STANDARD CONTRACT FORM
Goods and Non-Professional Services

1. Agency Contract Number	2. Contract Title	3. Financial Coding	4. Agency Assigned Encumbrance Number
2009-0400-8448	Merchant Card Processing Services		

5. Vendor Number	6. Project/Case Number	7. Alaska Business License Number
		742734

This contract is between the State of Alaska,

8. Department of	Division	
Revenue	Treasury	hereafter the State, and

9. Contractor	
U.S. Bank National Association	hereafter the Contractor

Mailing Address	Street or P.O. Box	City	State	ZIP+4
1420 Fifth Avenue, 7th Floor		Seattle	WA	98101

10.

ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.

ARTICLE 2. Performance of Contract:

2.1 Appendix A[1] (General Conditions), Items 1 through 17, govern contract performance.
2.2 Appendix B sets forth the liability and insurance provisions of this contract.
2.3 Appendix C sets forth the scope of work/services to be performed by the contractor.

ARTICLE 3. Period of Performance: The period of performance for this contract begins October 13, 2010, and ends October 12, 2015 with two (2) one-year renewal options.

ARTICLE 4. Considerations:

4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed $25,000,000.00 in accordance with the provisions of Appendix D.
4.2 When billing the State, the contractor shall refer to the Agency Contract Number and send the billing to:

11. Department of	Attention: Division of
Revenue	Treasury
Mailing Address	**Attention:**
PO Box 110406, Juneau, AK 99811-0406	Melanie N. Goodeill

12. CONTRACTOR	13. CONTRACTING AGENCY
Name of Firm U.S. Bank National Association	Department/Division Revenue/Treasury
Signature of Authorized Representative	Signature of Procurement Officer
Typed or Printed Name of Authorized Representative Tim Miller	Typed or Printed Name of Procurement Officer Michelle Prebula
Date 10/18/10	Date 10/13/10

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(12/22/08)

APPENDIX A[1]

GENERAL CONDITIONS

1. **Inspections and Reports:**
The department may inspect, in the manner and at reasonable times it considers appropriate, all of the contractor's facilities and activities under this contract. The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

2. **Suitable Materials, Etc.:**
Unless otherwise specified, all materials, supplies or equipment offered by the contractor shall be new, unused, and of the latest edition, version, model or crop and of recent manufacture.

3. **Disputes:**
Any dispute arising out of this agreement shall be resolved under the laws of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain any relief from or remedy in connection with this agreement may be brought only in the superior court for the State of Alaska.

4. **Default:**
In case of default by the contractor, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and may seek any remedies under law or equity.

5. **No Assignment or Delegation:**
The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Procurement Officer.

6. **No Additional Work or Material:**
No claim for additional supplies or services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Procurement Officer.

7. **Independent Contractor:**
The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

8. **Payment of Taxes:**
As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

9. **Compliance:**
In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, license, permits and bonds.

10. **Conflicting Provisions:**
Unless specifically amended and approved by the Department of Law the General Conditions of this contract supersede any provisions in other appendices. The contractor specifically acknowledges and agrees that provisions in any form contracts it appends hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska that are not conditioned on legislative appropriation, or (3) seek to limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void. The State agrees that it is responsible for all transactions processed under the U.S. Bank N.A. Agreement and any fees, fines, assessments or third party costs associated with such Transactions.

11. **Officials Not to Benefit:**
Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

12. **Contract Prices:**
Contract prices for commodities must be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized without further cost. Prices for services must be in U.S. funds and include applicable federal duty, brokerage fee, packaging, and transportation cost so that the services can be provided without further cost.

13. **Contract Funding:**
Contractors are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.

14. **Force Majeure:**
(Impossibility to perform) The contractor is not liable for the consequences of any failure to perform, or default in performing, any of its obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the contractor. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

15. **Contract Extension:**
Unless otherwise provided, the State and the contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect, and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least thirty (30) days before the desired date of cancellation.

16. **Severability:**
If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

17. **Continuing Obligation of Contractor:**
Notwithstanding the expiration date of this contract, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.

APPENDIX B[1]
INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Article 2. Insurance

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30-day prior notice of cancellation. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of $300,000. combined single limit per occurrence.

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of $300,000. combined single limit per occurrence.

APPENDIX C
SCOPE OF WORK / SERVICES

Contract Number:	2009-0400-8448
Contract Term:	October 13, 2010 through October 12, 2015
Renewal Options:	This contract contains two, one-year unilateral renewal options to be exercised solely by the State.

This Contract is made between the State of Alaska and U.S. Bank National Association ("Contractor"). Elavon is a wholly owned subsidiary of Contractor, and shall be responsible for the processing of the State's card transactions in accordance with this contract, the Association Rules/Payment Network Regulations, and the terms of Appendix G and Appendix H. U.S. Bank National Association shall guarantee the performance of Elavon under all of the terms of this contract. If for any reason whatsoever, Elavon fails to perform an obligation arising under this contract, U.S. Bank National Association agrees and guarantees that it shall perform such obligation within the time required under this contract. U.S. Bank National Association shall further guarantee the payment of any amounts for which Elavon may become liable to pay for claims related to or arising under this contract.

Communication and details concerning this contract shall be directed to the following contract representatives:

CONTRACTOR

For Relationship Management Issues:

Michael Hodge
Western Regional Sales Executive
U.S. Bank Payment Solutions
Government & Non Profit Banking
800 N.E. Rothbury Ave.
Hillsboro, OR 97124
(or such individual as may be designated by Contractor from time to time)

For Written Notices to:

U.S. Bank National Association
c/o Elavon, Inc.
7300 Chapman Highway,
Knoxville, TN 37920
ATTN: [insert name/department]

STATE OF ALASKA

State of Alaska
Department of Revenue, Division of Treasury
Cash Management Section
ATTN: Melanie Goodeill
333 Willoughby Avenue
Juneau, AK 99801

In consideration of the following terms, conditions and mutual promises, the parties hereby agree as follows:

The terms and conditions of this contract, including the scope of work/services, are contained in the following documents, incorporated by reference.

Unless specifically amended and approved by the Department of Law the General Provisions (Appendix A[1]) and Indemnity and Insurance (Appendix B) of this contract supersede any provisions in other appendices. In the event a conflict exists among the following agreements and/or documents that have been dually accepted by the State and contractor, the order of precedence for conflict resolution is as follows:

1. General Provisions (Appendix A) and Indemnity and Insurance (Appendix B)
2. Terms and Conditions (Appendix C)
3. Consideration and Payment Schedule (Appendix D)
4. RFP 2009-0400-8448, as amended, issued by the Department of Revenue (Appendix E)
5. Proposal submitted by U.S. Bank National Association on April 30, 2010 (Appendix F)
6. Processing Services for Governmental Entities and Institutions – Schedule I (Appendix G)
7. Processing Services in Canada – Schedule G (Appendix H)
8. U.S. Bank N.A.'s Payment Device Processing Agreement (Appendix I)

Contractor agrees to perform the services for the State as specified in the State's RFP and as indicated in the Contractor's Proposal and Contractor's Payment Device Processing Agreement ("PDPA"), herein noted as Appendix I, and the applicable Schedules of Contractor incorporated herein as Appendix G and Appendix H. Contractor and the State each acknowledge and agree that at all times during the term of this contract, they are to abide by the Payment Network Regulations/Association Rules, as same shall be applicable to Contractor's provision of processing services to the State.

The contractor specifically acknowledges and agrees that provisions in any form contracts it appends hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska that are not conditioned on legislative appropriation, or (3) seek to limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

Scope of Work:

A brief description of the scope of work for this contract follows. However, the above referenced contract documents must be reviewed for additional details.

U.S. Bank National Association (hereafter Contractor) shall provide, implement, and support merchant card processing services, including credit and debit card processing services, manage the daily settlement of all merchant card acceptance transactions, lease and sell physical terminals and provide software interface for internet terminals, and other merchant card processing related services for the State of Alaska (hereafter State). U.S. Bank N.A. will replace the existing merchant card processor, Bank of America N.A. The target date for final implementation is March 30, 2011. Contractor will provide solutions for specific State requirements as defined and agreed by the parties. At the specific direction of the Cash Management Section of the Treasury Division, Contractor will provide services that include, but are not limited to the following:

- **Transactions**
    - Contractor will provide authorization and reporting of merchant card acceptance activity for the State. Contractor will also provide settlement of the transaction amount or convey the transaction to a card organization that will pay the State directly. Contractor acknowledges that the State accepts credit card payments from walk-in customers, telephone, mail order, internet transactions, and unattended kiosk terminals. The State utilizes various card acceptance methods, including signature and PIN based debit,

telephone and mail orders, physical terminals connected to phone lines, keyboard swipes connected to point of sale software, virtual terminals, interactive voice response (IVR) systems and internet browser-based payment-processing applications. This does not preclude the use of new technologies as they are developed. Unless otherwise provided in a separate agreement between the State and the Contractor, any Intellectual Property, software, machinery or equipment provided by Contractor but not developed by Contractor, is being licensed or purchased by State directly from the manufacturer or developer of such equipment, machinery or Intellectual Property.

- **Merchant Accounts**
  - Contractor will establish a unique merchant identification number for any State agency that intends to accept merchant cards for payment of State goods or services. Merchant identification numbers must contain a four digit location number provided by State. Merchant accounts will be located throughout Alaska, as well as in Bellingham, Washington and Prince Rupert, British Columbia, Canada. Prince Rupert transactions will be settled in US dollars. Merchant accounts which have been approved by Contractor, will be established within 10 business days after Contractor receives request. All new location requests shall be subject to approval by Contractor based on its standard credit policies and procedures. Contractor will not restrictively withhold approval of new locations without cause.
- **Settlement**
  - Whenever possible, State will transmit sales data the same day the transaction is accepted. Contractor shall settle transactions to a financial institution, as directed by the State. Contractor guarantees the processing and receipt of all funds received as a result of payment card activity provided all applicable rules have been followed and in accordance with the terms of this Agreement. The gross amount of all sales transactions shall be transmitted to the State's bank account for each individual merchant account. Each merchant account will have a bank account with unique suffix corresponding to the merchant account identification number. Subject to the terms of the Agreement, transmission of funds to State's bank account will be available within two business days after the Sales Data has been properly transmitted to Contractor. Discount and interchange fees shall be settled separately from sales transactions. Discount and interchange fees and applicable equipment lease fees shall be settled by Contractor on a monthly basis within five business days after month end, unless the transaction has been conveyed to and is being settled by another card organization. All other fees or charges will be settled as they occur. Settlement of all sales and fee transactions will be made by Automated Clearing House (ACH) transaction.
- **Billing**
  - The offeror must settle discount, interchange, transaction, and equipment fees separately from sales transactions. Fees must not be netted with revenues. Fees must be settled using the banking information assigned by the State for merchant locations. All fees must be settled by the offeror on a monthly basis, in arrears within 5 business days after month end. Fees must be aggregated in one ACH transaction per merchant per month. The State requires all settlement transactions to be processed by ACH payment as specified by Department of Revenue, Division of Treasury. In the unlikely event the State does not have sufficient funds available to pay fees for more than ninety (90) days, Contractor has the right of setoff.
- **Interchange Qualification**
  - Contractor shall qualify all State accounts as Emerging Market or the most advantageous qualification possible.
- **Rules**
  - State agrees to comply with all card brands association operating rules (Association Rules) that are applicable and in effect.
- **Chargebacks and Retrieval Requests**

- In accordance with Association Rules, transactions may be charged back to the State's bank account. The State shall be given all opportunities allowed by the Associations to research and dispute chargeback requests. All retrieval requests will be sent by electronic means to the State agency responsible for the merchant account concerned. All chargebacks will be faxed to the State agency responsible for the merchant account concerned. The State will respond to all retrieval requests and chargeback inquiries within the time allowed.

- **Equipment**
  - Contractor will sell and lease Payment Card Industry Data Security Standard (PCI DSS) compliant point of sale terminals, software and supplies required by State agencies to accept and transmit sales data required by State and supported by Contractor. Point of sale terminals must include the option to accept Signature Capture and PIN debit transactions. Contractor will be responsible for directing all aspects of the installation. Contractor will also be responsible for maintenance, replacement and any other services required for point of sale terminals and software. State will be responsible for site preparation and acquisition of any telecommunications connections required to make use of the point of sale terminals. Any intermediary software or services State uses will be the responsibility of the State. Any intermediary software or services State uses are subject to Contractor's approval. Contractor will provide State agencies with training and documentation related to general credit card processing and operation of point of sale terminals. Contractor will ship all equipment FOB destinations.

- **Reporting**
  - Contractor will provide web enabled electronic ad hoc inquiry and reporting to State merchants. Contractor will prepare and provide high level summarized management reporting to the Contract Administrator at a minimum frequency of semiannually during the term of this contract. This corporate level reporting can be in the form of graphs, charts, or summarized worksheets that provide statistics at the highest relationship level. Management reports will provide summarized statistics on monthly sales volume, transaction volume, average ticket, monthly fees, monthly effective rate, monthly chargeback volumes, monthly chargeback reversal volumes, counts of charge back reason codes, Visa, MasterCard and Discover interchange qualifications, card brand acceptance summary, card present and card not present statistics, and anything else deemed relevant or important to the management of the relationship.

- **User Training and Operational Support**
  - Contractor will provide training during implementation, when new merchant locations are added and on-going as needed. Contractor will provide State with training on terminal functions including sales, credits, voids, forces, reports, terminal downloads for adding additional services, and settlement. Contractor will provide State with merchant training on PCI DSS compliance, fraud prevention and chargeback reduction.

- **PCI DSS Compliance**
  - Contractor and any subcontractors or subsidiaries will apply only PCI DSS compliant processes, systems and equipment to the State Merchant relationship. Contractor will make recommendations to State on techniques, processes and strategies necessary to achieve compliance with PCI DSS. Contractor will provide training and recommendations to State's merchants where appropriate regarding best practices and reasonable policies and procedures for industry accepted PCI DSS practices.

- **Merchant Account Administration**
  - Only the Cash Manager, Assistant Cash Manager, and Merchant Card Processing Administrator are authorized to establish and close merchant locations and provide bank account numbers and banking information.

- **Relationship Management**
  - Contractor will appoint a relationship manager and a qualified substitute to act as a liaison with State. Contractor will visit State, at Contractor's expense, for a minimum of one face-to-face Annual Relationship Review meeting including onsite visits in Juneau and Anchorage with Cash Management, DMV, AMHS and other agencies as needed.
- **Other Services**
  - The description of services in this contract is not meant to preclude the use of new services or technologies as they are developed. The State will provide Contractor a written description of the additional work and request Contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work.
- **Subcontractors**
  - Subcontractors may be used to perform work under this contract. Contractor has the right to replace subcontractors as Contractor deems necessary. Contract will provide written notification to State in the event of a change of subcontractor(s) which affects State.
- **Right to Inspect Place of Business**
  - If State deems it necessary, at State's expense, State may inspect those areas of Contractor's place of business that are related to the performance of this contract. The State will provide at least ten (10) business days notice and conduct such a visit during normal business hours and no more than once annually. Inspections will be subject to Contractor's standard security policies, applicable laws and Payment Network Regulations with records and information pertaining to transactions processed under the U.S. Bank N.A./Elavon Payment Processing Device Agreement. If the state makes such an inspection, Contractor must provide reasonable assistance.
- **Data Compromise**
  - If Contractor suffers a data compromise Contractor will follow all applicable Payment Network Regulations with respect to such data incident.
- **Disaster Recovery**
  - Contractor will provide a frequently tested disaster recovery plan to insure prompt system recovery and access in the event of an emergency at Contractor's primary system hosting location. Contractor will generate daily backups of the system data and securely store such backups for disaster recovery purposes.
- **Proprietary Information**
  - State agrees that any reports, manuals, documentation or related materials will be circulated only to the extent necessary in order that State may benefit from the services being offered. State agrees to take all reasonable steps to safeguard such proprietary information and not to release such information to any persons.
- **Contract Personnel**
  - Contractor has the right to promote or reassign its personnel as Contractor deems necessary in its business operations.
- **Termination**
  - The Project Director, by written notice specifying the date of termination, which shall be at least ninety (90) days from the date of such notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. Contractor will be given thirty (30) days to cure default. The State is liable only

for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

- **Non-Assignment**
  - Contractor may not assign this agreement or any of the rights or duties hereunder to any person without State's prior written consent.
- **Confidentiality**
  - Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. Contractor shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by Contractor with all applicable federal and state law, including the Social Security Act and HIPAA. Contractor must promptly notify State in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information. Contractor shall not use State's name in any manner whatsoever in connection with its' performance of this agreement without the prior written approval of State. Contractor may identify State to banks or other entities when necessary for performance of this agreement.

APPENDIX D
PAYMENT FOR SERVICES

Contractor shall settle transactions to a financial institution, as directed by the State. Contractor guarantees the processing and receipt of all funds received as a result of merchant card activity provided all applicable rules have been followed and in accordance with the terms of this Agreement. The gross amount of all sales transactions shall be transmitted to the State's bank account. Subject to the terms of the Agreement, transmission of funds to State's bank account will be within two business days after the Sales Data has been properly transmitted to Contractor. Interchange and processing fees shall be settled separately from sales transactions. Interchange and processing fees and applicable equipment lease fees shall be settled by Contractor on a monthly basis within five business days after month end, unless the transaction has been conveyed to and is being settled by another card organization. All other fees or charges will be settled as they occur. Settlement of all sales and fee transactions will be made by Automated Clearing House (ACH) transaction.

This section is not intended to cover new products, new reporting offerings, new types of cards or any new services that are not currently utilized by the State. If State requests Contractor to provide new or other services for which Contractor normally assesses a charge and those charges are not disclosed in Appendix D, the Fee Schedule, Contractor need not perform the service until it and State agree on the charge to be assessed, and Contractor may not charge for the service if it performs the service prior to the State's agreeing to a charge.

Any additional cost incurred by Contractor due to the State requiring modification to existing programs, communications services, or method of processing shall be paid by the State.

All charges included in the Fee Schedule are fixed for the term of the contract. The fees set forth in the Agreement and any additional application or set up form will not be amended by U.S. Bank N.A. for the Initial Term of the Agreement except to pass through to Merchant changes in the interchange and assessment charges. Contractor may change the interchange and assessment charges upon notification by an Association, and by providing notice of the changes to State.

Total compensation to the Contractor under this Appendix D of the agreement shall not exceed the amount authorized on the Standard Agreement Form.

FEE SCHEDULE

Visa Transaction Fees	Item	Rate/Fee
VI CPS Retail 2 (Emerging Market)	*Interchange Rate	1.430%
	*Interchange Fee	$0.050
	*Assessment	0.0925%
	*Risk Fee	$0.001
	*Acquirer Processing Fee	$0.0195
	*Base II Fee	$0.0019
	Processing Fee	$0.045
VI Business Card CNP	*Interchange Rate	2.250%
	*Interchange Fee	$0.100
	*Assessment	0.0925%
	*Risk Fee	$0.001
	*Acquirer Processing Fee	$0.0195
	*Base II Fee	$0.0019
	Processing Fee	$0.045
VI Signature Preferred CNP	*Interchange Rate	2.400%
	*Interchange Fee	$0.100
	*Assessment	0.0925%
	*Risk Fee	$0.001
	*Acquirer Processing Fee	$0.0195
	*Base II Fee	$0.0019
	Processing Fee	$0.045
VI CPS Retail 2 (Emerging Markets) (Debit)	*Interchange Rate	0.800%
	*Interchange Fee	$0.250
	*Assessment	0.0925%
	*Risk Fee	$0.001
	*Acquirer Processing Fee	$0.0195
	*Base II Fee	$0.0019
	Processing Fee	$0.045
VI Business Card (Retail)	*Interchange Rate	2.200%
	*Interchange Fee	$0.100
	*Assessment	0.0925%
	*Risk Fee	$0.001
	*Acquirer Processing Fee	$0.0195
	*Base II Fee	$0.0019
	Processing Fee	$0.045
VI Commercial Card CNP (Corporate)	*Interchange Rate	2.200%
	*Interchange Fee	$0.100
	*Assessment	0.0925%
	*Risk Fee	$0.001
	*Acquirer Processing Fee	$0.0195
	*Base II Fee	$0.0019
	Processing Fee	$0.045

MasterCard, Discover, & American Express Transaction Fees	Item	Rate/Fee
MC Emerging Markets (Debit)	*Interchange Rate	0.800%
	*Interchange Fee	$0.250
	*Assessment	0.095%
	*Network Access & Brand Usage Fee	$0.0185
	*Settlement Fee	$0.0019
	Processing Fee	$0.045
MC Public Sector	*Interchange Rate	1.550%
	*Interchange Fee	$0.100
	*Assessment	0.095%
	*Network Access & Brand Usage Fee	$0.0185
	*Settlement Fee	$0.0019
	Processing Fee	$0.045
MC Enhanced Public Sector	*Interchange Rate	1.550%
	*Interchange Fee	$0.100
	*Assessment	0.095%
	*Network Access & Brand Usage Fee	$0.0185
	*Settlement Fee	$0.0019
	Processing Fee	$0.045
MC Commercial Data Rate II (Corporate)	*Interchange Rate	2.150%
	*Interchange Fee	$0.100
	*Assessment	0.095%
	*Network Access & Brand Usage Fee	$0.0185
	*Settlement Fee	$0.0019
	Processing Fee	$0.045
MC Commercial Data Rate II (Fleet)	*Interchange Rate	2.500%
	*Interchange Fee	$0.100
	*Assessment	0.095%
	*Network Access & Brand Usage Fee	$0.0185
	*Settlement Fee	$0.0019
	Processing Fee	$0.045
MC Commercial Data Rate II World Elite (Corporate)	*Interchange Rate	2.150%
	*Interchange Fee	$0.100
	*Assessment	0.095%
	*Network Access & Brand Usage Fee	$0.0185
	*Settlement Fee	$0.0019
	Processing Fee	$0.045
American Express	*Interchange Rate	2.660%
	Processing Fee	$0.050
Discover - Emerging Markets (Consumer Credit)	*Interchange Rate	1.450%
	*Interchange Fee	$0.050
	*Assessment	0.0925%
	*Network Access Fee	$0.0075
	*Data Transmission Fee	$0.0019
	Processing Fee	$0.045
**Pass Through Fees subject to Visa/MC Interchange, Discover and American Express Rate/Fee Schedules*		

Other Fees		
Transaction History	Per Item Fee	No Charge
Address Verification	Per Item Fee	No Charge
Voice Authorization Fee (basic)	Per Authorization	$0.75
Voice/ARU Operator Assisted	Per Authorization	$0.90
Voice/ARU Authorization w/AVS	Per Authorization	$0.90
Voice Referral	Per Authorization	$4.00
Monthly MID Processing Fee Minimum	Per MID	Waived
Charge Back/Return Item Fees (NSF)	Per Item Fee	$5.00/$20.00
Customer Service/Training		No Charge
Refunds	Per Item Fee	No Charge
Payment Provider Network (other than Elavon)	Per Item Fee	Varies $0.025 - $0.34
Online (PIN) Debit Fee	Network Interchange/Switch Fees	$0.50
Electronic Check Conversion & Verification	Per Check Fee	$0.22
Non-recurring Other Fees		
Equipment Swap - in warranty (Lease)	Per Device	$35.00
Equipment Swap - in warranty	Per Device	$35.00
Equipment Swap - out of warranty	Per Device	Cost of new equipment
Equipment Shipping	Per Device	No Charge
Failing to Return Equipment	Per Device	Purchase price of equipment
Supplies - receipt paper, etc. (RR Donnelley)	Per Device	No Charge
Supply shipping	Per Device	No Charge
Reprogramming existing equipment	Per Device	Waived
PCI 3rd party assessor - Non Trustwave	Per MID	$35.00
Merchant Identification (MID) Setup	Per MID	Waived
VAR integration/direct certification to network		Fee may vary upon application
Manual Imprinter	Per Device	$30.00
Equipment Options - Hardware		
Hypercon T4210 (Dial) Terminal/Printer	Purchase	$350.00
Hypercom T4220 (IP) Terminal/Printer	Purchase	$475.00
Verifone VX510 (Dial) Terminal/Printer	Purchase	$350.00
Verifone VX570 (IP) Terminal/Printer	Purchase	$500.00
Pin Pad Hypercom P1300/Verifone 1000SE	Purchase	$95.00
RDM 6014F Imager/Card Reader	Purchase	$425.00
MICR Check Imager/Credit Card Reader	Purchase	$475.00
RDM Synergy II - Echeck/Terminal/Printer	Purchase	$650.00
Verifone VX510 (Dial) Terminal/Printer	**60 month lease monthly fee	$15.00
Verifone VX570 (IP) Terminal/Printer	**60 month lease monthly fee	$25.00
Hypercom T4210 (Dial)Terminal/Printer	**60 month lease monthly fee	$15.00
Hypercom T4220 (IP)	**60 month lease monthly fee	$25.00

Terminal/Printer		
RDM 6014F Imager/Card Reader	**60 month lease monthly fee	$15.00
MICR Check Imager/Credit Card Imager	**60 month lease monthly fee	$17.00
RDM Synergy II	**60 month lease monthly fee	$30.00
***Lease Terms are also available in 12, 24, 36, and 48 month terms*		
Equipment Options - Wireless		
Hypercom T4230GPRS	Purchase	$575.00
Hypercom M4230GPRS	Purchase	$675.00
Hypercom SIM Card	Per Device	$20.00
Verifone Vx610CDMA	Purchase	$850.00
Miscellaneous Accessories	Per Device	Varies
Monthly Fee (Hypercom/Verifone)	Monthly fee per device	$20.00
Wireless - Activation	Per Device	No Charge
Hypercom T4230GPRS	**60 month lease monthly fee	$30.00
Hypercom M4230GPRS	**60 month lease monthly fee	$35
Verifone Vx610CDMA	**60 month lease monthly fee	$45
Equipment Options – Signature Capture Terminals		
Hypercom L4250	Purchase	$275.00
Hypercom L4150	Purchase	$475.00
Ingenico i6550	Purchase	$365.00
Ingenico i6580	Purchase	$435.00
Ingenico i6780	Purchase	$495.00
Verifone Mx860	Purchase	$495.00
Verifone Mx870	Purchase	$575.00
Hypercom L4250	**60 month lease monthly fee	TBD
Hypercom L4150	**60 month lease monthly fee	TBD
Ingenico i6550	**60 month lease monthly fee	TBD
Ingenico i6580	**60 month lease monthly fee	TBD
Ingenico i6780	**60 month lease monthly fee	TBD
Verifone Mx860	**60 month lease monthly fee	TBD
Verifone Mx870	**60 month lease monthly fee	TBD
Equipment Options - Software		
Virtual Merchant Web/Terminal (Unlimited MIDs)	One time purchase	$495/one time fee, unlimited MID's
Virtual Terminal	Monthly Fee per MID	$5.00
Virtual Terminal	Per Item Fee	No Charge
Magstripe Credit Card Reader (USB/PS2)	Purchase	$85
Verifone Pin Pad 1000SE	Purchase	$95
RDM 6111F Imager/Card Reader (Virtual Merchant, SS)	Purchase	$425
RDM 6111F Imager/Card Reader (Virtual Merchant, SS)	60 month lease monthly fee	$15
Verifone P900 Printer	Purchase	$295
Verifone P900 Printer	60 month lease monthly fee	$15
Reporting Tool Options (Merchant Connect)		
Web reporting tool (Basic)		No Charge
Web reporting tool (Premium 1 - 5 users)		No Charge

Web reporting tool (Premium 6 - 10 users)		No Charge
Web reporting tool (Premium 11+ users)		No Charge
ACS reporting tool (file feed via FTP)		No Charge
Paper Statement fees		No Charge
PCI Compliance Fee – Per merchant account (MID)	**Security Assessment Questionnaire Annual Fee – per MID (NON-IP connectivity)**	**Security Scan Annual Fee – per MID (IP/internet Connectivity)**
100+ (U.S. Bank/Elavon Assessor – Trustwave)***	$30	$100
PCI (3rd Party Assessor – Non Trustwave)	No Charge	No Charge
PCI Non-compliance Fee****	$25	$25
****Annual PCI Fee is waived 1st year; fee will be assessed on anniversary date of MID issuance.*		
*****PCI Non-Compliance fee will be assessed if validation is not provided within 1 year of MID issuance date.*		

Elavon

PAYMENT DEVICE PROCESSING AGREEMENT

This Payment Device Processing Agreement ("Agreement") is entered into as of the Effective Date by and among the entity identified below as the Merchant (together with any affiliated entities listed on Schedule B to the Agreement), referred to collectively as the "**Merchant**," **Elavon, Inc.** ("Elavon") and **Member,** as designated on the Merchant Application, and includes the following Terms of Service (the "TOS") and all Schedules and other attachments to the Agreement, each of which is incorporated in full by this reference. The Agreement governs the Merchant's receipt and use of the Processing Services.

PAYMENT DEVICE PROCESSING SERVICES ELECTED BY MERCHANT. Merchant elects the following Payment Device Processing Services as described in the Agreement (including all applicable Schedules) and subject to the additional terms and conditions of the applicable provisions of the Merchant Operating Guide (the "MOG"):

- ☒ TOS, General Provisions and the MOG
- ☒ Appendix D, (Fees)
- ☒ Schedule B, Affiliated Entities
- ☒ Schedule C, Merchant Application (Large Relationship)
- ☒ Substitute Form W-9 (required)

Payment Device Processing Services Available to Merchants Generally (check desired Processing Services):

- ☒ Credit Card Services
- ☒ Debit Card (signature-based) Services
- ☒ Debit Card (PIN-based) Services
- ☐ Bill Payment (Pinless Debit) Services
- ☒ Wireless Services
- ☐ Contactless Services
- ☐ Schedule D, Electronic Gift Card Services
- ☐ Schedule E, Electronic Check Services
- ☐ Schedule J, Processing Services for Convenience Fees
- ☐ Schedule K, Enterprise Billing Solutions Services

Payment Device Processing Services Available to Merchants Operating in Certain Merchant Categories (check desired Processing Services):

- ☐ EBT Services
- ☐ Hospitality Services
- ☐ No Signature Required Program Services
- ☐ Schedule F, Petroleum Services
- ☒ Schedule I, Processing Services for Government Entities and Institutions

Payment Device Processing Services Available to Merchants Operating in Certain Jurisdictions (check desired Processing Services):

- ☒ Schedule G, Processing Services in Canada
- ☐ Schedule H, Processing Services in Puerto Rico

IN WITNESS WHEREOF, the parties hereto have executed the Agreement.

State of Alaska,
on behalf of itself and each of the affiliated entities identified on Schedule B (the "MERCHANT"):

By: M. Prebula

Name: Michelle Prebula

Title: Cash Manager

ELAVON, INC.

By:

On behalf of Elavon, Inc. and U.S. Bank N.A.

Name: Timothy I. Miller

Title: Senior Vice President

Date: 11/15/11

("Effective Date")

MEMBER

By:

On behalf of U.S. Bank N.A.

Name: Timothy I. Miller

Title: Senior Vice President

TERMS OF SERVICE

Section A - General Provisions Applicable to All Services

1) **DEFINITIONS; RULES OF CONSTRUCTION.** Capitalized terms used in the Agreement and in any applicable Schedule shall have the meanings ascribed to such terms in the Glossary set forth in Section B of this TOS or in such Schedules. All Schedules are expressly incorporated in their entirety and made a part of the Agreement. Captions in the Agreement and in the attached Schedules are for convenience only and do not constitute a limitation of the terms in the Agreement. Singular terms shall include the plural, and vice versa, unless the context otherwise requires. The word "day" shall mean "calendar day", unless specifically stated otherwise. In the event of a conflict between the terms of Section A - General Provisions, and any applicable Schedule, the terms of the applicable Schedule shall prevail.
2) **ACCEPTANCE OF PAYMENT DEVICES.** Merchant shall determine in accordance with the Payment Network Regulations and the Agreement which types of Payment Devices and Processing Services it will agree to accept as a form of payment from its Customers by selecting the applicable Processing Services on page 1 of the Agreement and/or on the appropriate Schedule. The terms and conditions for the acceptance of the applicable Payment Devices and Merchant's use of the Processing Services are set forth in the Agreement and in the Merchant Operating Guide (the "MOG"), incorporated herein by this reference and located at our website https://www.merchantconnect.com/CWRWeb/pdf/MOG_Eng.pdf. Each Schedule to the Agreement shall be governed by the TOS and the applicable provisions of the MOG, as well as by the terms set forth in the Schedule.
3) **TRANSACTIONS.**
   a) **Merchant Compliance.** Merchant must comply with all the requirements under the Agreement. Merchant must also comply with the procedures set forth in the MOG and any other guides, manuals, or rules provided in writing by Elavon from time to time.
   b) **Settlement of Transactions.** Subject to the other provisions of the Agreement and subject to Merchant's compliance with the terms of the Agreement and the Payment Network Regulations, Elavon and Member will process Transactions daily, and if Merchant maintains its DDA with Member, provisional credit for Transactions (less recoupment of any Chargebacks, returns, adjustments, fees (subject to Section (A)(5)(a)), fines, penalties, assessments from the Payment Networks and other amounts due to Elavon or Member under the Agreement) may be available as soon as the next banking day after the banking day on which Elavon and Member process the Transactions. Regardless of where Merchant maintains its DDA, Merchant acknowledges and agrees that Elavon and Member may use "direct" settlement (ACH debit authority pursuant to which Chargebacks, returns, adjustments, fees (subject to Section (A)(5)(a)), fines, penalties, assessments from the Payment Networks and other amounts due to Elavon or Member under the Agreement are debited from the DDA to recover any amounts owed by Merchant to Elavon or Member under the Agreement. To the extent required, Merchant authorizes and appoints Elavon or Member to act as Merchant's agent to collect Transaction amounts from the Customer, the Issuer or the Customer's financial institution.
      i) **Deposits.** Merchant agrees that the Agreement is a contract of financial accommodation within the meaning of the Bankruptcy Code, 11 U.S.C. Section 365, as amended from time to time. Merchant acknowledges that its obligation to Elavon and Member for all amounts owed under the Agreement arises out of the same transaction as Elavon's and Member's obligation to deposit funds to the DDA and such amounts are owed in the ordinary course of business.
      ii) **Provisional Credit.** Merchant acknowledges that all credits for funds provided to it are provisional and subject to reversal in the event that Elavon and Member do not receive payment of corresponding settlement amounts from the Payment Networks. Merchant further acknowledges that all credits are subject to adjustments for inaccuracies and errors (including rejects) and Chargebacks in accordance with the Agreement and the Payment Network Regulations, whether or not a Transaction is charged back by the Issuer or Customer. Merchant authorizes Elavon or Member to initiate reversal or adjustment (debit or credit) entries and to initiate or suspend such entries in accordance with the Agreement as may be necessary to grant or reverse provisional credit for any Transaction. Further, Elavon may delay Merchant-issued Cardholder credits for up to five (5) business days for accounting verification. Cardholder credits issued by Merchant to PIN-Debit Cards will not be subject to this delay.
      iii) **Chargebacks.** Merchant agrees to accept for Chargeback, and will be liable to Elavon and Member in the amount of any Transaction disputed by the Cardholder or Issuer for any reason under the Payment Network Regulations. Merchant authorizes Elavon and Member to offset from funds due Merchant or

to debit the DDA or the Reserve Account for the amount of all Chargebacks. Merchant will fully cooperate with Elavon and Member in complying with the Payment Network Regulations regarding all Chargebacks.

iv) **Original Transaction Receipts**. Under no circumstances will Elavon or Member be responsible for processing returns, refunds, or adjustments related to Transactions not originally processed by Elavon and Member.

c) **DDA and ACH Authorization**. Merchant will establish and maintain with Member (or with another ACH participating financial institution) one or more DDAs to facilitate payment for Transactions. Merchant will maintain sufficient funds in the DDA to accommodate all Transactions contemplated by the Agreement and all Chargebacks, returns, adjustments, fees, fines, penalties, assessments from the Payment Networks and other payments due under the Agreement. Merchant authorizes Elavon, Member, and their respective authorized vendors and agents who provide services under the Agreement at Merchant's request, to initiate ACH debit and credit entries to the DDA or the Reserve Account for any products or services requested by Merchant in order to make payments to or collect payments from Merchant due under the Agreement. The foregoing authorizations will remain in effect after termination of the Agreement until all of Merchant's obligations to Elavon and Member have been paid in full. Elavon and Member have the right to delay, within their reasonable discretion, crediting the DDA with funds related to Transactions in order to investigate any Transactions related to suspicious or fraudulent activity or funds for Transactions for which Elavon or Member have not received funding from the applicable Payment Networks. Elavon and Member will endeavor to investigate or process any delayed Transactions expeditiously and will endeavor to notify Merchant if any Transactions are delayed for more than forty-eight (48) hours. Elavon has the right to rely upon written instructions submitted by Merchant requesting changes to the DDA. In the event Merchant changes the DDA, the ACH debit and credit authorization established hereunder will apply to the new account and Merchant shall provide Elavon and Member such information regarding the new DDA as they deem necessary to effect payments to and from the DDA as provided under the Agreement. It may take Elavon up to ten (10) business days after Elavon's receipt of a written notice from Merchant to reflect in its system any change to Merchant's DDA.

d) **Depository Institution**. This Section intentionally omitted by agreement of the parties.

e) **Asserted Errors**. It is the responsibility of Merchant to reconcile the statements regarding Transaction activity received from Elavon, any Payment Network, and any third party vendors with the statements Merchant receives for Merchant's DDA. Merchant must promptly examine all statements relating to the DDA and promptly notify Elavon and Member in writing of any errors in the statement Merchant received from Elavon. Merchant's written notice must include: (i) Merchant name and account number; (ii) the dollar amount of the asserted error; (iii) a description of the asserted error; and (iv) an explanation of why Merchant believes an error exists and the cause of it, if known. That written notice must be received by Elavon within ninety (90) days of the date of the Elavon statement containing the asserted error. If Merchant fails to provide such notice to Elavon within said ninety (90) days, Elavon and Member shall not be liable to Merchant for any errors Merchant asserts at a later date. Merchant may not make any claim against Elavon or Member for any loss or expense relating to any asserted error for forty-five (45) days immediately following Elavon's receipt of Merchant's written notice. During that forty-five (45) day period, Elavon (i) will be entitled to investigate the asserted error, and Merchant shall not incur any cost or expense in connection with the asserted error without notifying Elavon, and (ii) notify Merchant of its proposed resolution of the asserted error.

4) **SECURITY INTERESTS, RESERVE ACCOUNT, RECOUPMENT, AND SET-OFF.**

a) **Security Interests.**

i) **Security Agreement**. The Agreement constitutes a security agreement under the Uniform Commercial Code. Merchant grants to Elavon and Member a security interest in and lien upon: (a) all funds at any time in the Reserve Account, regardless of the source of such funds, and (b) all funds underlying present and future Transaction Receipts in process by Member or Elavon (collectively, the "Secured Assets"). These security interests and liens will secure all of Merchant's obligations under the Agreement. Elavon and Member may execute this security interest, without notice or demand of any kind, by making an immediate withdrawal or by restricting Merchant's access to the Secured Assets.

ii) **Perfection**. Upon request of Elavon or Member, Merchant will execute one (1) or more control agreements or other documents to evidence or perfect this security interest. Merchant represents and warrants that no other Person has a security interest in the Secured Assets. With respect to such security interests and liens, Elavon and Member will have all rights afforded under the Uniform Commercial Code, any other applicable law and in equity.

Merchant will obtain from Elavon and Member written consent prior to granting a security interest of any kind in the Secured Assets to a third party. Merchant agrees that this is a contract of recoupment and Elavon and Member are not required to file a motion for relief from a bankruptcy action automatic stay to realize any of the Secured Assets. Nevertheless, Merchant agrees not to contest or object to any motion for relief from the automatic stay filed by Elavon or Member. If Merchant fails to execute control agreements or other documents to evidence or perfect the security interest or lien within ten (10) days of Elavon's or Member's request, Merchant authorizes and appoints Elavon as Merchant's attorney in fact to sign Merchant's name to any control agreement or other documents used for the perfection of any security interest or lien granted hereunder.

b) **Reserve Account**.

i) **Establishment**. Elavon may establish a Reserve Account in the Reserve Amount upon the occurrence of a Reserve Event for the purpose of providing security and a source of funds to pay Elavon and Member for any and all amounts that may be owed by Merchant hereunder. Elavon and Member shall have sole control of the Reserve Account.

ii) **Reserve Amount**. The Reserve Amount is equal to the aggregate dollar value of: [(average % credits to processing volume during the same period + average % Chargebacks to processing volume during the same period) multiplied by four] multiplied by [average monthly processing volume] plus [one month's average fees] plus [# days delayed delivery multiplied by the average day's processing volume]. For purposes of this calculation, the number of days delayed delivery means the number of days between the date on which the Cardholder's Payment Device is charged and the date the product is shipped to the Cardholder (if the goods are being shipped) or the date the Cardholder receives the product or service. Further, for purposes of this calculation, Elavon will determine, in its sole reasonable discretion, the applicable period considering factors such as Merchant's Transaction volume and seasonality.

(A) **Reserve Event**. The following will constitute Reserve Events: (a) fraudulent activity in any monthly period that equals or exceeds one percent (1%) of Merchant's average monthly volume over the preceding twelve (12) month period, (b) Chargebacks in any monthly period that equal or exceed one percent (1%) of the total dollar value of incoming items to Elavon, (c) Elavon's reasonable belief that a Merchant not approved by Elavon to engage in delayed delivery transactions has accepted deposits but has not delivered the goods or services, (d) the commencement of a Bankruptcy Proceeding by or against Merchant, (e) termination of the Agreement for any reason or the occurrence of an event listed in Section (A)(12)(b)(ii)(B) or (C) giving Elavon or Member the right to terminate the Agreement, (f) nonpayment of amounts owed by Merchant to Elavon or Member, (g) fines or assessments imposed or reasonably expected to be imposed by the Payment Networks, (h) the occurrence of a material adverse change in Merchant's financial condition, (i) assignment of the Agreement by, or a change in control of, Merchant without Elavon's consent, and (j) revocation, termination or non-renewal of any guaranty, indemnity agreement, letter of credit or any other Alternate Security provided in connection with the Agreement, if applicable.

iii) **Funding**. Elavon and Member may fund the Reserve Account (in each case up to the Reserve Amount) by any one or more of the following means.

(A) Elavon and Member may require Merchant to deposit funds into the Reserve Account;

(B) Elavon and Member may debit the DDA; and/or

(C) Elavon and Member may deposit into the Reserve Account funds they would otherwise be obligated to pay Merchant.

iv) **Use of Funds in Reserve Account**. Elavon or Member may, without notice to Merchant, apply funds in the Reserve Account against any outstanding amounts Merchant owes under the Agreement. Also, Elavon or Member may debit the Reserve Account to exercise their rights under the Agreement including, without limitation, their rights of set-off and recoupment to collect any amounts due to Elavon or Member. Further, Merchant agrees that Elavon or Member may be required to send funds in a Reserve Account to a third party in response to a tax levy or other court order.

v) **Termination of Reserve Account**. Funds held in the Reserve Account shall remain in the Reserve Account, and shall be used only to pay amounts due to Elavon and Member (except as otherwise provided in the Agreement), until the Merchant has paid in full all amounts owing or that may be owed under the Agreement, including all Chargebacks, returns, adjustments,

fees, fines, penalties, assessments from the Payment Networks and any other payments due under the Agreement. In no event shall Merchant be entitled to a return of any funds remaining in the Reserve Account before two hundred seventy (270) days following the effective date of termination of the Agreement. Notwithstanding the foregoing, if Elavon and Member determine that the Reserve Event that gave rise to the establishment of the Reserve Account has been sufficiently cured, Elavon and Member may, in their sole discretion, terminate the Reserve Account and/or release funds from the Reserve Account prior to the termination of the Agreement.

vi) **Alternate Security**. In lieu of or in addition to establishing and funding a Reserve Account, Elavon may, in its sole and absolute discretion, accept an alternative form of security ("Alternate Security") for the purpose of providing a source of funds to pay Elavon and Member for any and all amounts owed by Merchant. Elavon retains the right, at any time, to reject Alternate Security previously accepted by Elavon and/or to require funding of a Reserve Account so that the amount of funds held in a Reserve Account, taken together with amounts represented by any Alternate Security accepted by Elavon, equal the Reserve Amount.

c) **Recoupment and Set-off**. Elavon and Member have the right of recoupment and set-off. This means that they may offset any outstanding or uncollected amounts owed to them hereunder from: (i) any amounts they would otherwise be obligated to deposit into the DDA; and (ii) any other amounts they may owe Merchant under the Agreement. Merchant acknowledges that in the event of a Bankruptcy Proceeding, in order for Merchant to provide adequate protection under Bankruptcy Code Section 362 to Elavon and/or Member hereunder, Elavon and Member may require the creation of a Reserve Account and either of them shall have the right to offset against the Reserve Account for any and all obligations Merchant may owe to Elavon and Member, without regard to whether the obligations relate to Transactions initiated or processed before or after the initiation of the Bankruptcy Proceeding.

d) **Remedies Cumulative**. The rights conferred upon Elavon and Member in this section are not intended to be exclusive of each other or of any other rights and remedies of Elavon and Member under the Agreement, at law or in equity. Rather, each and every right of Elavon and Member under the Agreement, at law or in equity is cumulative and concurrent and in addition to every other right.

5) **PROCESSING SERVICES; FEES; OTHER AMOUNTS OWED; TAXES**. Elavon and Member will provide Merchant with Processing Services in accordance with the Agreement. Merchant will compensate Elavon and Member for Processing Services as indicated on Appendix D and in any other Schedules executed by Elavon, Member and Merchant.

a) **Fees**. Merchant will pay Elavon and Member fees in the ordinary course of business for all Processing Services, supplies, and equipment in accordance with Appendix D, any amendment to Appendix D and any additional application or setup form(s) or schedules provided by Elavon and Member in writing to Merchant. Such fees will be calculated and debited from the DDA or the Reserve Account once each month for the previous month's activity as applicable.

b) **Research**. In addition, Merchant will pay Elavon at its standard rates for research including, but not limited to, research required to respond to any third party or government subpoena, levy, garnishment or required reporting on Merchant's account.

c) **Change of Fees.** The fees set forth in the Agreement and any additional application or set up form will not be amended by Elavon for the Initial Term of the Agreement except Appendix D to pass through to Merchant changes in interchange and assessments, or foreign Network fees.

d) **Other Amounts Owed**. Merchant will promptly pay Elavon or Member any amount incurred by Elavon or Member attributable to the Agreement, including, without limitation, Chargebacks, returns, adjustments, fees, fines, penalties, assessments (including all fines, penalties, or assessments by the Payment Networks as a result of Merchant's Transaction processing), and any other payments due under the Agreement. Elavon or Member may offset these amounts from funds otherwise owed by Elavon or Member to Merchant or may debit these amounts from Merchant's DDA or Reserve Account by ACH. In the event such offset or ACH debit does not fully reimburse Elavon or Member for the amount owed, Merchant will promptly pay Elavon or Member such amount upon demand. Elavon will charge interest on all uncollected amounts owed to Elavon or Member that are more than thirty (30) days past due at a rate equal to the lesser of (i) the product of the uncollected amounts and the then-current Federal Funds Rate plus 10% (calculated and computed on the basis of a 365-day year), or (ii) the maximum daily rate of interest permitted under applicable law.

e) **Taxes**. Merchant is also obligated to pay all taxes and other charges imposed by any governmental authority on the goods and services provided under the Agreement excluding the income taxes attributable to Elavon or Member. If Merchant is a tax-exempt entity, Merchant will provide Elavon and Member with an appropriate certificate of tax exemption.

6) **ACCURACY OF INFORMATION; INDEMNIFICATION; LIMITATION OF LIABILITY.**

a) **Accuracy of Information**. Merchant must promptly notify Elavon in writing of any material changes to the information provided in the Merchant Application, in the bid process if applicable, or otherwise in the Agreement, including, without limitation, any additional location or new facility at which Merchant desires to use the Processing Services, the form of entity (e.g., partnership, corporation, etc.), change in control, material changes to the type of goods and services provided and/or payments accepted, and how Transactions are completed (e.g., by telephone, mail, electronic commerce, or in person at Merchant's place of business). The notice must be received by Elavon at least ten (10) business days prior to the change. Merchant will promptly provide any additional information reasonably requested by Elavon. Elavon has the right to rely upon written instructions submitted by Merchant to request changes to Merchant's business information. Merchant may request written confirmation of Elavon's consent to the changes to the Merchant's business information.

b) **Indemnification**.

i) **By Merchant**. Merchant will be liable for and indemnify, defend, and hold harmless Elavon, Member and their respective employees, officers, directors, and agents against all claims by third parties for losses, damages, liabilities or expenses, including all reasonable attorneys' fees and other costs and expenses paid or incurred by Member and/or Elavon, any Transaction processed under the Agreement, any breach by Merchant of the Agreement, Merchant's negligence, gross negligence or willful misconduct, any action taken by Elavon or Member with respect to the DDA or Reserve Account in accordance with the Agreement, or any Merchant Bankruptcy Proceeding, but excluding claims to the extent attributable to Elavon's or Member's negligence, willful misconduct, or breach of the Agreement.

ii) **By Elavon**. Elavon will be liable for and indemnify, defend, and hold harmless Merchant and its employees, officers, directors, and agents against all claims made by third parties for losses, damages, liabilities or expenses arising out of Elavon's breach of the Agreement, negligence, gross negligence, or willful misconduct, but excluding claims to the extent attributable to Merchant's negligence, gross negligence, willful misconduct, or breach of the Agreement.

c) **Limitation of Liability**. Merchant acknowledges that fees for the Processing Services provided to Merchant by Elavon and Member are very small in relation to the funds advanced to Merchant for Transactions and consequently Elavon's and Member's willingness to provide these services is based on the liability limitations contained in the Agreement. Therefore, in addition to greater limitations on Elavon's or Member's liability that may be provided elsewhere, any liability of Elavon and Member under the Agreement, whether to Merchant or any other party, whatever the basis of the liability, will not exceed, in the aggregate, an amount equal to the lesser of (a) the fees paid by Merchant to Elavon and Member during the last three (3) months, exclusive of fees and variable costs incurred by Elavon and Member to process Transactions, such as Interchange costs, assessments, and fees imposed by a third party or, (b) fifty thousand dollars ($50,000). In no event will the parties, or their agents, officers, directors, or employees be liable to any other party to the Agreement for indirect, exemplary, punitive, special, or consequential damages.

d) **Performance; Disclaimer of Warranties**. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE AGREEMENT, ELAVON AND MEMBER MAKE NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PROCESSING SERVICES, AND NOTHING CONTAINED IN THE AGREEMENT WILL CONSTITUTE SUCH A WARRANTY. ELAVON AND MEMBER DISCLAIM ALL IMPLIED WARRANTIES, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. No party hereto shall be liable for any failure or delay in its performance of the Agreement if such failure or delay arises for reasons beyond the control of such party and without the fault or negligence of such party.

7) **REPRESENTATIONS AND WARRANTIES; COVENANTS.**

a) **Merchant Representations and Warranties**. Merchant represents and warrants to Elavon and Member the following as of the Effective Date:

i) **Information**. Merchant is validly existing and duly organized under the laws of the jurisdiction in which it was formed with all necessary authority, qualifications, licenses and registrations necessary to conduct its business, in all jurisdictions where Merchant conducts business, in compliance with all Laws and Payment Network Regulations. All written information provided in the Merchant Application, in the bid process if applicable, the assumptions in Appendix D or any other document submitted to Elavon or Member is true and complete and properly reflects the business, financial condition and ownership of Merchant in all material respects.

ii) **Authority and Power**. Merchant and the person signing the Agreement on Merchant's behalf have the power to execute and perform the Agreement. The person executing the Agreement is duly authorized to bind Merchant and each affiliated entity identified in Schedule B to all provisions of the Agreement as if each affiliated entity had executed the Agreement, and such person is authorized to execute any document and to take any action on behalf of Merchant which may be required by Elavon to carry out the Agreement. Further, the signing and/or performing in accordance with the Agreement will not violate any Law, or conflict with any other agreement to which Merchant is subject.

iii) **MasterCard MATCH™ System and Consortium Merchant Negative File.** Merchant has never been placed on the MasterCard MATCH™ system (formerly known as the Combined Terminated Merchant File), or been named to the Consortium Merchant Negative File maintained by Discover or, if it has, it has disclosed this fact to Elavon in writing.

iv) **No Litigation**. There is no action, suit, or proceeding pending, or to Merchant's knowledge, threatened that would reasonably be expected to materially impair Merchant's ability to carry on Merchant's business substantially as now conducted or which would materially and adversely affect Merchant's financial condition or operations.

b) **Merchant Covenants**. Merchant covenants the following to Elavon and Member during the Initial Term and any Renewal Term:

i) **Compliance with Laws and Payment Network Regulations**. Merchant will comply with all Laws and Payment Network Regulations.

ii) **Business Use**. Merchant is obtaining and using the Processing Services from Elavon and Member for business purposes only and to facilitate lawful business Transactions between Merchant and its Customers. Merchant will not submit Transactions for processing to Elavon or Member for any businesses, materially different products, or methods of selling other than those set forth in the Merchant Application without the prior written consent of Elavon. Merchant also acknowledges that the DDA into which debits and credits are made is being used for lawful business purposes only.

iii) **Transactions**. To the best of Merchant's knowledge, all Transactions are bona fide. No Transaction involves the use of a Payment Device for any purpose other than the payment to Merchant or a return or adjustment related to such payment. No Transaction involves a Cardholder obtaining cash from Merchant unless allowed by the Payment Network Regulations and agreed to in writing by Elavon. All Transactions will be accepted at entities properly identified to Elavon and Member on Schedule B attached hereto.

iv) **Responsibility for Actions**. Merchant is responsible for any violations of this Agreement that result from the actions of or failure to act by Merchant's officers, directors, employees, agents, business invitees, and those of any other Person who, with or without Merchant's consent or cooperation, obtains access to information related to Transactions from Merchant or access to systems under Merchant's control, but excluding all actions or failures to act to the extent attributable to Elavon's or Member's breach of the Agreement, negligence or willful misconduct.

c) **Elavon and Member Representations and Warranties**. Elavon and Member represent and warrant to Merchant the following as of the Effective Date of the Agreement:

i) **Information**. Elavon is a corporation validly existing and organized under the laws of the State of Georgia. Member is a banking association validly existing and organized in the United States.

ii) **Corporate Power**. Elavon, Member and the persons signing the Agreement on behalf of each of them have the power to execute and perform the Agreement. The persons executing the Agreement are duly authorized to bind Elavon and Member, as applicable, to all provisions of the Agreement and such persons are authorized to execute any document and to take any action on behalf of Elavon and Member, respectively, which may be required to carry out the Agreement. Further, the signing and/or performing in accordance with the Agreement will not violate any Law, or conflict with any other agreement to which they are respectively subject.

iii) **No Litigation**. There is no action, suit, or proceeding pending, or to Elavon's or Member's knowledge threatened, which if decided adversely would impair Elavon's or Member's ability to carry on their business substantially as now conducted or which would adversely affect Elavon's or Member's financial condition or operations.

d) **Elavon and Member Covenants**. Elavon and Member, each on their own behalf and not on behalf of the other, covenants to Merchant the following during the Initial Term and any Renewal Term:

i) **Compliance with Laws and Payment Network Regulations**. Elavon and Member

will comply with all Laws and Payment Network Regulations including the requirements of the Payment Card Industry ("PCI") Data Security Standard, as applicable to them and their respective systems, for the Processing Services provided under the Agreement. The Merchant may review Elavon's current PCI compliance status on the Payment Network websites as available.

ii) **Responsibility for Actions**. Elavon and Member are responsible for any violations of this Agreement that result from the actions of or failure to act by their officers, directors, employees and agents; but excluding actions or failures to act to the extent attributable to Merchant's breach of the Agreement, negligence or willful misconduct.

8) **AUDIT AND INFORMATION**.

a) **Audit**.

i) **Elavon or Member Audit**. In the event that Elavon or Member reasonably suspects that they are subject to a financial or reputational risk due to Merchant's actions or omissions, Merchant authorizes Elavon and Member to perform an audit or inspection of Merchant's operations to confirm compliance with the Agreement upon reasonable advance notice and at Elavon's or Member's expense. Merchant agrees to cooperate, in good faith, with any such audit conducted by Elavon or Member.

ii) **Data Compromise, Security, and Payment Network Audit**. In addition to Merchant's obligations under Section 13(e)(i), in the event of a known or suspected data compromise, security incident, the occurrence of suspicious activity, or otherwise if required by the Payment Networks, Merchant will obtain, at the request of Elavon, Member or any Payment Network, and submit a copy of a forensic audit from a qualified incident response assessor of the information security of Merchant's business at Merchant's expense. Merchant acknowledges and agrees that the Payment Networks have the right to audit Merchant's operations to confirm compliance with the Payment Network Regulations.

b) **Information**.

i) **Authority**. Merchant authorizes Elavon and Member to make, upon receipt of the Merchant Application and from time to time, any business credit or other inquiries they consider reasonably necessary to review the Merchant Application or continue to provide Processing Services under the Agreement. Merchant also authorizes a credit reporting agency to compile information to answer those business credit inquiries and to furnish that information to Elavon.

ii) **Financial Information**. Upon the request of either Elavon or Member, Merchant will provide Elavon and Member audited financial statements prepared by an independent certified public accountant selected by Merchant. Within one hundred twenty (120) days after the end of each fiscal year, Merchant will furnish Elavon and Member, as requested, a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, each audited as provided above. Merchant shall also provide Elavon and Member such interim financial statements and other information as Elavon or Member may request from time to time. Notwithstanding the foregoing, Merchant shall not be obligated to provide financial statements or similar information other than those included in Merchant's filings with the Securities and Exchange Commission so long as Merchant remains registered and obligated to file financial statements (including annual reports on Form 10-K and quarterly reports on Form 10-Q) pursuant to the Securities Exchange Act of 1934, as amended.

iii) **Merchant Information**. Merchant agrees that any information about Merchant or any of its principals, affiliates or agents that is provided to Elavon or Member on the Merchant Application or otherwise obtained by Elavon or Member in connection with the Agreement may be (A) used by Elavon and Member, and their respective affiliates, agents and referral partners, (i) in order to provide the Processing Services and related functions to Merchant and to respond to any further application for services, or (ii) for administrative purposes; (B) disclosed and shared for reporting purposes to credit rating agencies, in accordance with the Payment Network Regulations, to Issuers and to the financial institution where the DDA is maintained; (C) used or disclosed in the course of any actual or potential sale, reorganization or other change to Elavon's or Member's business; (D) collected, used and disclosed as required or permitted by Law (e.g., for tax reporting or in response to a subpoena); and (E) retained for such periods of time as required by Elavon and Member to perform their obligations and exercise their rights under the Agreement.

c) **Customer Identification**. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account. Accordingly, Merchant must provide certain information and identifying documents to allow Elavon and Member to identify Merchant.

9) **FRAUD MONITORING.** Merchant is solely responsible for monitoring its Transactions. Elavon and Member are under no duty to monitor Merchant's Transactions for fraudulent or other suspicious activity.

10) **BUSINESS CONTINUITY.**

a) **Merchant.** Merchant is solely responsible for all Transactions and Transaction Receipts until such time as the Transaction Receipts have been received and validated by Elavon. Merchant will maintain sufficient "backup" information and data (e.g., Transaction Receipts or detailed reporting) with respect to Transactions and will provide such information and data to Elavon or Member upon request in order to reconstruct any information or data lost due to any malfunction of Merchant's or Elavon's or Member's systems. Elavon is under no duty to recreate lost Transactions or Transaction Receipts unless such loss results from Elavon's breach of the Agreement.

b) **Elavon and Member.** Elavon and Member are required, pursuant to federal banking regulations, to establish, maintain, and test an effective and comprehensive business continuity plan ("BCP"). Elavon and Member maintain BCPs that are commercially reasonable within the industry for the Processing Services. Elavon and Member will continue to adhere to their respective BCPs and will modify those plans from time to time to meet the objectives and requirements of their respective businesses.

11) **THIRD PARTIES.**

a) **Products or Services.** Merchant may desire to use a Value Added Servicer to assist Merchant with its Transactions. Merchant shall not utilize any such third parties unless Merchant has disclosed such use to Elavon previously in writing, and unless such Value Added Servicer is fully compliant with all Laws and Payment Network Regulations. Any Value Added Servicer used by Merchant must be registered with the Payment Networks prior to the performance of any contracted services on behalf of Merchant. Further, as between the parties to the Agreement, Merchant will be bound by the acts and omissions of any Value Added Servicer and Merchant will be responsible for compliance by such Value Added Servicer with all Laws and Payment Network Regulations. Merchant will indemnify and hold harmless Elavon and Member from and against any loss, cost, or expense incurred in connection with or by reason of Merchant's use of any third parties, including Value Added Servicers. Neither Elavon nor Member is responsible for any Value Added Servicer, nor are they responsible for any Transaction until Elavon receives data for the Transaction in the format required by Elavon.

b) **Third Party Contractors.** Merchant acknowledges and understands that Elavon or Member may use the services of third party service providers in connection with the performance of their obligations under the Agreement, including any Schedule to the Agreement. Except as otherwise provided in the Agreement, Elavon and Member shall be responsible for the performance of their obligations hereunder notwithstanding any use of or delegation of any responsibility to a third party service provider.

12) **TERM AND TERMINATION.**

a) **Term.** Unless terminated as set forth below, the Agreement, including all Schedules hereto executed as of or following the Effective Date, will remain in effect for the Initial Term, as defined on Appendix D, following the Effective Date set out on page 1 of the Agreement. Thereafter, the Agreement, including all Schedules thereto, will automatically renew for successive Renewal Terms, as defined on Appendix D, unless terminated as set forth below. If Merchant processes Transactions beyond the Initial Term or Renewal Term, then the terms of the Agreement shall govern such Transaction processing.

b) **Termination.**

i) **By Merchant.**

(A) The Agreement may be terminated by Merchant effective at the end of the Initial Term or any Renewal Term by providing written notice of an intent not to renew to Elavon at least ninety (90) days prior to the expiration of the then current term.

(B) The Agreement may be terminated by Merchant if any of the following conditions remain uncured thirty (30) days after Merchant provides Elavon and Member written notice of the existence of the condition:

(1) Elavon has failed to pay Merchant an undisputed amount owed to Merchant under the Agreement; or

(2) Elavon or Member has failed to perform a material obligation under the Agreement.

ii) **By Elavon or Member.**

(A) The Agreement may be terminated by Elavon or Member effective at the end of the Initial Term or any Renewal Term by providing written notice of an intent not to renew to Merchant at least ninety (90) days prior to the expiration of the then current term.

(B) The Agreement may be terminated by Elavon or Member if, after providing thirty (30) days written notice, any of the following conditions remain:

(1) The occurrence of Excessive Activity.

(2) The acceptance of Card Not Present or Convenience Fee Transactions without

proper disclosure to Elavon and Member in the Agreement or an amendment to the Agreement.

(3) The failure to pay Elavon or Member any amount Merchant owes Elavon or Member.

(4) The failure by Merchant to perform a material obligation of the Agreement.

(C) The Agreement may be terminated by Elavon or Member immediately upon the occurrence of one or more of the following:

(1) The occurrence of a material adverse change in Merchant's financial condition.

(2) The garnishment or attachment of Merchant's deposit accounts with Member, Alternate Security, the DDA, the Reserve Account, or any of Merchant's property in the possession of Elavon or Member.

(3) The commencement of a Bankruptcy Proceeding by or against Merchant.

(4) Any representation, warranty or covenant by Merchant is false or misleading in any material respect as of the date made, or becomes false or misleading in any material respect at any time during the term of the Agreement.

(5) Any Payment Network requires Elavon or Member to terminate the Agreement or cease processing transactions for Merchant.

(6) Any change, not approved by Elavon, that constitutes a material change in the types of goods and services Merchant sells or in the methods by which Merchant sells them, or any change that results in Merchant's violation of Elavon's or Member's underwriting policy.

(7) Assignment of the Agreement or a change in control of Merchant without Elavon's written consent.

(8) Revocation, termination or non-renewal of any guaranty, indemnity agreement, letter of credit or other Alternate Security executed in connection with the Agreement, if applicable.

The parties' rights of termination under the Agreement are cumulative. A party may exercise its termination rights with respect to an individual Schedule to the Agreement or the participation of any affiliate without terminating other Processing Services or Schedules, provided that any termination of the Agreement in whole shall automatically terminate all related Processing Services and Schedules. A specific right of termination in this section shall not limit any other right of the party to terminate the Agreement or any Schedule expressed elsewhere.

c) **Notice of Termination.**

i) Notice of termination by Merchant, Elavon, or Member must be given in writing. Termination shall be effective on the date specified by the written notice; provided, however Merchant agrees that closing Merchant's account with Elavon may take up to thirty (30) days following Elavon's receipt of written notice of termination. In those limited instances where Merchant's account is reinstated by Elavon following termination by either Merchant or Elavon in the Initial or any Renewal Term, all of Merchant's obligations under the Agreement are likewise reinstated and will renew for successive Renewal Terms effective on the date of reinstatement.

d) **Action upon Termination.**

i) **Accounts**. All obligations of a party regarding Transactions processed prior to termination will survive termination. Funds related to Transactions processed prior to termination may be placed in a Reserve Account until Merchant pays all amounts Merchant owes Elavon or Member or for which Merchant is liable under the Agreement. Merchant must maintain enough funds in the DDA following termination to cover all Chargebacks, returns, adjustments, fees, fines, penalties, assessments from the Payment Networks and other amounts due under the Agreement for a reasonable time, but in any event, not less than 180 days from termination.

ii) **Equipment**. If Merchant's equipment is leased, Merchant is obligated to honor the terms and conditions of Merchant's leasing contract. If Merchant's equipment is owned or supplied by Elavon, Merchant must return all equipment to Elavon and pay Elavon any amounts Merchant owes for such equipment within thirty (30) days.

iii) **Early Termination Fee**. If Merchant terminates the Agreement before the end of the Initial Term, except for termination pursuant to Section (A)(12)(b)(i)(B), Merchant will immediately pay Elavon and Member, as liquidated damages, an early termination fee as specified on Schedule A, Schedule of Fees. Merchant agrees that the early termination fee is not a penalty, but rather is reasonable in light of the financial harm caused by Merchant's early termination. In addition to the foregoing, if Merchant terminates the Agreement during the Initial Term, other than a termination under Section (A)(12)(b)(i)(B), any incentives, discounts or credits granted by

Elavon to Merchant, as reflected on Schedule A, Schedule of Fees, will be immediately due and payable to Elavon in accordance with Schedule A.

13) **COMPLIANCE WITH LAWS AND PAYMENT NETWORK REGULATIONS; MATCH™ AND CONSORTIUM MERCHANT NEGATIVE FILE.**

a) **Compliance with Laws and Payment Network Regulations**. Merchant, Elavon and Member agree to comply with all applicable Payment Network Regulations, including all requirements applicable to obtaining authorization for ACH debits from or charges to a business account, as applicable. Merchant, Elavon and Member further agree to comply with all Laws applicable to the selected Processing Services, including without limitation, Laws related to: (i) Payment Devices; (ii) electronic fund transfers; (iii) confidential treatment of information; and (iv) the Fair and Accurate Credit Transactions Act of 2003 (FACTA), including its requirements relating to the content of Transaction Receipts provided to Cardholders. Merchant will execute and deliver to Elavon and Member all documents they may from time to time reasonably deem necessary to verify Merchant's compliance with this provision.

b) **Privacy Laws.** In addition to Section (A)(14)(b), each party hereto must take all commercially reasonable steps to protect the confidentiality of Cardholder and Transaction information and shall establish and maintain physical, technical and administrative safeguards to prevent unauthorized access by third parties to such Cardholder and Transaction information and in a manner that complies with applicable Laws, including without limitation the federal Health Insurance Portability and Accountability Act, the federal Gramm-Leach-Bliley Act, FACTA or other applicable privacy laws.

c) **MATCH™ and Consortium Merchant Negative File.** Merchant acknowledges that Member and/or Elavon is required to report Merchant's business name and the name of Merchant's principals to the MATCH™ listing maintained by MasterCard and accessed by Visa or to the Consortium Merchant Negative File maintained by Discover, if applicable, pursuant to the requirements of the Payment Network Regulations. Merchant specifically consents to Elavon's and Member's fulfillment of the obligations related to the listing of Merchant in such databases, and Merchant waives all claims and liabilities Merchant may have as a result of such reporting.

d) **Security Program Compliance**. Merchant must comply with the requirements of the Payment Card Industry (PCI) Data Security Standard (PCI DSS) including the Cardholder Information Security Program (CISP) of Visa, the Site Data Protection Program (SDP) of MasterCard, the Data Security DISC Program and the PCI DSS regulations of Discover Network, and the security programs of any other Payment Network regarding which Merchant accepts a Payment Device, as applicable, and any modifications to, or replacements of such programs that may occur from time to time (collectively, "Security Programs"). Upon request, Elavon will provide Merchant with the respective website links to obtain the current requirements of the Visa, MasterCard, and Discover Network Security Programs. Merchant will not disclose Cardholder or Transaction information to any third party, except to an agent of Merchant assisting in completing a Transaction, or as otherwise required or permitted by Laws and the Payment Network Regulations. Merchant must maintain all systems and media containing Cardholder and Transaction information in a secure manner to prevent unauthorized access to or disclosure of such information. Merchant is responsible for Merchant's own actions or inactions, those of Merchant's officers, directors, shareholders, employees and agents (collectively, "Merchant's Agents"). Merchant shall indemnify and hold Elavon and Member harmless from any liability, loss, cost, or expense resulting from the violation of any of the Security Program requirements by any of Merchant's Agents.

e) **Data Compromise**.

i) **Notice and Investigation**. Merchant acknowledges and agrees that Cardholder data and bank account information obtained by Merchant in connection with any Transaction is the property of the financial institution that issued the Payment Device or holds the Customer's account. Merchant must notify Elavon and Member within twenty-four (24) hours (and if notice is given orally, it must be confirmed in writing within the same twenty-four hour period), if Merchant knows or suspects that Cardholder Data, Customer information, or Transaction information has been accessed or used without authorization from Merchant, Merchant's Agents or systems within Merchant's or its agent's control (a "Data Incident"). The notice must include: (a) a detailed written statement about the Data Incident including the contributing circumstances, (b) the form, number and range of compromised account information, (c) specific account numbers compromised, and (d) details about the ensuing investigation and Merchant's security personnel who may be contacted in connection with the Data Incident. Merchant must fully cooperate with the Payment Networks, Elavon and Member in the forensic investigation of the Data Incident.

Within seventy-two (72) hours of becoming aware of the Data Incident, Merchant must engage the services of a data security firm acceptable to the Payment Networks and/or to Elavon and Member to assess the vulnerability of the compromised data and related systems. Merchant must provide weekly written status reports to Elavon and Member until the forensic audit is complete. Merchant must promptly furnish updated lists of potential or known compromised account numbers and other documentation or information that the Payment Networks and/or Elavon and Member may request. In addition, Merchant must provide all audit reports to Elavon and Member, and such audits must be completed to the satisfaction of the Payment Networks and/or of Elavon and Member. If Merchant fails to supply the forensic audits or other information required by the Payment Networks and/or by Elavon and Member, Merchant will allow Elavon or Member to perform or have performed such audits at Merchant's expense.

ii) **Preservation of Records**. In the event of a Data Incident, Merchant must take immediate steps to preserve all business records, logs and electronic evidence relating to the Data Incident. Merchant shall cooperate with Elavon and Member to rectify, correct and resolve any issues that may result from the Data Incident, including providing Elavon and Member with (and obtaining any necessary waivers for) all relevant information to verify Merchant's ability to prevent future data incidents in a manner consistent with the Agreement.

iii) **Liability for Data Incident**. Without waiving any of Elavon's and Member's rights and remedies, Merchant is liable for all fraudulent transactions related to any Data Incident and all costs Elavon or Member incur as a result of such Data Incident, including any fees, fines, penalties and/or assessments by the Payment Networks, claims from third parties, all costs related to the notification of Cardholders or Customers and cancellation, re-issuance of Payment Devices (including underlying accounts), forensic investigation, and PCI DSS review for a report of compliance.

iv) **Elavon Data Compromise**. If Elavon suffers a data incident and Cardholder, Customer, or Transaction information has been accessed from Elavon, its employees or agents, or systems within Elavon's control, then Elavon will follow all applicable Payment Network Regulations with respect to such data incident including providing the required reporting and forensic audits to the Payment Networks.

14) **USE OF TRADEMARKS; CONFIDENTIALITY; PASSWORDS.**

a) **Use of Trademarks**. Merchant may use and display the Payment Networks' marks, and shall display such marks in accordance with the standards for use established by the Payment Networks. Merchant's right to use all such marks will terminate upon termination of the Agreement or upon notice by a Payment Network to discontinue such use, and Merchant must thereafter promptly return any materials displaying the marks. Merchant's use of promotional materials provided by the Payment Networks will not indicate, directly or indirectly, that such Payment Networks endorse any goods or services other than their own and Merchant may not refer to any Payment Networks in stating eligibility for Merchant's products or services.

b) **Confidentiality**.

i) **Cardholder and Transaction Information**. Merchant, Elavon and Member shall, at all times, protect the confidentiality of Cardholder and Transaction information in accordance with all applicable Laws and Payment Network Regulations. Merchant, Elavon and Member must maintain Cardholder and Transaction information for such time periods as may be required by Laws and the Payment Network Regulations and thereafter destroy, in a manner that will render the data unreadable, all such media that they no longer deem necessary or appropriate to maintain. Further, Merchant, Elavon and Member must take all steps reasonably necessary to ensure that Cardholder and Transaction information is not disclosed to unauthorized parties or otherwise misused. Merchant may not retain or store magnetic stripe or CVV2/CVC2 data after authorization for record keeping or additional authorization processing.

ii) **Bankruptcy**. In the event of failure or other suspension of Merchant's business operations, including any Bankruptcy Proceeding, Merchant must not sell, transfer, or disclose any materials that contain Cardholder or Transaction information to third parties. Merchant must:

(A) Return this information to Elavon, or

(B) Provide acceptable proof of destruction of this information to Elavon.

iii) **Confidential Information Generally**. Each party shall at all times protect the other parties' Confidential Information. The Receiving Party will not use a Disclosing Party's Confidential Information in any way directly or indirectly detrimental to the Disclosing Party. Each party recognizes that the disclosure or unauthorized use of Confidential Information will injure the Disclosing Party. Each party further recognizes

and agrees that the injury that the Disclosing Party will suffer for any actual or threatened breach by the Receiving Party of the covenants or agreements contained herein cannot be compensated by monetary damages alone, and the Receiving Party therefore agrees that the Disclosing Party, in addition to and without limiting any other remedies or rights which it may have under the Agreement or otherwise, shall be entitled to equitable relief, including injunction and specific performance. The Receiving Party further agrees to waive any requirement for the securing or posting of any bond in connection with such equitable remedy.

c) **Passwords**. If Merchant receives a password from Elavon to access any of Elavon's databases or services, Merchant will: (i) keep the password confidential; (ii) not allow any other Person to use the password or gain access to Elavon's or any of its agent's databases or services; (iii) be liable for all action taken by any user of the password that obtained access to the password from Merchant; and (iv) promptly notify Elavon if Merchant believes Elavon's databases or services or Merchant's information has been compromised by use of the password. If Merchant receives passwords from a third party for products or services related to Transaction processing, Merchant must protect such passwords in the manner required by such third party and indemnify, defend, and hold Elavon and Member harmless from any losses, costs, or expenses that arise from Merchant's use or misuse of such third party passwords.

d) **Proprietary Interest**. Merchant has no interest whatsoever, including, without limitation, copyright interests, franchise interests, license interests, patent rights, property rights, or other interest in any services, software, or hardware provided by Elavon, unless specifically agreed to in a separate license or use agreement between Merchant and Elavon. Nothing in the Agreement shall be construed as granting Merchant any patent rights or patent license in any patent which Elavon may obtain in respect to Elavon's services, software, or equipment. Merchant will make no attempt to duplicate or otherwise ascertain the components, circuit diagrams, logic diagrams, flow charts, source and object code, schematics or operation of, or otherwise attempt to reverse engineer any of Elavon's services, equipment, or software.

e) **Actions upon Termination.** Upon the request of the Disclosing Party or upon the termination of the Agreement, the Receiving Party shall promptly return all Confidential Information and all copies of such Confidential Information in the Receiving Party's possession or in the possession of its agents and/or will deliver to the Disclosing Party, destroy or irreversibly erase, as the Disclosing Party shall request, all originals and copies prepared by the Receiving Party or its agents or prepared for the Receiving Party's use containing or reflecting any Confidential Information of the Disclosing Party. In the event a dispute arises between the parties in relation to the Confidential Information (or a part thereof) or the Agreement, the Receiving Party may retain a copy of such Confidential Information (or part thereof) as, in the Receiving Party's discretion, reasonably exercised, is necessary for its defense of the dispute and its retention and use of such Confidential Information shall continue to be subject to the terms of the Agreement.

f) **Disclosure of Confidential Information.** In the event that the Receiving Party and/or its agents become legally required or compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or by any similar process or court or administrative order) to disclose Confidential Information, then the Receiving Party shall provide the Disclosing Party with prompt prior written notice of such legal requirement so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Section 14. In the event that such protective order or other remedy is not obtained, and regardless of whether the Disclosing Party waives compliance with the terms of this Section 14, the Receiving Party agrees to disclose only that portion of the Confidential Information which the Receiving Party, as advised by the written opinion of counsel, is legally required to be disclosed and to exercise best efforts to obtain assurances that confidential treatment will be accorded such Confidential Information.

15) **MISCELLANEOUS PROVISIONS.**

a) **Entire Agreement**. In the event of a conflict between the documents comprising this Payment Device Processing Agreement, the following order of priority will apply: (i) any amendment or Schedule to the Agreement; (ii) the TOS; (iii) the Payment Network Regulations; (iv) the Merchant Operating Guide; and (v) any other guides or manuals provided to Merchant from time to time.

b) **Jurisdiction and Venue; Governing Law**. All matters arising out of or related to the Agreement will be governed by and construed in accordance with the Laws of the State of Georgia. The parties agree that all performances and Transactions under the Agreement will be deemed to have occurred in the State of Georgia and that Merchant's entry into and performance of the Agreement will be deemed to be the transaction of business within the State of Georgia. Jurisdiction and venue for any claim or cause of action arising under the Agreement (other than collection actions by Elavon or Member relating to amounts owed by Merchant under the Agreement) shall be exclusively in the United States

District Court for the Northern District of Georgia, and the parties submit to personal jurisdiction of, and waive any personal jurisdiction or inconvenient forum objection to, that court. If subject matter jurisdiction does not exist in the United States District Court for the Northern District of Georgia, then the exclusive forum and venue for any such action shall be the courts of the State of Georgia located in Fulton County and the parties submit to personal jurisdiction of, and waive any personal jurisdiction or inconvenient forum objection to, such court. Merchant, Elavon and Member hereby jointly and severally waive any and all right to trial by jury in any action or proceeding relating to the Agreement. Merchant, Elavon and Member each represents to the other that this waiver is knowingly, willingly and voluntarily given.

c) **Exclusivity**. During the Initial Term and any Renewal Term of the Agreement, Merchant will not enter into an agreement with any other entity that provides processing services similar to those provided by Elavon and Member as contemplated by the Agreement without Elavon and Member's written consent.

d) **Construction**. Any alteration or strikeover in the text of the Agreement or any Schedule thereto will have no binding effect and will not be deemed to amend the Agreement. The headings used in the Agreement are inserted for convenience only and will not affect the interpretation of any provision. The language used will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

e) **Assignability**. The Agreement may not be assigned by Merchant, directly or by operation of law, without the prior written consent of Elavon and Member. If Merchant, nevertheless, assigns the Agreement without Elavon and Member's consent, the Agreement will be binding on the assignee as well as Merchant. Elavon and Member will not transfer or assign the Agreement without the prior written consent of Merchant, provided that such consent shall not be required for (i) the assignment or delegation to an affiliate of Elavon, or (ii) the assignment or delegation to any Person into or with which Elavon shall merge or consolidate, or who may acquire substantially all of Elavon's stock or assets. Notwithstanding the foregoing, in the event for whatever reason, Member should cease doing business with Elavon as its "Acquirer" for processing its merchant Transactions, and thereafter begins utilizing an alternate third party Acquirer for the processing of such Transactions, then Merchant shall have the right to: (i) remain with Member and such other third party Acquirer for the processing of its Transactions; (ii) remain with Elavon (should Elavon retain its status as an Acquirer via a relationship with an alternate financial institution as required by the Payment Network Regulations); or (iii) terminate its relationship with Member and the surviving third party Acquirer without penalty, upon not less than thirty (30) days written notice to Member.

f) **Notices**. Any written notice to the other party under the Agreement will be deemed received upon the earlier of: (i) actual receipt; or (ii) five (5) business days after being deposited in the United States mail, or (iii) two (2) business days after being deposited with a nationally recognized overnight carrier. Such notices will be addressed to the Merchant's last address shown on the records of Elavon, or to Elavon at 7300 Chapman Highway, Knoxville, TN 37920.

g) **Bankruptcy**. Merchant will immediately notify Elavon of any Bankruptcy Proceeding initiated by or against Merchant. Merchant will include Elavon on the list and matrix of creditors as filed with the Bankruptcy Court, whether or not a claim may exist at the time of filing. Merchant acknowledges that the Agreement constitutes an executory contract to make a loan, or extend other debt financing or financial accommodations to, or for the benefit of Merchant, and, as such, cannot be assumed or assigned in the event of Merchant's bankruptcy.

h) **Customer Contact**. Merchant authorizes Elavon and Member to contact Merchant's Customers or their Issuer if Elavon or Member determines that such contact is necessary to obtain information about any Transaction between Merchant and a Customer.

i) **Telephone Recording**. For quality assurance and training purposes Merchant authorizes Elavon to monitor and record telephone conversations at any time. The decision to record any conversation shall be solely in Elavon's discretion and pursuant to applicable Law.

j) **Communication with Merchant**. Merchant agrees that Elavon and Member may provide Merchant with information about their services including, without limitation, information about new products and/or services by facsimile, telephone, mobile telephone and/or electronic mail.

k) **Amendments**. Except as otherwise provided in the Agreement, amendments to the Agreement shall be in writing and signed by the parties. Notwithstanding the foregoing, Elavon and Member may amend or modify the Agreement, to the extent such changes are required by or attributable to changes in the Payment Network Regulations or other Laws, upon written notice to Merchant. Elavon or Member will inform Merchant of such a change in a periodic statement or other written notice, and such change will become effective not less than thirty (30) days following the issuance of the notice. Notwithstanding the previous sentence,

changes to fees authorized by the Agreement will be effective upon notice to Merchant, unless a later effective date is provided.

l) **Severability and Waiver**. If any provision of the Agreement is found to be illegal or otherwise unenforceable, the invalid or unenforceable provision shall be deemed to be curtailed or revised to the extent necessary to make such provision valid and enforceable and all other provisions of the Agreement shall remain enforceable and unaffected thereby. None of the failure, the delay by any party to exercise, or the partial exercise of any right under the Agreement will operate as a waiver or estoppel of such right, nor shall such amend the Agreement. All waivers requested by a party must be signed by the waiving party.

m) **Independent Contractors**. Elavon, Member, and Merchant will be deemed independent contractors and no one will be considered an agent, joint venturer, or partner of the other, unless and to the extent otherwise specifically provided herein. The Agreement has been entered into solely for the benefit of the parties hereto and is not intended to create an interest in any third party.

n) **Survival**. All of the obligations of each party hereto that by their nature should survive termination or expiration of the Agreement in order to achieve its purposes, including, without limitation, Sections 3, 4, 5, 6, 7, 10, 12, 13, 14, and 15(b) of the TOS, shall so survive and remain binding upon and for the benefit of the parties hereto.

o) **Counterparts; Facsimile Signatures; Delivery**. The Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same agreement. Delivery of the various documents and instruments comprising the Agreement may be accomplished by a facsimile transmission, and such a signed facsimile or copy shall constitute a signed original.

p) **Force Majeure**. Elavon and Member shall not be considered in default in performance of their obligations to the extent such performance is delayed by force majeure affecting their ability to so perform. Force majeure shall include, but not be limited to, hostilities, restraint of rulers or peoples, revolution, civil commotion or riots, strike, lockout, epidemic, accident, fire, flood, earthquake, windstorm, explosion, lack of or failure of telecommunication facilities, regulation or ordinance, demand or requirement of any government or governmental agency, or any court, tribunal or arbitrator(s), having or claiming to have jurisdiction over the subject matter of the Agreement or over the parties hereto, or any act of God or any act of government or any cause whether of the same or different nature existing now or in the future which is beyond the reasonable control of Elavon and Member.

Section B - Glossary

16) **ACH Rules**: The NACHA Operating Rules and Operating Guidelines, which govern the interregional exchange and settlement of ACH transactions.

17) **Agreement:** The Payment Device Processing Agreement, including the TOS, MOG, any Schedules, attachments, exhibits, addenda, the Merchant Application, amendments, or additions as permitted under the terms of the Agreement.

18) **Alternate Security**: The security described in Section (A)(4)(b)(vi).

19) **American Express**: American Express Travel Related Services Company, Inc.

20) **ACH**: Automated Clearing House.

21) **ACH Network**: The funds transfer system governed by the ACH Rules. The ACH Network allows participating depository financial institutions to clear interbank entries electronically.

22) **Bankruptcy Proceeding**: With respect to a Person means (i) that the Person or any subsidiary of such Person shall: (a) commence a voluntary case under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect); (b) file a petition seeking to take advantage of any other applicable laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts or any other similar conservatorship or receivership proceeding instituted or administered by any regulatory agency or body; (c) consent to or fail to contest, in a timely and appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws or other applicable laws; (d) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a trustee, receiver, custodian, liquidator, or similar entity of such Person or of all or any substantial part of its assets, domestic or foreign; (e) admit in writing its inability to pay its debts as they become due; (f) make a general assignment for the benefit of creditors; (g) make a conveyance fraudulent as to creditors under any applicable law; or (h) take any action for the purpose of effecting any of the foregoing; or (ii) that a case or other proceeding shall be commenced against the Person or any subsidiary of such Person in any court of competent jurisdiction, or through any regulatory agency or body, seeking: (a) relief under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect) or under any other applicable laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition, or adjustment of debts; or (b) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person or of all or any substantial part of the assets, domestic or

foreign, of such Person or any other similar conservatorship or receivership proceeding instituted or administered by any regulatory agency or body.

23) **Card Not Present**: The processing environment where the Payment Device is not physically presented to the Merchant by the Cardholder as the form of payment at the time of the Transaction. Card Not Present includes, but is not limited to, Mail Order, Telephone Order, and Electronic Commerce Transactions.
24) **Card Present**: The processing environment where the Payment Device is physically presented to the Merchant by the Cardholder as the form of payment at the time of the Transaction.
25) **Cardholder**: (i) the individual in whose name a Payment Device has been issued; or (ii) any individual who possesses or uses a Payment Device and who purports to be the person in whose name the Payment Device was issued or who purports to be an authorized user of the Payment Device.
26) **Chargeback**: A Transaction disputed by a Cardholder or Issuer pursuant to the Payment Network Regulations.
27) **Confidential Information**: All information or items proprietary to any party to the Agreement, of which another party to the Agreement obtains knowledge or access as a result of the relationship formed as a result of the Agreement, including, but not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing): scientific, technical, or business information, product makeup lists, ideas, concepts, designs, drawings, techniques, plans, calculations, system designs, formulae, algorithms, programs, software (source and object code), hardware, manuals, test procedures and results, identity and description of computerized records, identity and description of suppliers, customer lists, processes, procedures, trade secrets, "know-how," marketing techniques and material, marketing and development plans, price lists, pricing policies, and all other financial information.
28) **Convenience Fee:** A fee charged by Merchant for an added convenience to the Cardholder for the use of a Payment Device in a Transaction in accordance with the Payment Network Regulations.
29) **Credit Card**: A card or device associated with a revolving line of credit that may be used to purchase goods and services from Merchant or to pay an amount due to Merchant. A "Credit Card" includes any of the following cards or devices that are associated with a line of credit extended to the Person to whom the card or device is issued: (i) a Visa card or other card or device bearing the symbol(s) of Visa U.S.A., Inc. or Visa International, Inc. (including Visa Gold cards); (ii) a MasterCard card or other card or device bearing the symbol(s) of MasterCard International Incorporated (including MasterCard Gold cards); (iii) a Discover Network card or other card or device bearing the symbol(s) of Discover Network; or (iv) any card or device bearing the symbol of any other Credit Card Association.
30) **Credit Card Associations**: (i) Visa.; (ii) MasterCard; (iii) American Express; (iv) Discover Network; (v) Diners; (vi) JCB; and (vii) any other organization or association that hereafter contracts with Elavon and/or Member to authorize, capture, and/or settle Transactions effected with Credit Cards or signature-based Debit Cards issued or sponsored by such organization or association, and any successor organization or association to any of the foregoing.
31) **Customer**: A client of Merchant who elects to conduct a payment Transaction with Merchant through presentation of a Payment Device (including a Cardholder).
32) **Debit Card**: A card or device bearing the symbol(s) of one or more EFT Networks or Credit Card Associations, which may be used to purchase goods and services from Merchant or to pay an amount due to Merchant by an electronic debit to the Cardholder's designated deposit account. A "Debit Card" includes (i) a card or device that bears the symbol of a Credit Card Association and may be used to conduct signature-based, offline debit Transactions; and (ii) a card or device that bears the symbol of an EFT Network and can be used to conduct PIN-based, online debit Transactions.
33) **Demand Deposit Account (DDA)**: The commercial checking account at a financial institution acceptable to Elavon and Member designated by Merchant to facilitate payment for Transactions, Chargebacks, returns, adjustments, fees, fines, penalties, assessments from the Payment Networks and other payments due under the Agreement.
34) **Diners**: Diners Club International Ltd.
35) **Disclosing Party**: The party providing the Confidential Information to the other party directly or indirectly (via one or more third parties acting on behalf of and at the direction of the party providing its Confidential Information).
36) **Discover**: DFS Services LLC.
37) **Discover Network**: The payment network operated and maintained by Discover.
38) **EBT Card**: A card utilized for electronic benefits transfers.
39) **ECS Association**: Visa (in its operation of the Visa POS Check Service), NACHA and any regional ACH association or network, the Federal Reserve (in its processing of ACH entries or Demand Drafts or other legal replacements or substitutes for a Paper Check, including under the Check Clearing for the 21st Century Act or under applicable provisions of the Uniform Commercial Code), and any other organization or association used by Elavon and/or Member in connection with the ECS that is hereafter designated as an ECS Association by Elavon from time to time.
40) **EFT Networks**: (i) Interlink Network Inc., Maestro U.S.A., Inc., STAR Networks, Inc., NYCE Payments Network, LLC, PULSE Network LLC,

ACCEL/Exchange Network, Alaska Option Services Corporation, Armed Forces Financial Network, Credit Union 24, Inc., NETS, Inc., and SHAZAM, Inc.; and (ii) any other organization or association that hereafter authorizes Elavon and/or Member to authorize, capture, and/or settle Transactions effected with Debit Cards, and any successor organization or association to any of the foregoing.

41) **Effective Date**: The date set forth in the signature block of Elavon on page 1 of the Agreement.
42) **Elavon**: As applicable, Elavon, Inc., a Georgia corporation, and any affiliate or subsidiary of Elavon, Inc. that provides Processing Services to a Merchant related to Transactions. Elavon is a registered member service provider of each Member. Elavon may also be referred to as "Servicer" in the Agreement, the MOG or other documents provided to Merchant in connection with the Processing Services.
43) **Electronic Check Services (ECS)**: The service offering by Elavon pursuant to which Transactions effected via an ACH Payment Device are presented for clearing and settlement by or through an ECS Association.
44) **Electronic Commerce Transaction**: A Transaction that occurs when the Cardholder uses the Internet to make a payment to a Merchant.
45) **Electronic Gift Card (EGC)**: A special stored value card provided by Merchant that is redeemable for merchandise, services or other Transactions.
46) **Excessive Activity**: The occurrence, during any monthly period, of Chargebacks and/or Retrieval Requests in excess of one percent (1%) of the gross dollar amount of Merchant's Transactions or returns in excess of two and one-half percent (2.5%) of the gross dollar amount of Transactions.
47) **Interchange**: The clearing and settlement system for Visa, MasterCard and, where applicable, Discover Credit Cards and Debit Cards, where data is exchanged between Elavon and the Issuer through the applicable Payment Network.
48) **Issuer**: The financial institution or other entity that issued the Credit Card or Debit Card to the Cardholder.
49) **JCB**: JCB International Co., Ltd.
50) **Laws**: All applicable local, state, and federal statutes, regulations, ordinances, rules, and other binding law in effect from time to time.
51) **Mail Order/Telephone Order (MO/TO) Transaction**: For MO, a Transaction that occurs when the Cardholder uses the mail to make a payment to a Merchant and for TO, a Transaction that occurs when the Cardholder uses a telephone to make a payment to a Merchant.
52) **MasterCard**: MasterCard International Incorporated.
53) **Member**: The sponsoring Member designated on the Merchant Application or on a particular Schedule hereto, as applicable. Any Member may be changed by Elavon at any time and the Merchant will be provided notice of same.
54) **Merchant**: The entity set out in the first page of the Agreement and the affiliated entities listed on Schedule B attached hereto, jointly and severally. Entities may be added to Schedule B by substituting a new Schedule B that is in writing and signed by all parties, and Merchant may add additional accounts or locations that are owned by Merchant without the need to execute a new Schedule B.
55) **Merchant Application**: The Merchant Application attached hereto as Schedule C and any additional document containing information regarding Merchant's business that is submitted to Elavon and Member in connection with Merchant's application for Processing Services, including documents submitted by Merchant as a part of the bid process, if applicable.
56) **Merchant Operating Guide (MOG)**: Elavon's operating manual that prescribes rules and procedures governing Transactions and Merchant's use of the Processing Services. The MOG may be amended from time to time by Elavon in its sole discretion, which amendments will be effective upon notice to Merchant.
57) **NACHA—The Electronic Payments Association**: The national association that establishes standards, rules, and procedures governing the ACH Network, including the ACH Rules.
58) **Payment Device**: Any device or method used for the purpose of obtaining credit or debiting a designated account including a Credit Card, Debit Card, and any other financial transaction device or method, including an Electronic Gift Card, check (whether converted into electronic form or used as a source document for an electronic fund transfer), EBT Card, stored value card, "smart" card, or other device created to be used for the purpose of obtaining credit or debiting a designated account, that is now or hereafter effected through Transactions with Merchants.
59) **Payment Network**: Any Credit Card Association, EFT Network, ECS Association, governmental agency or authority, and any other entity or association that issues or sponsors a Payment Device.
60) **Payment Network Regulations**: Individually and collectively, as the context may dictate, all rules and operating regulations of the EFT Networks, Credit Card Associations and ECS Associations, and all rules, operating regulations, and guidelines for Transactions issued by Elavon from time to time, including, without limitation, all amendments, changes, and revisions made thereto from time to time.
61) **Person**: Any individual, firm, corporation, business trust, partnership, governmental agency or authority, or other entity and shall include any successor (by merger or otherwise) of such entity.
62) **POS Device**: A terminal, software or other point-of-sale device at a Merchant location that conforms with the requirements established from time to time by Elavon and the applicable Payment Network.
63) **Processing Services**: The Payment Device processing services and other related products and services received by Merchant pursuant to the Agreement.

64) **Receiving Party:** The recipient of Confidential Information from the other party directly or indirectly (via one or more third parties acting on behalf of and at the direction of the other party).
65) **Reserve Account**: The account established pursuant to Section (A)(4).
66) **Reserve Amount**: The amount established pursuant to the calculation set forth in Section (A)(4).
67) **Reserve Event**: The events designated in Section (A)(4).
68) **Retrieval Request**: A request initiated by a Cardholder or Issuer that requires the Merchant to produce a legible copy of the Cardholder's signed Transaction Receipt within a specified period of time.
69) **Servicer**: See "Elavon."
70) **TOS**: These Terms of Service and all additions, amendments, modifications and replacements to the TOS, as applicable.
71) **Transaction**: Any action between a Cardholder using a Payment Device and a Merchant that results in activity on the Cardholder's account (e.g., payment, purchase, refund, or return).
72) **Transaction Receipt**: The paper or electronic record evidencing the purchase of goods or services from, or payment to, a Merchant by a Cardholder using a Payment Device.
73) **Value Added Servicer:** Any entity that stores, processes, transmits or accesses Payment Device data or Transaction data on behalf of Merchant or that provides software to Merchant for transaction processing, storage, or transmission, except to the extent such services are performed by the entity in its capacity as an agent of Elavon performing Elavon's obligations under the Agreement.
74) **Visa**: Visa U.S.A., Inc.

SCHEDULE A
SCHEDULE OF FEES

[Intentionally omitted by agreement of the parties. Alternatively, please refer to Appendix D]

Elavon

SCHEDULE B
AFFILIATED ENTITIES

Check one:

☒ Merchant named on page 1 only, and all locations will operate under Federal Tax ID Number 92-6001185.

☐ Merchant named on page 1, with Federal Tax ID Number _____ and the following affiliate(s) (a separate Form W-9 must be submitted for each entity identified below):

Name	Tax ID Number

MERCHANT, on behalf of itself and each of the affiliated entities identified above:

By:_____

Name:_____

Title:_____

ELAVON, INC.

By:_____

On behalf of U.S. Bank N.A. and Elavon, Inc.

Name: Timothy I. Miller

Title: Senior Vice President

Date: 12/13/11

(Schedule B "Effective Date")

MEMBER

By:_____

On behalf of U.S. Bank N.A.

Name: Timothy I Miller

Title: Senior Vice President

SCHEDULE C
MERCHANT APPLICATION (LARGE RELATIONSHIP)

[Separately Provided]

SCHEDULE G
PROCESSING SERVICES IN CANADA

PROCESSING SERVICES IN CANADA. The entity identified below as the Merchant (together with any affiliated entities listed on Exhibit B to this Schedule), referred to collectively as the "Merchant," elects and agrees to accept the Payment Device Processing Services identified below at its establishments and locations in Canada and/or for Transactions initiated in Canada, as such services are further described in this Schedule and the Merchant Operating Guide ("MOG"), and subject to the terms and conditions of the applicable provisions of the Agreement. Except as expressly modified pursuant to this Schedule, all terms and conditions of the Agreement, including all other Schedules to the Agreement, are incorporated herein and made a part hereof by this reference and shall govern the relationship among the parties to this Schedule G.

☒ TOS, General Provisions and the MOG
☒ Exhibit A to Schedule G, Schedule of Fees
☒ Exhibit B to Schedule G, Affiliated Entities
☒ Exhibit C to Schedule G, Merchant Application (Large Relationship)

Payment Device Processing Services Available to Merchants in Canada (check desired Processing Services):
☒ Credit Card Services
☒ Debit Card (signature-based) Services
☒ Debit Card (PIN-based) Services

This Schedule governs Merchant's acceptance of Transactions and use of Payment Device Processing Services in Canada as approved in writing by Elavon and Member. For purposes of Transactions in Canada, when used in this Schedule G (including the terms of the Agreement incorporated by reference herein), "Elavon" shall mean Elavon Canada Company, a company validly existing and organized in Nova Scotia. Capitalized terms used and not otherwise defined in this Schedule G shall have the meanings ascribed to them in the Agreement or theme, which is incorporated herein by this reference. This Schedule G shall not alter any provisions of the Agreement with respect to Transactions Merchant accepts outside of Canada.

IN WITNESS WHEREOF, the parties hereto have executed this Schedule G to the Agreement.

State of Alaska,
on behalf of itself and each of the affiliated entities identified on Exhibit B to this Schedule (the "MERCHANT"):

By: M. Prebula
Name: Michelle Prebula
Title: Cash Manager

ELAVON CANADA COMPANY, on its own behalf and as attorney on behalf of each of the Members of MasterCard and Visa

By: [signature]
Name: Timothy I. Miller
Title: Senior Vice President
Date: 12/14/11
(Schedule G "Effective Date")

Section A – General Provisions Applicable to All Services under this Schedule

1) **The following provisions supersede the like-numbered provisions of the Agreement for purposes of Transactions in Canada.**
   a) **Section (A)(3)(b)(i) Deposits**. Merchant agrees that the Agreement is a contract for the advance of credit to Merchant within the meaning of Section 11.3(b) of the *Companies' Creditors Arrangement Act* (Canada) and within the meaning of Section 65.1(4) of the *Bankruptcy and Insolvency Act* (Canada). Merchant acknowledges that its obligation to Elavon and Member for all amounts owed under the Agreement arises out of the same transaction as Elavon's and Member's obligation to deposit funds to the DDA and such amounts are owed in the ordinary course of business.
   b) **Section (A)(4)(a)(i) Security Agreement.** Merchant grants to Member and Elavon a security interest in and lien upon (and in Quebec, a hypothec on): (a) all funds at any time in the Reserve Account, regardless of the source of such funds; and (b) present and future Transaction Receipts; (collectively, the "Secured Assets"). These security interests and liens (and hypothecs) will secure all of Merchant's obligations under the Agreement and any other agreements now existing or later entered into between Merchant and Elavon and/or Member, including Merchant's obligation to pay any amounts due and owing to Member or Elavon. Elavon and Member may execute this security interest (and hypothec) without notice or demand of any kind by making an immediate withdrawal or by restricting Merchant's access to the Secured Assets.
   c) **Section (A)(4)(a)(ii) Perfection.** Upon request of Member or Elavon, Merchant will execute one (1) or more control agreements or other documents to evidence or perfect this security interest (and hypothec). Merchant represents and warrants that no other person or entity has a security interest (or hypothec) in the Secured Assets. With respect to such security interests and liens (and hypothecs), Member and Elavon will have all rights afforded under any applicable law and in equity. Merchant will obtain from Member and Elavon written consent prior to granting a security interest (or hypothec) of any kind in the Secured Assets to a third party. Merchant agrees that this is a contract of recoupment and Member and Elavon are not required to file a motion for relief from a bankruptcy action automatic stay to realize any of the Secured Assets. Nevertheless, Merchant agrees not to contest or object to any motion for relief from the automatic stay filed by Elavon or Member. If Merchant fails to execute any control agreements or other documents to evidence or perfect any security interest or lien (or hypothec) within ten (10) days of Member or Elavon's request, Merchant authorizes and appoints Elavon as Merchant's attorney in fact to sign Merchant's name to any control agreement and other documents used for the perfection of any security interest or lien (or hypothec) granted hereunder.
   d) **Section (A)(4)(c) Recoupment and Set-Off.** Member and Elavon have the right of recoupment and set-off. This means that they may offset any outstanding or uncollected amounts owed to each or either of them by Merchant from: (i) any amounts they would otherwise be obligated to deposit into the DDA; and (ii) any other amounts they may owe Merchant under the Agreement or any other agreement. Merchant acknowledges that in the event of a Bankruptcy Proceeding, in order for Merchant to provide adequate protection under applicable Law to Elavon and Member and in order to ensure that Elavon and Member do not and are not obliged to advance credit to Merchant, Merchant must create or maintain the Reserve Account as required by Elavon and/or Member and either of them shall have the right to offset against the Reserve Account for any and all obligations Merchant may owe to Elavon and Member, without regard to whether the obligations relate to Transaction Receipts initiated or created before or after the filing of the petition, motion, request for stay or other proceeding in connection with a Bankruptcy Proceeding.
   e) **Section (A)(13)(b) Privacy Laws.** Merchant represents, covenants and agrees that it is in compliance with all applicable privacy laws, including without limitation the Personal Information Protection and Electronic Documents Act (Canada), and that any personal information of a Cardholder that may be communicated or disclosed to Elavon under or in connection with this Agreement or any services to be provided by Elavon to Merchant has been obtained in compliance with such laws and that Elavon will not be in breach of any such laws by receiving and using such information in connection with performing its obligations under or in connection with this Agreement or any services to be provided by Elavon to Merchant.
   f) **Section (A)(15)(b) Jurisdiction and Venue; Governing Law.** All matters arising out of or related to the Agreement will be governed by and construed in accordance with the Laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. The parties agree that all performances and Transactions under the Agreement will be deemed

to have occurred in the Province of Ontario and that Merchant's entry into and performance of the Agreement will be deemed to be the transaction of business within the Province of Ontario. Any action or proceeding relating to or arising from this Agreement (other than collection actions by Elavon or Member relating to amounts owed by Merchant under the Agreement) must be brought, held, or otherwise occur exclusively in Toronto, Canada, and the parties hereby attorn to the exclusive jurisdiction of the courts of Ontario. Merchant, Member and Elavon hereby jointly and severally waive any and all right to trial by jury in any action or proceeding relating to the Agreement. Merchant, Member and Elavon each represents to the other that this waiver is knowingly, willingly and voluntarily given.

g) **Section (A)(15)(g) Bankruptcy.** Merchant will immediately notify Elavon of any Bankruptcy Proceeding, receivership, insolvency, or similar action or proceeding initiated by or against Merchant or any of its principals. Merchant will include Elavon on the list and matrix of creditors as filed with any bankruptcy, commercial or civil court, whether or not a claim may exist at the time of filing. Failure to do so will be cause for immediate termination of the Agreement and shall allow the pursuit of any other action available to Elavon under applicable Payment Network Regulations or Laws. Merchant agrees that the Agreement is a contract for the advance of credit to you within the meaning of Section 11.3(b) of the *Companies' Creditors Arrangement Act* (Canada) and within the meaning of Section 65.1(4) of the *Bankruptcy and Insolvency Act* (Canada) and cannot be assigned by Merchant in the event of a Bankruptcy Proceeding relating to Merchant. Merchant hereby acknowledges but that for the agreement in the immediately preceding sentence, Member and Elavon would not have entered into this Agreement.

2) **The following provisions apply to Merchant's acceptance of Transactions in Canada in addition to the provisions of the Agreement.**

a) **Pre-Authorized Debits (PADs).** Merchant authorizes Member, Elavon, and their respective vendors and agents to initiate debit and credit entries to the DDA, the Reserve Account, or any other account maintained by Merchant at any institution that is a member of the CPA, all in accordance with the Agreement. Merchant agrees that any withdrawal by Member, Elavon and their respective vendors and agents in accordance with the Agreement are PADs for business purposes, as defined under Rule H1 of the CPA. **Merchant hereby waives the right to receive advance notice from Member, Elavon and their respective vendors and agents of any and all such debits.** This authorization will remain in effect after termination of the Agreement and until all of Merchant's obligations to Elavon and Member have been paid in full. If Merchant changes the DDA, this PAD authorization will apply to the new account and Merchant shall provide Elavon and Member in writing such information regarding the new DDA as they deem necessary. It may take Elavon up to ten (10) business days after Elavon's receipt of a written notice from Merchant to reflect in its system any change to Merchant's DDA. If Merchant changes the DDA, Merchant agrees that it is responsible for all costs incurred by Member and/or Elavon in connection with Merchant's decision to change the DDA. Merchant may revoke the PAD authorization upon thirty (30) days' prior written notice to Elavon, but any such revocation shall constitute a material breach of the Agreement. Merchant may obtain a sample cancellation form, as well as further information on Merchant's right to cancel a PAD authorization by contacting Merchant's financial institution or by visiting www.cdnpay.ca. Merchant has certain recourse rights if any debit does not comply with this agreement. For example, Merchant has the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on Merchant's recourse rights, Merchant may contact its financial institution or visit www.cdnpay.ca.

b) **Fees.** Merchant shall compensate Elavon and Member for the Processing Services provided under this Schedule in accordance with Appendix D.

c) **Language.** The parties hereby acknowledge that they have required the Agreement and all related documents to be drawn up in the English language. Les parties reconnaissent avoir demandé que les présents contrats ainsi que les documents qui s'y rattachent soient rédigés en langue anglaise.

Section B – Glossary

3) **American Express:** Amex Bank of Canada and, to the extent applicable in Canada, The American Express Company.

4) **Canadian Payments Association (CPA):** The national association that establishes standards, rules, and procedures and maintains a funds transfer system to enable depository financial institutions to exchange electronic payments.

5) **CPA Authorization:** The authorization granted by Merchant pursuant to Section (A)(2)(a) above.

6) **EFT Networks:** (i) Interac and the Interac Direct Payment service; and (ii) any other organization, association, service or network that hereafter

authorizes, enables or is approved by Elavon and/or Member to authorize, capture, and/or settle Transactions effected with Debit Cards, and any successor organization or association to any of the foregoing.

7) **Interac**: Interac Association.
8) **Interac Direct Payment:** The service provided by Interac to permit Cardholders to pay for goods and services by debiting money directly from their accounts using a POS Device equipped with a PIN pad with PIN verification.
9) **Laws:** All applicable domestic or foreign laws, statutes, codes, acts, rules, regulations, municipal by-laws, treaties, ordinances, guidelines, standards, requirements and policies, as amended from time to time.
10) **Member:** Each of the financial institutions or other entities designated by Elavon that is a principal, sponsoring affiliate or other member of the applicable Payment Network. A Member may be changed by Elavon at any time. References to "Member" in the MasterCard Merchant Agreement shall refer to the Member of MasterCard and references to "Member" in the Visa Merchant Agreement shall refer to the Member of Visa. As of the date of distribution of this Schedule, the Visa Member is U.S. Bank National Association, acting through its Canadian branch, and the MasterCard Member is GE Money Canada, (formerly known as GE Consumer Finance Canada). The Member may be changed by Elavon at any time.
11) **MasterCard Merchant Agreement:** The Merchant Agreement that is a part of the Agreement and is between Merchant, the Member of MasterCard and Elavon, if as part of the Program Merchant has requested the ability to accept MasterCard Credit Cards. The Member of MasterCard is a party to the MasterCard Merchant Agreement for purposes of compliance with the MasterCard Credit Card Rules while Elavon is a member service provider of MasterCard and as such is also a party to the MasterCard Merchant Agreement. The Member of Visa is not a party to the MasterCard Merchant Agreement and shall have no liability with respect to any matters relating to or arising out of the MasterCard Merchant Agreement, including any actions of Elavon or the Member of MasterCard thereunder. The MasterCard Merchant Agreement is contained within the Agreement and is identical to the Visa Merchant Agreement except as set out herein.
12) **Visa Merchant Agreement:** The Merchant Agreement that it a part of the Agreement and is between you, the Member of Visa and Elavon, if as part of the Program you have requested the ability to accept Visa Credit Cards. The Member of Visa is a party to the Visa Merchant Agreement for purposes of compliance with the Visa Credit Card Rules while Elavon is a registered independent sales organization of Visa and as such is also a party to the Visa Merchant Agreement. The Member of MasterCard is not a party to the Visa Merchant Agreement and shall have no liability with respect to any matters relating to or arising out of the Visa Merchant Agreement, including any actions of Elavon or the Member of Visa thereunder. The Visa Merchant Agreement is contained within the Agreement and is identical to the MasterCard Merchant Agreement except as set out herein.

EXHIBIT A to SCHEDULE G
SCHEDULE OF FEES

[Exhibit A intentionally omitted by the parties. Please refer to Appendix D]

EXHIBIT B to SCHEDULE G
AFFILIATED ENTITIES

Check one:

☒ Merchant named on page 1 only, and all locations will operate under Corporate ID/Business Number 92-6001185.

☐ Merchant named on page 1, with Corporate ID/Business Number _____ and the following affiliate(s) (a separate Corporate ID/Business Number must be entered for each entity identified below):

Name	Corporate ID/Business Number

EXHIBIT C to SCHEDULE G
MERCHANT APPLICATION (LARGE RELATIONSHIP)

[Separately Provided]

SCHEDULE I
PROCESSING SERVICES FOR GOVERNMENT ENTITIES AND INSTITUTIONS

PROCESSING SERVICES FOR GOVERNMENT ENTITIES AND INSTITUTIONS. Merchant elects and agrees to accept the Payment Device Processing Services for government entities and institutions, as such services are further described in this Schedule and the Exhibits hereto, and subject to the terms and conditions of the applicable provisions of the Agreement. Except as expressly modified pursuant to this Schedule, all terms and conditions of the Agreement, including all other Schedules to the Agreement, remain in full force and effect and shall govern the relationship among the parties to this Schedule I.

Capitalized terms used and not otherwise defined in this Schedule I shall have the meanings ascribed to them in the Agreement or in the Merchant Operating Guide ("MOG"), which is incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have executed this Schedule I to the Agreement.

State of Alaska,
on behalf of itself and each of the affiliated entities identified on Schedule B to the Agreement (the "MERCHANT"):

By: M. Prebula

Name: Michelle Prebula

Title: Cash Manager

ELAVON, INC.

By:

On behalf of U.S. Bank N.A. and Elavon, Inc.

Name: Timothy I. Miller

Title: Senior Vice President

Date: 11/15/11
(Schedule I "Effective Date")

MEMBER

By:

On behalf of U.S. Bank N.A.

Name: Timothy I. Miller

Title: Senior Vice President

Section A – General Provisions Applicable to All Merchants under this Schedule

1) **Fees.** Elavon and Member will be compensated for the Processing Services provided under this Schedule as provided in the Agreement as such Agreement may be modified by this Schedule.
2) The following provisions hereby replace the like-numbered provisions of the Agreement or are hereby inserted or deleted from the Agreement, as indicated, for Merchants operating under this Schedule.
   a) **Section (A)(4)(a)(i) Security Agreement.** is deleted.
   b) **Section (A)(4)(a)(ii) Perfection.** is deleted.
   c) **Section (A)(6)(a) Accuracy of Information.** is revised to read as follows:
   "a) **Accuracy of Information.** Merchant must promptly notify Elavon in writing of any material changes to the information provided in the Merchant Application, in the bid process if applicable, or otherwise in the Agreement, including, without limitation, any additional location or new facility at which Merchant desires to use the Processing Services provided under this Schedule, the form of entity, change in control, material changes to the type of goods and services provided and/or payments accepted, and how Transactions are completed (e.g., by telephone, mail, electronic commerce, or in person at Merchant's place of business). The notice must be received by Elavon at least ten (10) business days prior to the change. Merchant will promptly provide any additional information reasonably requested by Elavon. Merchant will be responsible for all losses and expenses incurred by Elavon or Member arising out of Merchant's failure to provide proper notice or requested information for any such change, and will not make any claims against Elavon or Member for any losses sustained by Merchant as a result of such failure. Elavon may immediately terminate the Agreement upon a material change to the information in the Merchant Application if such change is not approved by Elavon. Elavon has the right to rely upon written instructions submitted by Merchant to request changes to Merchant's business information. Merchant may request written confirmation of Elavon's consent to the changes to the Merchant's business information."
   d) **Section (A)(6)(b)(i) Merchant Responsibilities.** is revised to read as follows:
   "i) **Merchant Responsibilities.** As between Merchant, Elavon and Member, Merchant will be responsible for, and at its own expense, defend itself against any suits, claims, losses, demands or damages arising out of or in connection with (A) any dispute with a Customer, Cardholder or any third party relating to any Transaction, (B) any action taken by Elavon or Member with respect to the DDA or Reserve Account in accordance with the Agreement, or (C) any breach by Merchant of any obligation under this Agreement. Merchant will not make any claims against Elavon or Member for any liabilities, claims losses, costs, expenses and demands of any kind or nature, arising out of or in connection with any of the foregoing suits, claims, losses, demands or damages."
   e) **Section (A)(6)(b)(ii) Elavon Responsibilities.** is revised to read as follows:
   "ii) **Elavon Responsibilities.** Elavon will be responsible for and will at its own expense defend itself against any suits, claims, losses, demands or damages arising out of (A) Elavon's breach of the Agreement, or (B) Elavon's negligence, gross negligence or willful misconduct."
   f) **Section (A)(8)(b)(ii) Financial Information.** is revised to read as follows:
   "ii) **Financial Information.** Upon the request of either Elavon or Member, Merchant will provide Elavon and Member audited financial statements prepared by an independent certified public accountant selected by Merchant, or if Merchant is audited by a governmental authority, then Merchant will provide financial statements from such governmental authority. Within one hundred twenty (120) days after the end of each fiscal year (or in the case of a government entity, when available), Merchant will furnish Elavon and Member, as requested, a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, each audited as provided above. Merchant shall also provide Elavon and Member such interim financial statements and other information as Elavon or Member may request from time to time."
   g) **Section (A)(11)(a) Products or Services.** is revised to read as follows:
   "a) **Products or Services.** Merchant may desire to use a Value Added Servicer to assist Merchant with its Transactions. Merchant shall not utilize any Value Added Servicer unless Merchant has disclosed such use to Elavon previously in writing, and unless such Value Added Servicer is fully compliant with all Laws and Payment Network Regulations. Any Value Added Servicer used by Merchant must be registered with the Payment Networks prior to the performance of any contracted services on behalf of Merchant. Further, as between the parties to this Agreement, Merchant will be bound by the acts and omissions of its Value Added Servicer and Merchant will be responsible for compliance by such Value Added Servicer with all Laws and Payment Network Regulations. Merchant will be responsible for any loss, cost, or expense incurred in connection with or by reason of Merchant's use of any Value

Added Servicer. Neither Elavon nor Member is responsible for the Value Added Servicer, nor are they responsible for any Transaction until Elavon receives data for the Transaction in the format required by Elavon.

h) **Section (A)(12)(d)(iii) Early Termination Fee. [DELETED]**

i) **Section (A)(13)(d) Security Program Compliance.** is revised to read as follows:
"d) **Security Program Compliance.** Merchant must comply with the requirements of the Payment Card Industry (PCI) Data Security Standard (PCI DSS) including the Cardholder Information Security Program (CISP) of Visa, the Site Data Protection Program (SDP) of MasterCard, the Data Security DISC Program and the PCI DSS regulations of Discover Network, and the security programs of any other Payment Network as to which Merchant accepts a Payment Device, as applicable, and any modifications to, or replacements of such programs that may occur from time to time (collectively, "Security Programs"). Upon request, Elavon will provide Merchant with the respective website links to obtain the current requirements of the Visa, MasterCard, and Discover Network Security Programs. All Value Added Servicers from whom Merchant procures services must comply with the requirements of those Security Programs. Merchant, and not Elavon or Member, is responsible for Merchant's own actions or inactions, those of Merchant's officers, directors, shareholders, employees and agents, including any Value Added Servicer (collectively, "Merchant's Agents"). Merchant shall be responsible for any liability, loss, cost, or expense resulting from the violation of any of the Security Program requirements by Merchant or any of Merchant's Agents."

j) **Section (A)(14)(c) Passwords.** is revised to read as follows:
"c) **Passwords.** If Merchant receives a password from Elavon to access any of Elavon's databases or services, Merchant will: (i) keep the password confidential; (ii) not allow any other entity or person to use the password or gain access to Elavon's databases or services; (iii) be responsible for all action taken by any user of the password that obtained access to the password from Merchant; and (iv) promptly notify Elavon if Merchant believes Elavon's databases or services or Merchant's information has been compromised by use of the password. If Merchant receives passwords from a third party for products or services related to Transaction processing, Merchant must protect such passwords in the manner required by such third party and be responsible any losses, costs, or expenses that arise from Merchant's use or misuse of such third party passwords."

k) **Section (A)(15)(b) Jurisdiction and Venue; Governing Law.** is deleted.

l) **Section (A)(15)(c) Exclusivity.** is deleted.

3) In addition to the termination rights set forth in Section (A)(12)(b)(i) of the Agreement, Merchant shall have the following termination right added to the Agreement as Section (A)(12)(b)(i)(C):
"C) The Agreement may be terminated by Merchant in the event that sufficient legislative appropriation is not available, provided that Merchant gives Elavon and Member sixty (60) days notice prior to termination."

Section B – Elavon Fee Collection Models

4) **Direct Debit Fee Collection Model.** If Merchant elects the Direct Debit fee collection model on Exhibit A to this Schedule I, Section (A)(5)(a), Fees, of the Agreement remains unchanged and in full force and effect.

5) **Compensating Balances Fee Collection Model.** If Merchant elects the Compensating Balances fee collection model on Exhibit A to this Schedule I, Section (A)(5)(a), Fees, of the Agreement is hereby replaced with the following provision:

a) **Section (A)(5)(a) Fees.** Notwithstanding any provisions of Section (A)(3)(b) or Section (A)(3)(c) to the contrary, with respect to the collection of fees by Elavon and Member, Merchant will pay Elavon and Member fees in the ordinary course of business for services, supplies, and equipment in accordance with Schedule A, any amendment to Schedule A and any additional application or setup form(s) provided by Elavon and Member in writing to Merchant. Elavon will send Member an invoice reflecting the amount of fees due, and Member will enter such amount in Merchant's compensating balance calculation. Member will pay Elavon such amount, on Merchant's behalf, within thirty (30) days. Alternatively, Elavon may net out the fees due from any funds due Merchant under the Agreement.

6) **Monthly Net Settlement Fee Collection Model.** If Merchant elects the Monthly Net Settlement fee collection model on Exhibit A to this Schedule I, Section (A)(5)(a), Fees, of the Agreement is hereby replaced with the following provision:

a) **Section (A)(5)(a) Fees.** Notwithstanding any provisions of Section (A)(3)(b) or Section (A)(3)(c) to the contrary, with respect to the collection of fees by Elavon and Member, Merchant will pay Elavon and Member fees in the ordinary course of business for services, supplies, and equipment in accordance with Schedule A, any amendment to Schedule A and any additional application or setup form(s) provided by Elavon

and Member in writing to Merchant. Such fees will be calculated daily and will be offset by Elavon and Member against amounts owed by Elavon and Member to Merchant for: (i) on the first day of each month for the prior month's Processing Services, and (ii) following the first day of the month for fees and other amounts owed to Elavon and Member pursuant to Schedule A that are not available or reasonably calculable as of the last day of a particular month. In the event that the funds owed by Elavon and Member to Merchant on the first day of a calendar month are insufficient to offset amounts Merchant owes to Elavon and Member for Processing Services provided during the prior month, Elavon and Member may offset any unpaid balance owed by Merchant against future amounts Elavon and Member owe or will owe to Merchant until Merchant's financial obligations are fully satisfied.

Section C – Government/Public Institution Service Fees

7) **Government/Public Institution Service Fees.** If Merchant is both eligible to charge or to have Elavon charge Government/Public Institution Service Fees (as defined on Exhibit B hereto) and has elected on Exhibit A to manage or to have Elavon manage Government/Public Institution Service Fees, then Merchant shall comply with the Government/Public Institution Service Fee Terms and Conditions attached hereto as Exhibit B.

EXHIBIT A
GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE ENROLLMENT

ENROLLMENT FORM FOR GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE PROGRAMS

Date:	Pricing Quote #:	☐ New Location ☐ Add/Update Service	Rep Name:	Rep Phone #:

Merchant Information

Existing MID:	Chain #:
DBA Name:	DBA Phone #:
Contact Name (first & last):	DBA Fax #:
DBA Address:	City, State, Zip:
Contact Name (First and Last):	Training Phone # (if different):
Goods or Services Sold:	Federal Tax ID:

Processing Options

Processing Options:

Elavon Fee Collection Model (check one):
☐ Direct Debit
☐ Compensating Balances (when available)
☐ Monthly Net Settlement

Government/Public Institution Service Fee Funding Model (check one if Merchant elects Government/Public Institution Service Fees (GPISF) assessment):
☐ Elavon-managed[1]
☐ Merchant-managed[2]

Government/Public Institution Service Fee Services Programs (check all that apply, but only if Merchant elects GPISF assessment):
☐ MasterCard Convenience Fee Program for Education and Government Merchants
☐ Visa Tax Payment Program

Government/Public Institution Service Fee Pricing (applicable only if Merchant elects GPISF assessment):
Card Service Fee % _____
Visa Consumer Debit (tax only): $ _____
ACH (via Electronic Check Services): $ _____
Minimum Annual Fees (if applicable): $_____

Payment/Transaction Types for GPISF Assessment (not all payment/transaction types are supported for all programs) (check all that apply, but only if Merchant elects GPISF assessment):
☐ Credit – (check all that apply): ☐ Visa ☐ MasterCard ☐ Discover (available if Elavon-acquired)
☐ Signature Debit – (check all that apply): ☐ Visa ☐ MasterCard ☐ Discover (available if Elavon-acquired)
☐ PIN-Based Debit
☐ ACH (via Electronic Check Services)

Elavon Product Supporting GPISF Assessment to be Used by Merchant (check all that apply):
☐ Enterprise Billing Solutions (Schedule K required if checked)
☐ Service Fee Terminal (VeriFone vx570)
  ☐ Limited Acceptance (Visa, MasterCard, and Discover credit cards only)
  ☐ MasterCard and Discover credit cards and signature debit cards
☐ Merchant Proprietary Solution or Value-Added Servicer
☐ Other _____

Merchant Acknowledgment

By signing below, Merchant warrants the truthfulness and accuracy of the information provided, agrees to pay the fees set forth herein and agrees to abide by the Terms & Conditions for Assessment of Government/Public Institution Service Fees.

_____	_____	_____
Signature	Name & Title	Date

1. "Elavon-managed" means that Elavon establishes the amount of the Government/Public Institution Service Fee charged and retains the Government/Public Institution Service Fee in lieu of Merchant's obligation to pay Elavon the per transaction fees as set forth in the Agreement.
2. "Merchant-managed" means that Merchant establishes the amount of the Government/Public Institution Service Fee charged and retains the Government/Public Institution Service Fee. Merchant pays Elavon the per transaction fees as set forth in the Agreement for all such Transactions.

EXHIBIT B

TERMS AND CONDITIONS FOR ASSESSMENT OF GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES

ASSESSMENT OF GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES. Terms and Conditions ("T&Cs") for Assessment of Government/Public Institution Service Fees.

1) APPLICABILITY OF AGREEMENT. If Merchant has requested authority to charge or to have Elavon charge a Government/Public Institution Service Fee to its Customers for Eligible Transactions, the following provisions apply to such Eligible Transactions and the related Government/Public Institution Service Fees charged. Any other Transactions or fees, including Convenience Fees, are governed by the standard provisions set forth in the Agreement, as modified by the applicable Schedules thereto. Merchant agrees to the following provisions, as and to the extent applicable, in addition to the terms and conditions of the Agreement.

2) RULES OF CONSTRUCTION. These T&Cs are intended to complement and are subject to your Agreement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement or the MOG. In the event of a conflict between these T&Cs and other terms of the Agreement or the MOG, the terms of these T&Cs shall prevail.

3) DEFINITIONS.

a) Agreement. The Terms of Service (TOS) or the Payment Device Processing Agreement, as applicable.

b) Government/Public Institution Service Fee. The fee charged by Elavon or Merchant, at Merchant's election, to Customers conducting Eligible Transactions (as described herein, as applicable) at Merchants operating in certain designated merchant category codes ("MCCs"). For the avoidance of doubt, fees referred to as a "service fee" or "convenience fee" (in the context of the MCCs described herein) as used in the applicable rules of the Credit Card Associations, where the fee is processed as a separate Transaction from the underlying purchase or payment Transaction, are included within the definition of, and are referred to herein, as a "Government/Public Institution Service Fee."

4) GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE SERVICES.

a) Government/Public Institution Service Fee Services. At Merchant's election, Merchant may choose to charge a Government/Public Institution Service Fee (a Merchant-managed Government/Public Institution Service Fee) or to have Elavon charge a Government/Public Institution Service Fee (an Elavon-managed Government/Public Institution Service Fee) to its Customers for Eligible Transactions, in each case provided that Merchant is in compliance with the Payment Network Regulations and Laws, including the Electronic Fund Transfer Act and Regulation E. If Merchant elects an Elavon-managed Government/Public Institution Service Fee, Merchant agrees that any Government/Public Institution Service Fee collected in connection with an Eligible Transaction will be retained by Elavon and Member and that such amount constitutes Elavon's and Member's property, and Merchant has no right, title or interest in such amounts. Further, if Merchant elects an Elavon-managed Government/Public Institution Service Fee, Merchant agrees that Elavon may adjust the Government/Public Institution Service Fee amount from time to time as necessary or appropriate to accommodate changes in Payment Network fees (including Interchange fees), material changes in average ticket size and/or monthly Transaction volume, Interchange classification or downgrades, changes in Chargeback rates, or changes in Payment Devices accepted and/or payment channels offered by Merchant. Additionally, Elavon may immediately terminate the Processing Services for Government/Public Institution Service Fees if Merchant's Chargeback rates materially exceed industry averages. If Merchant elects a Merchant-managed Government/Public Institution Service Fee, Merchant will receive and retain the Government/Public Institution Service Fee collected in connection with Eligible Transactions and will pay regular per transaction fees to Elavon and Member for the Processing Services provided by Elavon and Member with respect to such Transactions. Merchant agrees that the minimum annual Transaction fees (which includes any Elavon-retained Government/Public Institution Service Fees) paid to Elavon and Member for Transactions processed under this Schedule shall be at least equal to the "Minimum Annual Fees" amount identified on Exhibit A hereto. For any partial period of less than a full year during the term of this Schedule, the actual amount of fees paid by Merchant to Elavon for Transactions processed under this Schedule shall be annualized to determine if Merchant has satisfied this obligation. At the end of each year (the first of which shall begin on the Schedule I Effective Date and each successive year of which shall begin immediately upon the conclusion of the preceding year), Elavon may notify Merchant if the actual Transaction fees paid by Merchant in respect of this Schedule is less than the Minimum Annual Fees amount. In the event that Merchant's actual Transaction processing fees under this Schedule for any such period are less than the Minimum Annual Fees, Merchant shall promptly pay Elavon and Member the difference.

b) Conflict of Laws. To the extent Merchant's state or other governing body has passed legislation that requires assessment of Government/Public Institution Service Fees by government agencies as a component of card acceptance, such laws may conflict with Payment Network Regulations. Merchant bears all responsibility and liability associated therewith, including all assessments, fees, fines and penalties levied by the Payment Networks.

5) REQUIREMENTS FOR GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES. Elavon may update or

revise the provisions of this Section 5 upon written notice to Merchant.

a) Merchants Accepting Visa Cards for Eligible Transactions. The following requirements apply to Merchants accepting Visa Credit Cards and/or Visa signature Debit Cards that desire to charge or to have Elavon charge a Government/Public Institution Service Fee on certain Transactions. If Merchant also accepts and wishes to charge or to have Elavon charge a Government/Public Institution Service Fee on certain Transactions paid by MasterCard and/or Discover Network cards, the requirements of this Section (5)(a) also apply to Merchant in connection with the assessment of Government/Public Institution Service Fees on Transactions involving those Payment Devices.

i) Eligible Merchants. Merchants operating in MCC 9311 (Taxes) are eligible to charge or to have Elavon charge a Government/Public Institution Service Fee to Customers in connection with Eligible Transactions listed in Section (5)(a)(ii) below.

ii) Eligible Transactions. Eligible Merchants may charge or have Elavon charge a Government/Public Institution Service Fee only in connection with the following "Eligible Transactions":

1) Federal personal income taxes;
2) State personal income taxes;
3) Real estate and other property taxes;
4) Federal business income taxes;
5) State business income taxes;
6) Federal payroll/unemployment taxes;
7) State payroll/unemployment taxes; or
8) Sales and use taxes.

iii) Transaction Requirements. The following requirements apply to Eligible Transactions under this Section (5)(a).

1) Merchant must provide Elavon with the necessary documentation to facilitate Elavon's registration of Merchant in the "Visa Tax Payment Program," the "MasterCard Convenience Fee for Eligible Government and Education Payments" program and/or the convenience fee program of Discover Network, in each case to the extent applicable and required.

2) The Government/Public Institution Service Fee must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the Government/Public Institution Service Fee.

3) The Government/Public Institution Service Fee must apply in the same amount regardless of the Credit Card type or signature Debit Card type (with the exception of Visa Consumer Signature Debit) accepted for payment of a given Eligible Transaction within a particular payment channel. This requirement does not apply to payments made by ACH, cash, check or PIN-based Debit Card.

4) The Government/Public Institution Service Fee must not be advertised or otherwise communicated as an offset to the merchant discount rate.

5) The Government/Public Institution Service Fee cannot be charged for recurring payments. The Government/Public Institution Service Fee is designed for one-time payments, not for payments in which a Cardholder authorizes recurring charges or debits.

6) Merchant must accept Visa as a means of payment in all channels (i.e., face-to-face, mail/telephone, and Internet environments, as applicable).

7) Merchant must feature the opportunity to pay with Visa at least as prominently as all other payment methods.

b) Merchants Not Accepting Visa Cards for Eligible Transactions. The following requirements apply to Merchants accepting Credit Cards and/or signature Debit Cards other than Visa (i.e., Merchants accepting MasterCard cards and/or Discover Network cards but not accepting Visa cards) that desire to charge or to have Elavon charge Government/Public Institution Service Fees on Eligible Transactions.

i) Eligible Merchants. Merchants operating in MCCs 8211 (Elementary Schools), 8220 (Colleges/Universities), 9211 (Courts), 9222 (Fines), 9311 (Taxes) and 9399 (Miscellaneous Government Services) are eligible to charge or to have Elavon charge a Government/Public Institution Service Fee to Customers in connection with Eligible Transactions listed in Section (5)(b)(ii) below.

ii) Eligible Transactions. Eligible Merchants may charge or have Elavon charge a Government/Public Institution Service Fee only in connection with the following "Eligible Transactions":

1) Payments to elementary and secondary schools for tuition and related fees, and school-maintained room and board;
2) Payments to colleges, universities, professional schools and junior colleges for tuition and related fees, and school-maintained room and board;
3) Payments to federal courts of law that administer and process court fees, alimony and child support payments;
4) Payments to government entities that administer and process local, state and federal fines;
5) Payments to local, state and federal entities that engage in financial administration and taxation; or
6) Payments to Merchants that provide general support services for the government.

iii) Transaction Requirements. The following requirements apply to Eligible Transactions under this Section (5)(b).

1) Merchant must provide Elavon with the necessary documentation to facilitate Elavon's registration of Merchant in the "MasterCard Convenience Fee for Eligible Government and Education Payments" program and/or the convenience fee program of Discover Network, in each case to the extent applicable and required.

2) The Government/Public Institution Service Fee must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the Government/Public Institution Service Fee.

3) The Government/Public Institution Service Fee must apply in the same amount regardless of the Credit Card or signature Debit Card type accepted for payment of a given Eligible Transaction within a particular payment channel.

This requirement does not apply to payments made by ACH, cash, check or PIN-based Debit Card.

4) The Government/Public Institution Service Fee must not be advertised or otherwise communicated as an offset to the merchant discount rate.

c) Additional Requirements for Merchants Utilizing Proprietary Solutions or Value Added Servicers.

i) POS Devices. Merchant is responsible for ensuring that its software, POS Devices and card acceptance procedures fully comply with Elavon's instructions, including with respect to programming of software and POS Devices to handle Eligible Transactions to ensure proper assessment of Government/Public Institution Service Fees. If the Government/Public Institution Service Fee is Elavon-managed, Merchant is further responsible for complying with all requirements as provided by Elavon from time to time to appropriately process the Eligible Transactions to qualify for optimal Interchange rates within five (5) days of Elavon's communication to Merchant of the same. If Merchant fails to make changes to its POS Devices or card acceptance procedures requested by Elavon within five (5) days of the request, Elavon may, in its discretion, discontinue the program or suspend a certain payment type. Further, if Merchant fails to make such changes and the Government/Public Institution Service Fee is Elavon-managed, Elavon may adjust the Government/Public Institution Service Fee amount, bill the Merchant for charges in excess of the Government/Public Institution Service Fee to recover losses related to Transactions that did not qualify for optimal Interchange rates or for applicable Credit Card Associations' reimbursement programs, including, but not limited to, losses related to Merchant's failure to distinguish between pricing of Visa signature Debit Cards and all other card types for transactions processed within the Visa Tax Payment Program.

ii) Approval Required to Charge or Adjust Government/Public Institution Service Fee. Merchant may not charge or adjust Government/Public Institution Service Fees unless Merchant has disclosed such fees to Elavon previously in writing and Merchant has been approved by Elavon to charge or adjust such Government/Public Institution Service Fees. If Merchant charges or adjusts a Government/Public Institution Service Fee without having disclosed such fee or adjustment previously in writing and obtained Elavon's consent, Merchant will be in breach of the Agreement and Elavon may immediately terminate the Agreement in addition to pursuing any other remedies available under the Agreement, Laws and Payment Network Regulations.

iii) Value Added Servicer. Merchants accepting Visa cards for Eligible Transactions who utilize proprietary solutions or Value Added Servicers to manage a Government/Public Institution Service Fee must comply with Attachment 1, attached hereto.

6) ADDITIONAL PROCESSING REQUIREMENTS. If Merchant voids an underlying Eligible Transaction, the associated Government/Public Institution Service Fee must be voided as well. If Merchant processes a refund for an underlying Eligible Transaction, Merchant must disclose to Customers that Government/Public Institution Service Fees are non-refundable. Merchants that desire to charge or to have Elavon charge Government/Public Institution Service Fees will be assigned separate MIDs for use in connection with Eligible Transactions and related Government/Public Institution Service Fees. MIDs assigned for use with Eligible Transactions and/or Government/Public Institution Service Fees may not be used to process Transactions that are not Eligible Transactions.

7) PAYMENT AND TRANSACTION TYPES SUPPORTED. Government/Public Institution Service Fee capability for Credit Cards and/or signature Debit Cards depends on the Merchant's MCC, as described above, and the Payment Network Regulations of the applicable Credit Card Association. Government/Public Institution Service Fee capability is supported only through Elavon products specified on Exhibit A hereto. Not all payment and transaction types are supported for all products. Additionally, Merchant proprietary software, POS Devices, or Value Added Servicers may be certified to process Elavon-managed Government/Public Institution Service Fee Transactions. Closed network prepaid cards, electronic benefits transfer, and dynamic currency conversion are not supported for Government/Public Institution Service Fee processing.

ATTACHMENT 1 to T&Cs

GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE PROCESSING REQUIREMENTS FOR MERCHANTS USING PROPRIETARY SOLUTIONS OR A VALUE ADDED SERVICER

I. Underlying Eligible Transactions

The following data must be inserted in the listed fields when creating the authorization and clearing requests for the underlying Eligible Transaction (the tax liability payment).

FIELD NAME	VALUE
Merchant Category Code	9311 – Tax Payments
Merchant Name	The following lists the format and information for each type of tax collected for this field: ▪ Federal tax payments, you must use "US Treasury Tax Payment" ▪ State Income Tax: NN – State Income Tax, where NN represents the state, for example, CA – State Income Tax ▪ For all other taxes: Taxing Authority – Tax Type, for example: ✓ Sales Tax: NN Franchise Tax Board – Sales Tax ✓ Business Income Tax: NN Franchise Tax Board – Business Income ✓ Property Tax: NN Funds E-Pay – Real Estate
Merchant City	Merchant customer service phone number.
Merchant State	Merchant state two letter acronym (NN), for example, CA; (not the state of the provider).
ECI Indicator	▪ Use 1 or 4 for phone-initiated (MOTO) payments. ▪ Use 5, 6, 7, 8 or 9 for Internet-initiated payments.
Merchant Verification Value	This value is used for large federal tax payment requests only. If appropriate, Visa will assign and notify you of your unique MVV value.
Local Tax	In the Sales Draft Record (TC05), Transaction Record 6 (TCR6), positions 5-16 ("Local Tax"), insert the value of "0" = "0%" tax rate.
Local Tax Included	In the TC05, TCR6, position 17 ("Local Tax Included"), insert a value of "2" = Transaction is not subject to tax.

II. Government/Public Institution Service Fee Transactions

The following data must be inserted in the listed fields when creating the authorization and clearing requests for the Government/Public Institution Service Fee.

FIELD NAME	VALUE
Merchant Category Code	9311 – Tax Payments
Merchant Name	The following lists the format and information for each type of tax collected: ▪ Federal tax payments, you must use "US Treasury Tax Payment Service Fee" ▪ State Income Tax: NN – State Income Tax Service Fee, for example, CA – State Income Tax Service Fee ▪ For all other taxes: Taxing Authority – Tax Type Service Fee, for example: ✓ Sales Tax: NN Franchise Tax Board – Sales Tax Service Fee ✓ Business Income Tax: NN Franchise Tax Board – Business Income Service Fee ✓ Property Tax: NN Funds E-Pay – Real Estate Service Fee
Merchant City	Merchant service phone number.
Merchant State	Merchant state two letter acronym (NN), for example, CA; (not the state of the provider).
ECI Indicator	▪ Use 1 or 4 for phone-initiated (MOTO) payments. ▪ Use 5, 6, 7, 8 or 9 for Internet-initiated payments.
Local Tax	In the Sales Draft Record (TC05), Transaction Record 6 (TCR6), positions 5-16 ("Local Tax"), insert the value of "0" = "0%" tax rate.
Local Tax Included	In the TC05, TCR6, position 17 ("Local Tax Included"), insert a value of "2" = Transaction is not subject to tax.