding authorizations and reversals that may be needed by Processor or Member Bank. Certain reversals require authorization information to reverse. You are responsible for obtaining this information from the third party provider. Processor and Member Bank are not liable for sales that were not received by them. In addition, Processor will not be liable for third party software or clearing of Association transactions.

THE FOLLOWING RULES APPLY ONLY IF MEMBER BANK OR PROCESSOR SETTLES YOUR DISCOVER NETWORK CARD TRANSACTIONS

23. Discover Network Marks.

You are prohibited from using the Discover Network Program Marks, as defined below, other than as expressly authorized in writing by Processor or Processor. "Discover Network Program Marks" mean the brands, emblems, trademarks, and/or logos that identify Discover® Network cards. Additionally, you shall not use the Discover Network Program Marks other than to display decals, signage, advertising, and other forms depicting the Discover Network Program Marks that are provided to you by Processor or Processor pursuant to this Agreement or otherwise approved in advance in writing by Processor or Processor. You may use the Discover Network Program Marks only to promote the services covered by the Discover Network Program Marks by using them on decals, indoor and outdoor signs, websites, advertising materials and marketing materials; provided that all such uses by you must be approved in advance by Processor or Processor in writing.

You shall not use the Discover Network 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 Network Program Marks. You recognize that you have no ownership rights in the Discover Network Program Marks. You shall not assign to any third party any of the rights to use the Discover Network Program Marks. Your authority to use the Discover Network Program Marks will terminate immediately upon notice from Processor, Member Bank or Discover Network.


If you offer priority check-out services, you must comply with the following requirements: (i) require the Cardholder to sign the registration card at the time of check-in acknowledging responsibility for all charges, and obtain an authorization for the estimated amount of the accommodations at check-in; (ii) complete a Sales Draft at check-out by entering the total amount of charges incurred during the stay, including restaurant bills, telephone charges, convenience bar charges, missing item fees and miscellaneous expenses; (iii) write the words "Priority Check-out" on the Cardholder signature line of the Sales Draft; (iv) obtain a final authorization code for the amounts from the check-in estimate to equal the total amount to be billed to the Cardholder by following the normal authorization procedures; and (v) mail (at the address shown on the registration card) or otherwise deliver a copy of the Sales Draft and the itemized lodging bill (portfolio) to the Cardholder within seven (7) calendar days of check-out.


Card checks are frequently issued to Cardholders by Discover Network. You agree to accept card checks on a basis consistent with the terms of your policy applicable to acceptance of other payment card checks. You should handle these card checks like any other personal check drawn upon a bank in the United States.

26. Cardholder Contact.

You must not contact any Discover Network Cardholder with respect to any matter arising under the Discover Rules, except as required or permitted in the Discover Rules.

IN ADDITION TO THE OTHER REQUIREMENTS SET FORTH IN THIS DOCUMENT, THE FOLLOWING RULES APPLY TO PIN-DEBIT CARD TRANSACTIONS

27. Honoring PIN-Debit Cards.

You shall not require Cardholders to provide personal information (such as telephone number or address) as a condition for honoring a PIN-Debit Card, unless required by the Rules. You may not require or request the Cardholder’s signature or any other means of verifying the Cardholder’s identity. You shall place the PIN Entry Device in an area accessible by all Cardholders and that will reasonably prevent others, including Merchant employees, from observing the PIN. Any penalties incurred by you that arise as a result of your failure to comply with the Debit Network Rules will be your responsibility. You assume exclusive responsibility for the consequences of any oral or written instructions you may give to Processor and/or Member Bank, for your failure to

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properly access the services in the manner prescribed by Processor or Member Bank, and for your failure to supply accurate input information. You will be responsible for auditing, balancing, verifying and reconciling any out-of-balance condition, and for notifying Processor of any errors in the foregoing after receipt of the applicable report from Processor or Member Bank. You will reject all incorrect reports or output within two (2) business days after receipt of the reports or output. Note, also, that neither Processor nor Member Bank warrant the continuing availability of any Debit Network.

28. PIN-Debit Card Sales Drafts.

A. Procedures. You shall deliver to the Cardholder at the time of a sale a true and completed copy of the Sales Draft evidencing a sale involving use of a PIN-Debit Card ("PIN-Debit Sales Draft"). The PIN-Debit Sales Draft must comply with the Rules and Laws. The following information must be included on the PIN-Debit Sales Draft: (i) the PIN-Debit Card account number; (ii) your DBA name; (iii) your city and state; (iv) the amount of sale; and (v) the sale date. A PIN-Debit Sales Draft shall be made available to the Cardholder at each terminal. You may not require or request the Cardholder to provide or disclose their PIN in any oral or written manner to the Merchant. You shall not impose any fee or charge for a PIN-Debit Card transaction without the prior written consent of Processor or Member Bank. If surcharging is approved by Processor, it must be a separate line item on the PIN-Debit Sales Draft and must be in compliance with all Debit Networks’ rules and federal and state laws and regulations. You shall not process any sale if an authorization code is not received through the electronic terminal. When a denial to an authorization request is received, the POS transaction shall not be completed unless completed as a store and forward transaction or resubmission transaction. A sale shall not be completed if you know or should know that the sale is fraudulent or not authorized by the Cardholder.

B. Reversal. A sale may be reversed or voided electronically, but only if such reversal/void is entered prior to midnight of the calendar day on which the sale was initiated. To effect a reversal or void, Cardholder shall reenter the PIN, the magnetic stripe reader must read the card, and you must transmit the trace number and the exact dollar amount of the sale to be reversed or voided. A reversal or void must be initiated at the same Merchant identified on the PIN-Debit Sales Draft at which the original sale was initiated, but it need not be initiated at the same POS terminal.

C. Returns. All returns shall be processed in accordance with your normal procedures except that you or Cardholder shall not attempt to reverse a previously approved POS transaction unless otherwise permitted in accordance with the Debit Network Rules. Any sale known by you to be erroneous should be canceled and re-billed in the Cardholder’s presence.

D. Balance Inquiry. Balance inquiries may be performed only by the Cardholder at a Cardholder-operated terminal and shall at all times require the Cardholder to enter the PIN and use the magnetic stripe reader.

34. Distribution and Storage of Information. You shall not disclose a Cardholder’s account information or any other personal information to third parties other than to your agents for the purpose of completing the sale or as specifically required by law or by the Rules. You shall store in a limited access area for at least 1 year after the date of sales all transaction records, and you shall make and retain for at least 2 years the original or legible microfilm copies of both sides of all transaction records. Prior to discarding, you shall destroy or make unreadable all material containing Cardholder account numbers. There are no voice authorizations for PIN-Debit Card transactions and no manually imprinted PIN-Debit Sales Drafts. You may not store the Cardholder’s PIN in any manner.

29. Promotional Materials. You will adequately display promotional materials to inform the public that PIN-Debit Cards will be honored by you. All uses by you of decals, signs, printed and broadcast materials and other promotional materials must be in conformity with the requirements of the Debit Networks, Processor, and Member Bank. You will not at any time do, or cause to be done, any act or deed in any way impairing or intended to impair Processor or Member Bank’s exclusive right, title and interest in and to its respective protected marks.

30. Reversals. You agree to pay Processor or Member Bank for any Debit Network fees, fines or charges imposed on you. Processor or Member Bank. Such reimbursement will be accomplished by the debit of the sum(s) involved from your Merchant Account. If Processor or Member Bank elects, at its discretion, to take action on reversals after the Debit Network time limits have expired, such action shall be done at additional cost. Upon request of a Debit Network, processor, Processor, or Member Bank, you will retrieve and forward to Processor or Member Bank, within the time frame required, either the original or a readable copy of the terminal journal tape or duplicate transaction receipt for the transaction in question and, if requested, will give the Debit Network such information from such transaction records as it requests by telephone. You will, on request of the Debit Network, cooperate fully with the Debit Network and the Card issuing participant in order that the participant may comply with the error resolution procedures.

31. Your Name and Address. All forms submitted to Processor or Member Bank must bear both your corporate and “Doing Business As” ("DBA") name.

32. Equipment.

A. Use. You shall take all necessary steps to ensure that all POS Terminals and PIN Entry Devices operated in all of your locations:

i. are placed in an area accessible by all Cardholders;
ii. are available for use whenever you are open for business;
iii. will function with minimal error, meeting all applicable technical specifications and security regulations; and

will require the Cardholder to enter the Cardholder’s PIN at or near the check out location when initiating a POS transaction.

B. Standards. A PIN Entry Device must meet the ANSI standard format X9.8, 1995 or newer requirements, as they are released. A PIN Entry Device must comply with the PCI DSS requirements for POS and PED equipment. Terminals must have a magnetic stripe reader capable of reading Track 2 on the PIN-Debit Cards. PINs used in conjunction with any store and forward transaction or your resubmission must be encrypted and stored within a tamper-resistant security module. If your authorization system is capable of store and forward, it must comply with the Debit Networks’ rules and regulations regarding this capability. Processor or Member Bank, the Issuer and the Debit Networks shall not be liable for any losses suffered by you arising from the use of the store and forward function. A PIN must never be logged in any form as a function of software either in the clear or encrypted.

33. Supply of Information. You must submit all information requested by the Debit Networks, Processor or Member Bank, including but not limited to lists and mailing addresses of terminals. You shall not sell, purchase, provide, exchange account number information in any form, including but not limited to: transaction receipts, carbon copies of transaction receipts, mailing lists, tapes, to any third party other than to your agents for the purpose of assisting you in your business, or to the Debit Networks, Processor or Member Bank, or pursuant to a government request.

35. Left PIN-Debit Cards. PIN-Debit Cards that are inadvertently left at your location must be held under dual control during the time they are retained. PIN-Debit Cards inadvertently left at your location may be returned to the Cardholder by you under the following conditions: (A) the Card was inadvertently left by the Cardholder at an on-premise location, (B) the Cardholder requests the Card within 1 business day, and (C) the Cardholder provides 2 forms of current identification, at least 1 of which is a photo identification. If the Cardholder has not requested the Card within 1 business day, the Card should be destroyed by cutting it in half through the stripe.
SCHEDULE I

Advantage Buyer Program

Member Bank is not a party to or liable for the Advantage Buyer Program (“ABP”). If Merchant elects to receive the ABP on the Merchant Application, the following terms and conditions shall apply:

You will receive a discount card to be used in connection with ABP. You must use the discount card when purchasing office supplies from Office Depot in-store to receive the benefits of ABP*. You must reference your Merchant Identification Number when purchasing supplies online or via telephone. If you make a qualifying purchase from Office Depot following the procedures set forth herein, you will receive a reimbursement for the cost of the office supplies, including terminal paper, ink and ribbon, up to a maximum of $25.00 per month. The reimbursement will appear on your statement for the month following the purchase month. For example, if you places a qualifying order in April, a statement credit for the appropriate amount up to the maximum amount of $25.00 will appear on your statement for May activity, which is received in June. Under ABP, you will receive a discount on the top 500 “best buy list” of most frequently used products and services, including discounted copy center services at Office Depot store locations. To be eligible for ABP, you must be actively processing transactions with us. We may immediately terminate or amend ABP upon notice to you. If you participate in ABP, your contact information, which may include your email address, will be provided to Office Depot. Additional information about ABP can be obtained by contacting Customer Service.

*Note that to order terminal paper, ink and ribbon supplies, you must call Office Depot Red Team’s toll-free merchant support number at 866-220-7273 Option #0. These items are not available in-store or online.
SCHEDULE II
Voyager Fleet Card Terms and Conditions

If Merchant elects to accept Voyager Fleet Cards, the following terms and conditions shall apply. Capitalized terms used but not defined in these Terms and Conditions shall have the meanings ascribed to them in the Agreement.

1. GENERAL.

A. Processor and Voyager Fleet Systems, Inc. (“VFSI”) each have adopted rules and regulations relating to all aspects of acceptance and processing of Voyager Fleet Cards (“Voyager Cards”). Such rules and regulations, as amended from time to time, are incorporated into these Terms and Conditions by reference and shall be referred to as the “Voyager Rules”. The current Voyager Rules are set forth in Section 5 of these Terms and Conditions.

B. As a result of Merchant submitting transactions resulting from acceptance of Voyager Cards (“Voyager Sales”) for processing to Processor, Processor will process such Voyager Sales and credit or debit Merchant’s Merchant Account with the resulting proceeds. In addition, when a disputed transaction or chargeback occurs, Merchant agrees to provide all requested information to Processor and Processor agrees to forward such information to VFSI in accordance with the Voyager Rules. Processor is not responsible for the outcome of any chargeback.

C. Merchant agrees that these Terms and Conditions are confidential and will not disclose them to any third party without the prior written consent of Processor.

D. Merchant shall comply with the Voyager Rules as amended from time to time. Processor may amend the Voyager Rules at any time. Submission by Merchant of Voyager Sales any time after 7 days from the date of distribution of amended Voyager Rules to Merchant’s address, shall be evidence that Merchant has received the amended Voyager Rules and has agreed to abide by them.

2. PROCESSING RESTRICTIONS DUE TO THIRD PARTY PROVIDERS.

Processor can only process Voyager Sales received by Processor, and Merchant is responsible for ensuring Voyager Sales are formatted and transmitted to Processor in accordance with the then current requirements of Processor and VFSI. Processor may increase processing fees if a third party presents Voyager Sales transactions not in accordance with the then current requirements. Merchant assumes full responsibility and liability for any third party service providers’ failure to comply with the Voyager Rules. Merchant is responsible for obtaining from the third party service providers any information needed by Processor. Merchant understands that disputes involving a third party service provider must be dealt with independently from Processor. If disputes are unresolved and relate to these Terms and Conditions, Merchant shall notify Processor at the address set forth below. Merchant must pay Processor pursuant to the Agreement and these Terms and Conditions regardless of any disputes Merchant has with any third party service provider.

3. TAX CALCULATION, PAYMENT AND INDEMNITIES.

A. Tax Liability. Merchant shall be liable for the reporting, calculating, remittance or payment of tax, interest and penalties associated with the use of Voyager Cards at its location(s). Processor shall not be liable for and Merchant agrees to indemnify and hold harmless Processor, its parent, their subsidiaries and affiliates, and all of the foregoing entities’ respective officers, directors, employees and agents from and against any claims, demands, or judgments, made or recovered against it, arising out of the reporting, calculating and payment of tax associated with the use of the Voyager Card at Merchant location(s). Processor shall not disclose them to any third party without the prior written consent of Processor by reason of such defense.

B. Registration Form. For tax calculation purposes, Merchant shall be required to sign the Registration Form attached hereto and fully incorporated by this reference. Receipt of the signed registration form must be received by Processor prior to acceptance of any Voyager Card by Merchant.

4. VOYAGER DISCOUNT PROGRAM AND DISCOUNT PAYMENT.

A. Participation in Voyager Discount Program. Merchant shall immediately notify Processor in writing if Merchant is participating in a Voyager Discount Program. Processor will begin processing the discount 60 days from the date Processor receives written notice of participation.

B. Liability Related to Discount Program. Merchant shall be liable for the reporting, calculating, remittance or payment of the discount. Processor shall not be liable for and MERCHANT agrees to indemnify and hold harmless Processor, its parent, their subsidiaries and affiliates, and all of the foregoing entities’ respective officers, directors, employees and agents from and against any claims, demands, or judgments, made or recovered against it, arising out of the reporting, calculating and payment of the discount. Processor may defend on its own any such claims or demands or request Merchant to take up such defense. In either event Merchant will further indemnify Processor for reasonable attorney’s fees or any other necessary expenses incurred by Processor by reason of such defense.

5. RULES

A. Merchant shall honor all valid Voyager Cards for purchases pursuant to the Agreement. Merchant shall check the expiration date and any printed restrictions for both electronic and manual transactions.

B. Merchant shall obtain a valid authorization for each transaction. Merchant shall bear all risks of accepting a Voyager Card without obtaining a valid authorization. If Merchant receives a decline, the Voyager Card shall not be used to complete the Voyager Sale. There shall be a $0.00 floor limit for all electronic transactions.

C. For customer-activated terminals, Merchant shall pre-authorize the Voyager Card to VFSI with values indicating that the Voyager Sale is a customer-activated sale. Upon approval, Merchant shall ensure that the fuel dispenser authorizes for up to $150.00. It is the responsibility of Merchant to find a third party processor or system integrator that is certified by VFSI to process Voyager transactions.

D. Merchant shall insure that all cashier-assisted electronic sales drafts and credit vouchers shall be completed to include POS terminal print showing the Voyager Card account name encoded in the mag-strip (if POS function is applicable), account number (if permitted by Law), expiration date of the Voyager Card, the signature of the authorized user, the transaction date and time, type of fuel sold, a description of the service rendered (if requested), odometer reading (as permitted by the electronic POS device), total Voyager Sale price, and the authorization number.

E. Merchant shall not process manually prepared sales drafts.

F. If there is a time-out or response message on the POS device indicating that the authorization system is unavailable, Merchant must telephone VFSI for authorization.

G. If an electronic authorization cannot be achieved at a card-activated POS device due to technical difficulties, the Voyager cardholder shall be referred to the station attendant if during Merchant’s open business hours.

H. Merchant shall establish a fair policy for the exchange and return of merchandise. Merchant shall promptly submit credits for any returns that are to be credited to the Voyager cardholder account.

I. Merchant shall not give any cash refunds to any Voyager cardholder in connection with a Voyager Sale.
Capitalize terms that are used herein but not defined herein will have the meaning as set forth in the Agreement.

If elected by Merchant on the Application, Merchant wishes to purchase from Processor and Member Bank and Processor and Member Bank wish to sell to Merchant certain services necessary for the authorization, processing and settlement of point of sale EBT transactions submitted to the EBT Networks and which transactions are initiated through Merchant in connection with the authorization, providing and/or issuance of United States Federal food stamp benefits ("FS Benefits") and/or Temporary Assistance to Needy Families ("TANF") benefits and/or other government delivered cash assistance or benefits. Merchant agrees to provide to a state, participating in the EBT Project and benefit recipients of other states not within the Project area ("Other Recipients"). Merchant agrees to separately maintain records of EBT transactions as may be reasonably requested or required by the State or its designated agent and to promptly make such records available for audit upon request to representatives of the State or its designated agent, or other authorized State or Federal governmental agency during normal business hours.

To assure compliance with this Agreement, the State, its designated agent, or any authorized State or Federal governmental agency, will at all times have the right to enter, during normal business hours, Merchant’s premise to inspect or evaluate any work performed under this Agreement, or to obtain information from Merchant related to this Schedule V or the Agreement.

Merchant agrees to separately maintain records of EBT transactions as may be reasonably requested or required by the State or its designated agent and to promptly make such records available for audit upon request to representatives of the State or its designated agent, or other authorized State or Federal governmental agency during normal business hours.

Merchant will be solely responsible for the issuance of Benefits other than in accordance with authorizations received from us.

Merchant will provide (iv) Except as otherwise specifically provided by any applicable Rules or laws, merchant will provide manual issuance and/or provision of FS Benefits by Merchant. Merchant will provide an updated list at Processor’s request or as changes occur. Merchant will separately maintain records of EBT transactions as required to lawfully effect the providing and/or issuance of Cash Benefits to such Recipients, provided that if Merchant designates special checkout lanes for transacting with any valid EBT Card, Merchant will not require another form of identification from Recipient unless Merchant has grounds to suspect fraud.

Merchant will accept for processing and payment such EBT Card transactions as may be approved and validated as a legitimate transaction by Processor and/or Member Bank. Merchant agrees to comply with all applicable laws governing the issuance and/or provision of Benefits. Merchant will provide each Recipient a receipt for each Benefit issuance transaction undertaken by Merchant. Merchant will separately maintain records of EBT transactions as required to lawfully effect the providing and/or issuance and distribution of Cash Benefits to such Recipients, provided that if Merchant designates special checkout lanes for Transacting with any valid EBT Card, Merchant will not require another form of identification from Recipient unless Merchant has grounds to suspect fraud.

Merchant will separately maintain records of EBT transactions as may be approved and validated as a legitimate transaction by Processor and/or Member Bank. Merchant agrees to comply with all applicable laws governing the issuance and/or provision of Benefits. Merchant will provide each Recipient a receipt for each Benefit issuance transaction undertaken by Merchant. Merchant will separately maintain records of EBT transactions as required to lawfully effect the providing and/or issuance and distribution of Cash Benefits to such Recipients, provided that if Merchant designates special checkout lanes for transacting with any valid EBT Card, Merchant will not require another form of identification from Recipient unless Merchant has grounds to suspect fraud.

Merchant will separately maintain records of EBT transactions as may be approved and validated as a legitimate transaction by Processor and/or Member Bank. Merchant agrees to comply with all applicable laws governing the issuance and/or provision of Benefits. Merchant will provide each Recipient a receipt for each Benefit issuance transaction undertaken by Merchant. Merchant will separately maintain records of EBT transactions as required to lawfully effect the providing and/or issuance and distribution of Cash Benefits to such Recipients, provided that if Merchant designates special checkout lanes for transacting with any valid EBT Card, Merchant will not require another form of identification from Recipient unless Merchant has grounds to suspect fraud.

Merchant will separately maintain records of EBT transactions as may be approved and validated as a legitimate transaction by Processor and/or Member Bank. Merchant agrees to comply with all applicable laws governing the issuance and/or provision of Benefits. Merchant will provide each Recipient a receipt for each Benefit issuance transaction undertaken by Merchant. Merchant will separately maintain records of EBT transactions as required to lawfully effect the providing and/or issuance and distribution of Cash Benefits to such Recipients, provided that if Merchant designates special checkout lanes for transacting with any valid EBT Card, Merchant will not require another form of identification from Recipient unless Merchant has grounds to suspect fraud.

Merchant will separately maintain records of EBT transactions as may be approved and validated as a legitimate transaction by Processor and/or Member Bank. Merchant agrees to comply with all applicable laws governing the issuance and/or provision of Benefits. Merchant will provide each Recipient a receipt for each Benefit issuance transaction undertaken by Merchant. Merchant will separately maintain records of EBT transactions as required to lawfully effect the providing and/or issuance and distribution of Cash Benefits to such Recipients, provided that if Merchant designates special checkout lanes for transacting with any valid EBT Card, Merchant will not require another form of identification from Recipient unless Merchant has grounds to suspect fraud.

Merchant will separately maintain records of EBT transactions as may be approved and validated as a legitimate transaction by Processor and/or Member Bank. Merchant agrees to comply with all applicable laws governing the issuance and/or provision of Benefits. Merchant will provide each Recipient a receipt for each Benefit issuance transaction undertaken by Merchant. Merchant will separately maintain records of EBT transactions as required to lawfully effect the providing and/or issuance and distribution of Cash Benefits to such Recipients, provided that if Merchant designates special checkout lanes for transacting with any valid EBT Card, Merchant will not require another form of identification from Recipient unless Merchant has grounds to suspect fraud.

Merchant will separately maintain records of EBT transactions as may be approved and validated as a legitimate transaction by Processor and/or Member Bank. Merchant agrees to comply with all applicable laws governing the issuance and/or provision of Benefits. Merchant will provide each Recipient a receipt for each Benefit issuance transaction undertaken by Merchant. Merchant will separately maintain records of EBT transactions as required to lawfully effect the providing and/or issuance and distribution of Cash Benefits to such Recipients, provided that if Merchant designates special checkout lanes for transacting with any valid EBT Card, Merchant will not require another form of identification from Recipient unless Merchant has grounds to suspect fraud.
Merchant Processing Agreement Schedule IV – Wireless Terminals

If Merchant elects to use wireless terminals and receive wireless services from the carriers noted below, the following terms and conditions shall apply:

Capitalized terms that are used herein but not defined herein will have the meaning as set forth in the Agreement.

1. If Merchant (the “End User”) has a wireless terminal that uses the GPRS Services of AT&T (“Wireless Service Carrier” or “Underlying Carrier”), the following terms and conditions apply.

   (a) END USER HAS NO CONTRACTUAL RELATIONSHIP WITH THE UNDERLYING WIRELESS SERVICE CARRIER AND END USER IS NOT A THIRD PARTY BENEFICIARY OF ANY AGREEMENT BETWEEN TRANSACTION NETWORK SERVICES, INC. AND UNDERLYING CARRIER. END USER UNDERSTANDS AND AGREES THAT THE UNDERLYING CARRIER SHALL HAVE NO LEGAL, EQUITABLE, OR OTHER LIABILITY OF ANY KIND TO END USER. IN ANY EVENT, REGARDLESS OF THE FORM OF THE ACTION, WHETHER FOR BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE, END USER’S EXCLUSIVE REMEDY FOR CLAIMS ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT, FOR ANY CAUSE WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY FAILURE OR DISRUPTION OF SERVICE PROVIDED HEREUNDER, IS LIMITED TO PAYMENT OF DAMAGES IN AN AMOUNT NOT TO EXCEED THE AMOUNT PAID BY END USER FOR THE SERVICES DURING THE TWO (2)-MONTH PERIOD PRECEDING THE DATE THE CLAIM AROSE.

   (b) END USER SHALL INDEMNIFY AND HOLD HARMLESS THE UNDERLYING WIRELESS SERVICE CARRIER AND ITS OFFICERS, EMPLOYEES, AND AGENTS AGAINST ANY AND ALL CLAIMS, INCLUDING WITHOUT LIMITATION CLAIMS FOR LIBEL, SLANDER, OR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH, ARISING IN ANY WAY, DIRECTLY OR INDIRECTLY, IN CONNECTION WITH THIS AGREEMENT OR THE USE, FAILURE TO USE, OR INABILITY TO USE THE NUMBER EXCEPT WHERE THE CLAIMS RESULT FROM THE UNDERLYING CARRIER’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THIS INDEMNITY SHALL SURVIVE THE TERMINATION OF THE AGREEMENT.

   (c) END USER HAS NO PROPERTY RIGHT IN ANY NUMBER ASSIGNED TO IT, AND UNDERSTANDS THAT ANY SUCH NUMBER CAN BE CHANGED FROM TIME TO TIME.

   (d) END USER UNDERSTANDS THAT TRANSACTION NETWORK SERVICES, INC. AND THE UNDERLYING CARRIER CANNOT GUARANTY THE SECURITY OF WIRELESS TRANSMISSIONS, AND WILL NOT BE LIABLE FOR ANY LACK OF SECURITY RELATING TO THE USE OF THE SERVICES.

2. If Merchant (the “End User”) has a wireless terminal that uses the CDMA Services of Verizon or Sprint (“Wireless Service Carrier” or “Underlying Carrier”), the following terms and conditions apply.

   (a) END USER HAS NO CONTRACTUAL RELATIONSHIP WITH THE UNDERLYING WIRELESS SERVICE CARRIER AND END USER IS NOT A THIRD PARTY BENEFICIARY OF ANY AGREEMENT BETWEEN TRANSACTION NETWORK SERVICES, INC. AND UNDERLYING CARRIER. END USER UNDERSTANDS AND AGREES THAT THE UNDERLYING CARRIER SHALL HAVE NO LEGAL, EQUITABLE, OR OTHER LIABILITY OF ANY KIND TO END USER. IN ANY EVENT, REGARDLESS OF THE FORM OF THE ACTION, WHETHER FOR BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE, END USER’S EXCLUSIVE REMEDY FOR CLAIMS ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT, FOR ANY CAUSE WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY FAILURE OR DISRUPTION OF SERVICE PROVIDED HEREUNDER, IS LIMITED TO PAYMENT OF DAMAGES IN AN AMOUNT NOT TO EXCEED THE AMOUNT PAID BY END USER FOR THE SERVICES DURING THE TWO (2)-MONTH PERIOD PRECEDING THE DATE THE CLAIM AROSE.

   (b) END USER SHALL INDEMNIFY AND HOLD HARMLESS THE UNDERLYING WIRELESS SERVICE CARRIER AND ITS OFFICERS, EMPLOYEES, AND AGENTS AGAINST ANY AND ALL CLAIMS, INCLUDING WITHOUT LIMITATION CLAIMS FOR LIBEL, SLANDER, OR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH, ARISING IN ANY WAY, DIRECTLY OR INDIRECTLY, IN CONNECTION WITH THIS AGREEMENT OR THE USE, FAILURE TO USE, OR INABILITY TO USE THE NUMBER EXCEPT WHERE THE CLAIMS RESULT FROM THE UNDERLYING CARRIER’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THIS INDEMNITY SHALL SURVIVE THE TERMINATION OF THE AGREEMENT.

   (c) END USER HAS NO PROPERTY RIGHT IN ANY NUMBER ASSIGNED TO IT, AND UNDERSTANDS THAT ANY SUCH NUMBER CAN BE CHANGED FROM TIME TO TIME.

   (d) END USER UNDERSTANDS THAT TRANSACTION NETWORK SERVICES, INC. AND THE UNDERLYING CARRIER CANNOT GUARANTY THE SECURITY OF WIRELESS TRANSMISSIONS, AND WILL NOT BE LIABLE FOR ANY LACK OF SECURITY RELATING TO THE USE OF THE SERVICES.