

**STANDARD CONTRACT FORM**  
**Goods and Non-Professional Services**

The parties' contract comprises this Standard Contract Form, as well as its referenced Articles and their associated Appendices

1. Agency Contract Number 2018-0400-3944	2. Contract Title Merchant Card Processing Services	3. Agency Fund Code	4. Agency Appropriation Code	
5. Vendor Number	6. IRIS GAE Number (if used)	7. Alaska Business License Number 299500		
<b>This contract is between the State of Alaska,</b>				
8. Department of Revenue		Division Treasury	hereafter the State, and	
9. Contractor  Wells Fargo Bank, National Association				hereafter the Contractor
Mailing Address 1500 Broadway	Street or P.O. Box #T3203-025	City Lubbock	State TX	ZIP+4 79401-0001

10.

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

**ARTICLE 2. Performance of Contract and Order of Precedence:** 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:

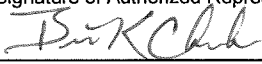
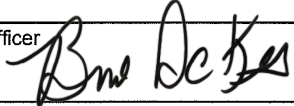
- 2.1 Appendix A (General Conditions), Items 1 through 19, govern contract performance.
- 2.2 Appendix B1 sets forth the liability and insurance provisions of this contract.
- 2.3 Appendix C sets forth the scope of work/services to be performed by the contractor.
- 2.4 Appendix D – Payment for Services
- 2.5 Appendix E – RFP 2018-0400-3944 issued by the Department of Revenue (except for Wells Fargo exceptions to RFP 2018-0400-3944 in Contractor's proposal)
- 2.6 Appendix F – Proposal submitted by Wells Fargo Bank, N.A. on October 1, 2018
- 2.7 Appendix G – Wells Fargo Merchant Services Program Guide
- 2.8 Appendix H – Wells Fargo Master Agreement for Treasury Management Services

**ARTICLE 3. Period of Performance:** The period of performance for this contract begins September 9, 2019, and ends September 8, 2024 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 \$40,000,000 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 Revenue	Attention: Division of Treasury
Mailing Address PO Box 110406, Juneau, AK 99811-0406	Attention: Gabe Ellenbecker

<b>12. CONTRACTOR</b>	<b>13. CONTRACTING AGENCY</b>
Name of Firm Wells Fargo Bank, National Association	Department/Division Revenue/Treasury
Signature of Authorized Representative 	Signature of Procurement Officer 
Typed or Printed Name of Authorized Representative Brennan K. Church	Typed or Printed Name of Procurement Officer Bronze Ickes
Date September 6, 2019	Date September 6, 2019

## APPENDIX A

### GENERAL CONDITIONS

#### 1. Definitions:

1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.

1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which Commissioner or Authorized Designee acted in signing this contract.

#### 2. Inspections and Reports:

2.1 The department may inspect relevant records, in the manner and at reasonable times, during normal business hours. Provided however, the department acknowledges and agrees that any such inspection will not include an inspection of contractor's facilities.

2.2 The Contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

#### 3. 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.

#### 4. Disputes:

If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620-AS 36.30.632

#### 5. Default:

In case of uncured breach of contract by the contractor, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and hold the contractor responsible for any resulting excess cost and may seek other remedies under law or equity.

#### 6. Assignment or Delegation:

Except as required by the Card Organization Rules, and as allowed in Section 9 of the Wells Fargo Merchant Services Program Guide (Appendix G), the Contractor may not assign or delegate this contract. Contractor must provide written notice to the Procurement Officer.

#### 7. 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.

#### 8. 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.

#### 9. 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.

#### 10. 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, licenses, permits and bonds.

#### 11. Conflicting Provisions:

Unless specifically amended and approved by the Department of Law, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b) (1). The contractor specifically acknowledges and agrees that, among other things, provisions in any documents it sees to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, or (3) seek to limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void. The parties acknowledge that nothing in this Section 11, is intended to limit the State's obligation to pay and/or reimburse Contractor for any amounts assessed to Contractor by the Card Organizations or other third parties resulting from the actions or inactions of the State or a party acting on behalf of the State.

#### 12. Officials Not to Benefit:

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

#### 13. 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.

#### 14. 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.

#### 15. Force Majeure:

The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their 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 respective party. 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.

**16. 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.

**18. Governing Law; Forum Selection**

This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

**19. Exclusion of Damages and Limitation of Liability**

**19.1 Exclusion of Damages:** Neither party to this Agreement nor its representative directors, officers, employees, or agents will be liable to the other party for: (a) any special, consequential, incidental (including without limitation court costs and attorneys' fees), indirect, or punitive losses or damages; or (b) business interruption, loss of profits, loss of business, loss of revenue, loss of goodwill, loss of opportunity, loss or injury to reputation or loss of anticipated savings, whether any claim is based on contract or tort, or whether the likelihood of such losses or damages was known to the other party and regardless of the form of the claim or action. The parties acknowledge and agree that the State's obligation to pay and/or reimburse Contractor for any amounts assessed to Contractor by the Card Organization or other third parties resulting from the actions or inactions of the State or a party acting on behalf of the State are not excluded by this Section.

**19.2 Limitation of Liability; Duty to Indemnify:** Notwithstanding anything in this Agreement to the contrary (including, without limitation, Contractor's obligation to indemnify, hold harmless, and defend the Contracting Agency from and against any claim of, or liability for Contractor's error, omission or negligence under this Agreement ["Claim"] under Appendix B, Article 1):

a. Contractor's aggregate liability to the Contracting Agency for losses or damages arising from any cause (regardless of the form of action or legal theory in connection with this Agreement) will be limited to an amount not to exceed 10 times Contractor fees (excluding pass-through fees – e.g. Card Organization fees, fines, etc.), incurred during the calendar month immediately preceding the calendar month in which such loss or damages were incurred (or, if no Contractor fees were incurred in such month, Contractor fees incurred in the month in which the losses or damages were incurred) ("Liability Cap"). The Liability Cap will not apply to: (1) Contractor's obligation to remit the proceeds of the Contracting Agency's transactions that are processed under this Agreement (after accounting for all offsetting obligations); or (2) Contractor's obligations to indemnify the Contracting Agency for a tort Claim of an unaffiliated third party; and

b. With respect to any Claim, Contractor shall have no duty to indemnify the Contracting Agency unless the Contracting Agency promptly provides written notice of such Claim and tenders the defense of such Claim to the Contractor. Contractor shall have the option, in its sole discretion, either to accept such tender or allow Contracting Agency to defend such Claim. In the event Contractor chooses to allow Contracting Agency to defend, the Contractor shall reimburse the Contracting Agency reasonable out-of-pocket expenses, including attorneys' fees and expenses, and the Contracting Agency shall assert any and all defenses available to it. Contractor shall have no duty to indemnify Contracting Agency in respect of any settlement or other consensual Claim resolution, unless Contracting Agency secures the advance, written consent of Contractor. Contractor will pay the amount of any resulting adverse final judgment or approved settlement with respect to such Claims.

**19.3 Transaction Processing Networks:** When used in Appendix B, Article 1, the term "Contractor" shall not include any transaction processing networks (including, for example, the VISA Network, MasterCard Network, American Express Network, or Discover Network).

## **APPENDIX B<sup>1</sup>**

### **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 notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. 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 claim.

**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 claim.

## APPENDIX C SCOPE OF WORK / SERVICES

**Contract Number:** 2018-0400-3944  
**Contract Term:** September 9, 2019 through September 8, 2024  
**Renewal Options:** This contract contains two, one-year bi-lateral renewal options to be exercised solely by the State.

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

Except as amended by this Agreement or as mutually agreed upon by the parties, the General Provisions (Appendix A) and Indemnity and Insurance (Appendix B1) 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<sup>1</sup>)
2. Scope of Work / Services (Appendix C)
3. Payment for Services (Appendix D)
4. RFP 2018-0400-3944 issued by the Department of Revenue (Appendix E) (except for Wells Fargo Merchant Services exceptions to RFP 2018-0400-3944 in Contractor's Proposal)
5. Proposal submitted by Wells Fargo Bank, N.A. on October 10, 2018 (Appendix F)
6. Wells Fargo Merchant Services Program Guide (Appendix G)

Contractor specifically acknowledges and agrees that provisions 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 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.

Wells Fargo Bank, National Association (hereafter Contractor) through its affiliate Wells Fargo Merchant Services LLC, 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, sell physical terminals and provide software interface for browser-based virtual terminals, and other merchant card processing related services for the State of Alaska (hereafter the State). Wells Fargo Bank, N.A. will replace the existing merchant card processor, U.S. Bank N.A. The target date for final implementation is on or before October 1, 2020. 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.

- **Merchant Accounts**

- Contractor will establish a unique merchant identification number for any State agency that accepts merchant cards for payment of State goods or services. Merchant identification numbers must contain a four digit location number provided by the 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 will be established within 10 business days after Contractor receives request.

- **Settlement**

- Whenever possible, the 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, funds will be transmitted to the State's bank account and will be available within two business days after the sales data has been properly transmitted to Contractor. 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 each individual merchant location. All fees must be settled by the Contractor on a monthly basis, in arrears within 5 business days after month end. Fees must be aggregated into one ACH debit transaction per merchant per month. All other fees or charges will be settled as they occur. The State requires all settlement transactions to be processed by ACH payment as specified by Department of Revenue, Division of Treasury.

- **Interchange Qualification**

- Contractor shall qualify all State accounts as Public Sector, Government, or Emerging Market to achieve the most advantageous qualification rate possible.

- **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 chargebacks and retrieval requests will be sent electronically 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 only offer 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. 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. The State will be responsible for site preparation and acquisition of any telecommunication connections required to make use of the point of sale terminals. Any intermediary software or services the State uses will be the responsibility of the State. 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 destination at no additional cost to the State.

- **Reporting**

- Contractor will provide web-enabled, electronic, ad hoc transaction inquiry and reporting to State merchants. Contractor will prepare and provide high level summarized management reporting to the State 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.

- **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 the State with training on all relevant terminal functions. Contractor will provide the 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 the State on techniques, processes, and strategies necessary to achieve compliance with PCI DSS. Where appropriate, Contractor will provide training and recommendations to the State's merchants regarding best practices and reasonable policies and procedures to meet industry-accepted PCI DSS standards.
- **Merchant Account Administration**
  - Only the State Cash Manager, Assistant Cash Manager, and Merchant Card Processing Contract 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 the State. Contractor will visit the State, at Contractor's expense, for a minimum of one face-to-face annual relationship review meeting in Juneau, Alaska.
- **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. If applicable, the State will provide Contractor a written description of the additional work and request Contractor to submit a firm time schedule and firm price for accomplishing the additional work.
- **Data Compromise**
  - If Contractor suffers a data compromise, Contractor will follow all applicable Card Organization regulations with respect to such data incident.
- **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.

## **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 settlement funds due and owing as a result of merchant card activity under the Agreement (as described in the Wells Fargo Merchant Services Program Guide), 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 the 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, processing fees, and applicable equipment 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 the 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 the State agree on the charge to be assessed. Contractor may not charge for the service if it performs the service prior to the State agreeing to a charge.

All charges included in the Fee Schedule are fixed for the term of the contract. Contractor may change the interchange and assessment charges upon notification by an association, and by providing advance notice of the changes to the State.

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



## FEE SCHEDULE

ITEM DESCRIPTION	OCCURRENCE	RATE/FEE
<b><u>Transaction Processing Fee</u></b>		
Merchant Discount Rate (VISA, MasterCard, Discover)	Dollar Volume	0.0178%
Merchant Processor Fee (VISA, MasterCard, Discover)	Per Transaction	NC
VISA Network Access and Brand Usage Fee	Per Transaction	Pass-through
VISA Interchange Percentage	Dollar Volume	Pass-through
VISA Interchange Fee	Per Transaction	Pass-through
VISA Assessment Fee	Per Transaction	Pass-through
VISA Settlement Fee	Per Transaction	Pass-through
MasterCard Network Access & Brand Usage Fee	Per Transaction	Pass-through
MasterCard Interchange Percentage	Dollar Volume	Pass-through
MasterCard Interchange Fee	Per Transaction	Pass-through
MasterCard Assessment Fee	Per Transaction	Pass-through
MasterCard Settlement Fee	Per Transaction	Pass-through
American Express Network Access Fee	Per Transaction	Pass-through
American Express EDC Authorization	Per Transaction	\$0.01
American Express EDC Capture	Per Transaction	\$0.01
Discover Network Access Fee	Dollar Volume	Pass-through
Discover EDC Authorization	Per Transaction	\$0.01
Discover EDC Capture	Per Transaction	\$0.01
ACH Reject	Per Transaction	\$10.00
Signature Debit	Dollar Volume	0.0178%
PIN Debit	Per Transaction	\$0.035
Foreign Handling Fee (on non-US Issued VISA/MasterCard)	Dollar Volume	NC
<b><u>Equipment Related Charges</u></b>		
FD130 Terminal	Per Device	\$207.00
FD410 Cellular Terminal	Per Device	\$336.00
Wireless Setup Fee	Per Device	\$25.00
Wireless Monthly Access Fee	Per Device / Month	\$15.00
Clover Go NFC Reader V2	Per Device	\$99.00
Browser-Based Virtual Terminal Set up	Per Merchant	NC
Browser-Based Virtual Terminal Monthly Fee	Per Merchant / Month	\$30.00
Terminal Reprogramming Fee (For terminals already owned by the State)	Per Terminal	\$75.00
Terminal Reprogramming Fee (For integrated terminals already owned by the State)	Per Terminal	\$150.00
Security Swap Fee of PIN Debit device (For PIN Pads already owned by the State)	Per Terminal	\$10.00

ITEM DESCRIPTION	OCCURRENCE	RATE/FEE
<b><u>Other Transaction Fees</u></b>		
Tokenization and Encryption	Per Transaction	NC
Address Verification	Per Transaction	\$0.01
Voice Authorization	Per Transaction	\$0.50
Charge Backs	Per Transaction	\$5.00
Refunds	Per Transaction	NC
<b><u>Other Items</u></b>		
Non-Validation PCI Compliance Fee	Per Merchant / Month	\$25.00

**Wells Fargo Merchant Services, L.L.C.- ("WFMS") - Pricing Terms**

State of Alaska

Proposal Date: 09/06/19

eReceivables Consultant: Todd Reed

Assumptions	
Credit Card Volume	\$165,000,449
Average Transaction Size	\$130
Number of Locations	213
Anticipated Interchange <sup>11</sup> Levels	Public Sector: 032 020/038/307 Emerging Markets: 013 011/038/306 Retail: 001 009/023/310 MOTO w/ AVS (CNP): 003 011/034/314 Internet: 020 089/077/317 B to B (Purchase Card): 010 122/172/202
MCC Code	Various - Refer to "Additional Notes" Section of Pricing Terms
MCC Description	Various - Refer to "Additional Notes" Section of Pricing Terms
American Express® Industry Type	N/A
Discover® Network Card Program	Yes
Communications Method	line charges quoted separately Frame Relay / IPN
Gateway	Other Gateway - Direct Bill to Client / WFMM EMV
Pricing Option	<b>Interchange + Assessments + Access Fees + Rate</b>

**Credit Card Processing Fees <sup>1</sup>**

**Interchange Plus the Following Fees:**

**0.0178%** On Gross Visa®, MasterCard®, Discover® Network Card and American Express Sales

**\$0.0018 VI Base II System File Fee** Assessed on all Visa transactions, including sales, returns, reversals, chargebacks, and reversed chargebacks This fee is also disclosed on the Payment Networks Pass-Through Fees schedule (see Applicable Fee Schedules below).

**\$0.0018 MC Access Fee** Assessed on each gross sales transaction

**PIN Debit & Electronic Benefits Transfer (EBT) Processing Fees**

\$0.035 Per PIN Debit Transaction (applies to completed and declined transactions)

EBT NOT ENTITLED

Applicable PIN Debit Network, Switch, Service and Administrative fees are passed through on all PIN Debit transactions (completed and declined). Applicable PIN Debit Network Interchange fees are passed through on completed PIN Debit transactions only.

**Applicable Fee Schedules:**

Payment Networks Qualification Matrix <https://www.wellsfargo.com/biz/creditinterchangeplus>

Payment Networks Pass-Through Fees <https://www.wellsfargo.com/biz/merchantpassthroughfees>

Wells Fargo Fixed Acquirer Network Fee for Visa® Accepting Merchants <https://www.wellsfargo.com/visanetworkfee>

PIN Debit Networks Fee Schedule (if applicable) <https://www.wellsfargo.com/biz/merchantdebitfees>

Dues, assessments and pass-through fees are disclosed in the schedules above.

Fee schedules are updated periodically. To obtain the current applicable fee schedules, please refer to the URLs above for more information. If you do not have internet access, please contact your Merchant Card Representative and request that a copy of the applicable fee schedules be mailed or faxed to you.

As noted in your Merchant Agreement, Payment Networks change their rates/fees from time to time. They are likely to revise rates/fees on 10/19/2019. To learn more about impacts to fee schedules resulting from Payment Network changes, please visit the URLs above or request an updated schedule.

**Other Processing Fees**

Set-Up Fee	\$	-	per location
Monthly Minimum Processing Fee <sup>9</sup>	\$	-	per month
Chargeback Fee <sup>2</sup>	\$	5.00	per chargeback
Monthly Service Fee (per location)	\$	-	per month
Wireless Set Up Fee (per terminal)	\$	25.00	one time
Wireless Monthly Access Fee (per terminal)	\$	15.00	per month
Statement Billing Fee (Paper Statement) <sup>7</sup>	\$	-	per month
ACH Reject Fee	\$	10.00	per reject
Voice Authorization Fee	\$	0.50	per attempt
Annual Fee	\$	-	per location
Authorization/EDC Fee - Visa, MasterCard, Discover Network Card (Credit and Non-PIN Debit) <sup>3</sup>			N/A per attempt
Authorization/EDC Fee - American Express (Credit and Prepaid) <sup>3</sup>			N/A per attempt
Interchange Clearing Fee <sup>12</sup>			N/A on gross sales volume
Applies to Visa, MasterCard, Discover Network Card (Credit and Non-PIN Debit) and American Express (Credit and Prepaid)			
Electronic Address Verification Service Fee	\$	0.01	per attempt
Voice (Manual) Address Verification Fee	\$	2.00	per attempt
Annual Compliance Support Fee <sup>5</sup>	\$	-	per location
PCI Compliance Service Program Fee <sup>8</sup>	\$	-	per month, per location
Non-validation PCI Compliance Fee <sup>8</sup>	\$	25.00	per month, per location
Foreign Handling Fee (on non-US issued Visa/MasterCard transactions/sales)		0.00%	per transaction amount

**Wells Fargo Merchant Services, L.L.C. ("WFMS") - Pricing Terms**

State of Alaska

Proposal Date: 09/06/19

eReceivables Consultant: Todd Reed

Assumptions	
Credit Card Volume	\$165,000,449
Average Transaction Size	\$130
Number of Locations	213
Anticipated Interchange <sup>11</sup> Levels	Public Sector: 032 020/038/307 Emerging Markets: 013 011/038/306 Retail: 001 009/023/310 MOTO w/ AVS (CNP): 003 011/034/314 Internet: 020 089/077/317 B to B (Purchase Card): 010 122/172/202
MCC Code	Various - Refer to "Additional Notes" Section of Pricing Terms
MCC Description	Various - Refer to "Additional Notes" Section of Pricing Terms
American Express® Industry Type	N/A
Discover® Network Card Program	Yes
Communications Method	line charges quoted separately      Frame Relay / IPN
Gateway	Other Gateway - Direct Bill to Client / WFMM EMV
Pricing Option	<b>Interchange + Assessments + Access Fees + Rate</b>

**Other Processing Fees Continued**

American Express EDC and Discover EDC Authorization <sup>6</sup>	\$ 0.01 per attempt
American Express EDC and Discover EDC Capture	\$ 0.01 per attempt
Terminal Reprogramming Fee (Terminal) - Applies to Customer Owned Terminals Only	\$ 75.00 per unit
Terminal Reprogramming Fee - Integrated Terminal - Applies to Customer Owned Integrated Terminals Only	\$ 150.00 per unit
Security Swap Fee for PIN Debit - Applies to Customer Owned PIN Pads Only	\$ 10.00 per unit
Card Imprinter Option	\$ 35.00 per imprinter
Rush Shipping Option	N/A

- 1) Clients may elect to participate in the Discover Network Card program or the Discover EDC program, but not both. Under the "Discover Network Card program," Clients receive all Discover-related authorization, processing and settlement services from WFMS. Under the "Discover EDC program," Clients enter into a direct agreement with Discover, and WFMS provides only authorization and capture services related to Discover Network Cards. Clients may also elect to participate in the American Express program or the American Express EDC program, but not both. Under the "American Express program," Clients receive all American Express-related authorization, processing and settlement services from WFMS. Under the "American Express EDC program," Clients enter into a direct agreement with American Express, and WFMS provides only authorization and capture services related to American Express Cards. In all cases, any services provided by WFMS for Discover and American Express transactions are subject to the terms of Client's Agreement with WFMS.
- 2) Client acknowledges and understands that an authorization only indicates the availability of the Cardholder's credit at the time the authorization is requested. It does not warrant that the person presenting the card is the rightful Cardholder, nor is it an unconditional promise or guarantee that Client will not be subject to a chargeback or debit.
- 3) Authorization/EDC Fee applies to Visa and Discover Network Card credit authorizations, all Visa, MasterCard, Discover Network Card and American Express approvals (pre-authorizations, authorizations and authorization reversals), denials, batch inquiries, batch entry transactions and includes any transaction fees and capture fees. This fee does not apply to Discover EDC and American Express EDC.
- 5) The Annual Compliance Support Fee will be assessed and deducted from Client's Settlement Account at each anniversary date after the effective date.
- 6) American Express EDC/Discover EDC Authorization Fees apply to all approvals (pre-authorizations, authorizations and authorization reversals), denials, batch inquiries and batch entry transactions.
- 7) The monthly Statement Billing Fee can be waived if Client elects to access the monthly statement online instead of receiving a paper copy by mail. After Business Track access has been activated, please contact Customer Service at 1-800-451-5817 to request that paper statements no longer be mailed. If Business Track access is terminated by Client or as a result of inactivity, paper statements will be reinstated with the applicable monthly Statement Billing Fee. Enroll anytime at [businesstrack.com](http://businesstrack.com).
- 8) The monthly PCI Compliance Service Program Fee and Non-validation PCI Compliance Fee are part of the mandatory PCI Compliance Service Program. These fees apply to Level 4 Clients who utilize a gateway or value added reseller (VAR). The program includes access to TrustKeeper, a Trustwave PCI Compliance solution to help Client comply with the Payment Card Industry Data Security Standards (PCI DSS) requirements. Clients are required to register and complete a PCI DSS certification process by visiting <https://pci.trustwave.com/wellsfargo>. If Client does not comply or fails the PCI DSS certification process, Client will be charged a monthly Non-validation PCI Compliance Fee until the account becomes compliant.
- 9) If the total discount fee billed to the Client for Visa, MasterCard, Discover Network Card and American Express transactions in one month is less than the Monthly Minimum Processing Fee, then an additional fee will be charged to the Client equal to the Monthly Minimum Processing Fee less the total discount fee.
- 11) American Express charges Program Pricing fees and not interchange. Program Pricing fees and interchange fees are subject to change.
- 12) The Interchange Clearing Fee (ICF) will be charged on transactions that may be considered higher risk and/or are processed at a higher expense level. These types of transactions can be identified on Client's Payment Networks Qualification Matrix by looking at the "ICF applies" column. If the interchange program level has been identified by a "YES" in this column, then the ICF will apply to that type of transaction.

**Wells Fargo Merchant Services, L.L.C. - ("WFMS") - Pricing Terms**

**State of Alaska**

**Proposal Date: 09/06/19**

**eReceivables Consultant: Todd Reed**

<b>Assumptions</b>	
Credit Card Volume	\$165,000,449
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Pricing Option	<b>Interchange + Assessments + Access Fees + Rate</b>

If Client has selected to accept TeleCheck Services, see Part III - Section 1 of the Program Guide for the terms and conditions. If applicable, the Additional Services page will contain the fees and rates billed to Client by TeleCheck.

If Client does not follow proper authorization procedures, a \$50 chargeback handling fee will be assessed on MasterCard transactions.

American Express may charge Client an excessive disputes fee in the amount of \$5 for each Disputed Charge if Client is in American Express' Immediate Chargeback Program or \$15 for each Disputed Charge if Client is not in the Immediate Chargeback Program.

Client is responsible for any charges assessed by outside third parties that are not disclosed on the proposal. To the extent that this pricing proposal includes pricing for third party products and services, WFMS disclaims legal liability and responsibility for said products and services. Client's agreement with the third party provider shall govern Client's relationship with the third party provider. In the event that WFMS is billed for the third party's services, Client will reimburse WFMS for such services.

Client acknowledges and understands that WFMS shall have no responsibility or liability for any third party hardware or software procured and used by Client. To the extent Client has any issues, concerns or liability related to such hardware or software, Client must deal directly with the third party provider from whom Client procured the hardware or software. In no event will WFMS be responsible for any indirect, incidental or consequential damages that Client may incur as a result of using any third party hardware or software.

WFMS' proposal and associated pricing is based on the information provided. Any difference to our stated understanding may affect the proposed pricing. Without a signed agreement, this proposal expires 120 days from the proposal date stated above.

See Section 42.3 of the Program Guide for early termination fees.

**Rounding.** In the event the amount being billed to Client for any line item on this pricing proposal includes a total ending in less than a full cent, WFMS will either round such amount up or down to the nearest cent.

Fees for supplies, shipping, handling, and applicable sales tax may apply and are subject to change without notice. Additional information is available upon request.

By acknowledging these Pricing Terms, Client is expressly agreeing that WFMS may share all of Client's personally identifiable information (for example, postal and email addresses, tax identification numbers, names and social security numbers of the authorized signer on the Client's Agreement with WFMS, account information, etc.), as well as Client's American Express transaction information (for example, all information required by American Express evidencing charges or credits, including information obtained at the point of sale, information obtained or generated during authorization and settlement, and any chargeback or other fee information related to an American Express payment card transaction), with American Express. American Express may use and share this information to perform its responsibilities in connection with the American Express payment card acceptance services that Client receives under the Client's Agreement with WFMS. American Express may also use and share this information to promote the American Express Network, to perform analytics and create reports, and for any other lawful business purpose including to call Client or send Client communications or materials via direct mail, email, SMS, text or facsimile regarding American Express products, services and resources available to Client. Client consents and agrees to receive autodialed, automated and/or prerecorded calls and communications (which may include SMS or text messages) at the telephone number(s) Client has provided. If Client has provided a fax number, Client consents and agrees to receiving fax communications from American Express. In connection with the foregoing, Client understands that the calls made or communications sent to Client by American Express may be subject to charges or fees by Client's telecommunications or other applicable service provider that are Client's responsibility to pay. If Client does not wish to receive marketing or other communications from American Express, or if Client wishes to discontinue accepting American Express payment cards, Client must contact WFMS at 1-800-451-5817 to disable Client's American Express acceptance services, and Client will no longer be permitted to accept American Express payment cards.

**Wells Fargo Merchant Services, L.L.C. - ("WFMS") - Pricing Terms**  
**State of Alaska**  
**Proposal Date: 09/06/19**  
**eReceivables Consultant: Todd Reed**

<b>Assumptions</b>	
Credit Card Volume	\$165,000,449
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Gateway	Other Gateway - Direct Bill to Client / WFMM EMV
Pricing Option	<b>Interchange + Assessments + Access Fees + Rate</b>

The Operating Procedures include summaries of some of the key rules and regulations from the Card Payment Networks that merchants must adhere to in connection with their card acceptance practices. For example, they describe the process for submitting card transactions for payment, obtaining authorizations, responding to chargebacks and media retrieval requests, and other aspects of our services. Client is required to comply with these Operating Procedures in addition to all other applicable payment network rules. THE OPERATING PROCEDURES ALSO INCLUDE ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO CLIENT'S AMERICAN EXPRESS CARD ACCEPTANCE. BY ACCEPTING AMERICAN EXPRESS CARDS AFTER THE EFFECTIVE DATE OF THESE PRICING TERMS, CLIENT IS EXPRESSLY AGREEING THAT THE TERMS AND CONDITIONS OF CLIENT'S AGREEMENT WITH WFMS, INCLUDING THE TERMS AND CONDITIONS OF THE OPERATING PROCEDURES, ALSO APPLY TO CLIENT'S AMERICAN EXPRESS ACCEPTANCE. To obtain the latest copy of the Operating Procedures that includes updates from American Express, please download them from this website: [www.wellsfargo.com/merchantoperatingguide](http://www.wellsfargo.com/merchantoperatingguide). Client may also contact WFMS at 1-800-451-5817 to request a paper copy of the Operating Procedures.

<b>Additional Notes:</b>	
<u>MCC Code</u>	<u>MCC Description</u>
9399	GOVERNMENT SERVICES, NOT ELSEWHERE
9311	TAX PAYMENTS
9222	FINES
9211	COURT COSTS
4900	UTILITIES-ELECTRIC,GAS,WATER
7523	AUTOMOBILE PARKING LOTS
5999	MISC. AND SPECIALTY RETAIL
8299	SCHOOLS & EDUCATIONAL SVCS
8220	COLLEGES, UNIVERSITIES,
4784	TOLL AND BRIDGE FEES

<b>Processing Solutions</b>			
<b>Type</b>	<b>Quantity</b>	<b>Financing Method</b>	<b>Total w/o TAX</b>
FD130	100	Purchase	\$207.00 per terminal
FD410	10	Purchase	\$336.00 per terminal
Clover GO NFC Reader V2	10	Purchase	\$99.00 per reader
Other Gateway - Direct Bill to Client		Customer Owned	N/A

## Master Agreement for Treasury Management Services

The Service Documentation described below contains the terms under which Wells Fargo Bank, N.A. and the banks, branches or subsidiaries listed in Appendix X (each, "Bank") provide treasury management services ("Services"). The Bank customer to which the Services will be provided ("Customer") is identified in the Treasury Management Product Enrollment form or other product enrollment form(s) with acceptance of services language acceptable to Bank (e.g., Mandate Letter) (collectively, the "Acceptance").

Bank and Customer agree:

- 1. Service Documentation.** The Service Documentation contains the terms governing each Service and includes:
  - 1.1.** The Service Description;
  - 1.2.** The Acceptance;
  - 1.3.** This Master Agreement for Treasury Management Services ("Agreement");
  - 1.4.** The account agreement governing the account(s) (each, an "Account") Customer uses in connection with the Service; and
  - 1.5.** User Guides, which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices.

The documents and individual provisions of the Service Documentation are intended to complement one another, and the Service Documentation as a whole.

This Agreement and Service Descriptions are posted at Bank's *Commercial Electronic Office*<sup>®</sup> (*CEO*<sup>®</sup>) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Customer's use of a Service confirms Customer's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to a Service or other change requires a change to a Service Description, Bank will post an updated Service Description on the *CEO* portal. When required by Applicable Law (as defined below), Bank will notify Customer of the update. If Customer continues to use the Service after the update takes effect, Customer will be deemed to have agreed to the update.

As used in this Agreement, the term "Applicable Law" means all applicable laws (including common or customary laws), statutes, constitutions, policies, decrees, judgments, treaties, regulations, directives, by-laws, rulings, orders or operating circulars governing the activities of Bank and/or any transaction effected under this Agreement, including, but not limited to, all applicable funds transfer system and clearing and settlement house rules governing the transactions effected under this Agreement.

- 2. Services.** Bank and Customer will agree upon the Service(s) to be provided. Each Service in the applicable jurisdiction is subject to the approval by the applicable branch or subsidiary of Bank. Customer may not begin using a Service until Bank has received all required and properly executed forms and Customer has successfully completed any testing or training requirements. To assist in Bank's establishment or maintenance of its limits or other processing arrangements, or to assist in Bank's compliance with Applicable Law, Customer will provide Bank with all such financial and/or other information Bank reasonably requests.
- 3. Changes to Services.** Bank may change (or add to) the terms in the Service Documentation at any time if Bank provides reasonable notice to the Customer and the Customer does not object to the change. If Customer continues to use a Service after receiving notice and failing to object, the change becomes effective, and the Customer will be bound by the change. Bank will not increase fees identified in pricing information provided to Customer in Bank's response to Customer's RFP dated August 31, 2018 for the initial five (5) year term of the contract.
- 4. Term and Termination.** Unless earlier terminated in accordance with the Service Documentation, this Agreement and each Service will continue in effect until terminated by either party upon 30 days' prior written notice to the other party. Bank may suspend or terminate any Service: (a) following notice to Customer of a breach of any provision of the Service Documentation or any other agreement with Bank, and Customer's failure to cure the breach (if capable of cure) within 15 days of the date of such notice; or (b) without prior notice to Customer if (i) Bank reasonably suspects that an Account associated with a Service has been compromised or otherwise subject to irregular, unauthorized, fraudulent or illegal activity, (ii) Customer is subject to, voluntarily or involuntarily, or any action or step is commenced or any resolution is passed that may result in Customer being subject to any bankruptcy, insolvency, winding up, liquidation, judicial management, receivership, administrative management, reorganization or other similar proceeding in any jurisdiction, (iii) Bank determines in its sole discretion that its continued provision of a Service may place Bank at risk of financial loss or result in an unacceptable credit exposure, (iv) Customer terminates, liquidates, or dissolves its business or disposes of a substantial portion of its assets, (v) Customer fails to timely pay its debts, (vi) Customer initiates any composition with its creditors, (vii) any guaranty of Customer's obligations to Bank is terminated, revoked, or its validity contested by the guarantor, (viii) Bank determines in its sole discretion that a material adverse change has occurred in Customer's ability to perform its obligations under the Service Documentation, or in the ability of a guarantor of Customer's obligations to Bank to perform its obligations under the applicable guaranty agreement, or (ix) the Account necessary to provide a Service is closed. The termination of a Service will not affect Customer's or Bank's rights with respect to transactions occurring before termination. Bank will not be liable to Customer for any losses or damages Customer may incur as a result of any termination of any Service.
- 5. Service Fees.** Customer will pay Bank the fees described in the Service Documentation and any taxes applicable to each Service however designated exclusive of taxes based on Bank's net income (and from which Customer is not exempt by law). Bank may debit the Account(s) for any fees not covered by earnings



credits and any taxes that are due, or it may send an invoice to Customer for such amounts, which Customer shall promptly pay. Bank's charges and fees shall be set forth as expressed in Bank's applicable fee schedule for Services used in connection with the Account.

- 6. Confidential Information.** Unless otherwise provided in the Service Documentation, all portions of the User Guides and Terms of Use that the Bank has designated as confidential under AS 36.30.230(a) and agreed to by the procurement officer constitute Bank's or its vendor's confidential information ("Confidential Information"), and Customer will not acquire any ownership interest in or rights to Confidential Information as a result of Customer's use of any Service. Customer will (a) maintain the confidentiality of the Confidential Information; (b) not disclose (or permit its employees or agents to disclose), unless such disclosure is permitted by applicable law or court order; copy, transfer, sublicense or otherwise make any of it available to any person or entity, other than Customer's employees who have a need to use the Confidential Information in connection with the applicable Service; and (c) not decompile, reverse engineer, disassemble, modify, or create derivative works of any Confidential Information. Customer will notify Bank immediately if it knows or suspects that there has been any unauthorized disclosure, possession, use or knowledge (each, an "Unauthorized Use") of any Confidential Information. Customer agrees to take all reasonable steps to safeguard Confidential Information.
- 7. Currency.** When Customer requests or instructions require that Bank convert the amount of a payment order from the currency in which the Account is denominated ("Account Currency") to another currency ("Foreign Currency"), Bank will do so using its applicable rate of exchange in effect at the time on the day Bank executes the payment order. If a financial institution designated to receive the funds does not pay the beneficiary specified in the payment order, and the funds are returned to Bank, Bank will not be liable to Customer for a sum in excess of the amount of the payment order after Bank has converted it from the Foreign Currency to the Account Currency using the applicable rate of exchange in effect at the time on the day Bank confirms the cancellation of the payment order. Bank bears no liability if the rate it uses for a particular transaction, i.e., the "applicable rate," differs from rates offered or reported by Bank or by third parties, or based upon different times of day, amounts, locations or involving different systems, agents or procedures. Currency exchange rates fluctuate over time, based upon market conditions, liquidity and risk. Customer acknowledges and accepts the risks of such fluctuations between the time Customer requests a payment order and the time the payment order is either completed or is unwound due to a cancellation, an amendment, a rejection or a return.
- 8. Liability and Indemnification.**

  - 8.1.** Bank is under no obligation to honor, in whole or in part, any payment order or other instruction that: (a) exceeds the available balance in the Account, unless otherwise provided in the Service Documentation; (b) is not in accordance with the Service Documentation or Bank's applicable policies, procedures or practices as made available to Customer; (c) Bank has reason to believe may not have been duly authorized, should not be honored for its or Customer's protection, or involves funds subject to a hold, dispute, restriction or legal process; or (d) would possibly result in Bank's contravention of any Applicable Law.

- 8.2.** All uses of Services through Customer's ID codes, passwords, token cards, PINs, or passcodes (each, a "Code") will be deemed to be authorized by and binding on Customer, except as provided for in the Service Documentation. Customer's failure to protect Codes may allow an unauthorized party to: (a) use the Services; (b) access Customer's electronic communications and financial data; and (c) send or receive information and communications to Bank. Customer assumes the entire risk of unauthorized use of Codes and unencrypted electronic transmissions.
- 8.3.** Neither Bank nor any software vendor makes any express or implied representations or warranties with respect to the Services or any software used in connection with the Services including without limitation any warranty as to the merchantability or fitness for a particular purpose, other than those expressly set forth in the Service Documentation.
- 8.4.** Customer will promptly furnish written proof of loss to Bank and notify Bank if it becomes aware of any third party claim related to a Service. Customer will cooperate fully (and at its own expense) with Bank in recovering a loss. If Customer is reimbursed by or on behalf of Bank, Bank or its designee will be subrogated to all rights of Customer.
- 8.5.** Except as otherwise provided in the account agreement governing the Account, any claim, action or proceeding against Bank for losses or damages arising from a Service, must be brought within one year from the date of the act or omission.
- 8.6.** Bank will have no liability for failure to perform or delay in performing a Service if the failure or delay is due to circumstances beyond Bank's reasonable control. If Bank determines that any funds transfer or communications network, Internet service provider, or other system(s) it has selected to provide a Service is unavailable, inaccessible or otherwise unsuitable for use by Bank or Customer, Bank may, upon notice to Customer, suspend or discontinue the affected Service.
- 8.7.** Except in the case of Bank's negligence or intentional misconduct, Customer will indemnify and hold Bank, its directors, officers, employees and agents harmless from all losses or damages that arise out of: (a) the performance of a Service in accordance with the Service Documentation including without limitation any warranty Bank is required to make to a third party in connection with a Service; (b) an act or omission of any agent, courier or authorized representative of Customer; and (c) if the Service includes a license or sublicense of any software to Customer, the use or distribution of the software by Customer or any person gaining access to the software through Customer that is inconsistent with the license or sublicense.
- 8.8.** Bank will only be liable to Customer for actual damages incurred as a direct result of Bank's failure to exercise reasonable care in providing the Services. Reasonable care requires only that Bank follow standards that do not vary unreasonably from the general standards followed by similarly situated banks. Bank's policies and procedures are general internal guidelines for Bank's use

and do not establish a higher standard of care for Bank than otherwise established under Applicable Law. A mere clerical error or an honest mistake will not be considered a failure of Bank to perform any of its obligations. Bank's liability to Customer will be limited to an amount not to exceed 10 times Bank fees incurred during the calendar month immediately preceding the calendar month in which such loss or damages were incurred (or, if no Bank fees were incurred in such month, Bank fees incurred in the month in which the losses or damages were incurred).

**8.9.** Except as expressly provided otherwise in the Service Documentation, neither party to this Agreement nor its respective directors, officers, employees or agents will be liable to the other party for: (a) any special, consequential, incidental (including without limitation court costs and attorneys' fees), indirect, or punitive losses or damages; or (b) business interruption, loss of profits, loss of business, loss of revenue, loss of goodwill, loss of opportunity, loss or injury to reputation or loss of anticipated savings, whether any claim is based on contract or tort, or whether the likelihood of such losses or damages was known to the other party and regardless of the form of the claim or action.

**8.10.** Where Customer sends payments on behalf of its third party customers, Customer agrees it is solely liable to its customers for any and all losses such customers may suffer. Bank hereby excludes all and any liability of whatever nature (including those losses enumerated in subsection 8.9 of this Agreement) arising out of Customer's relationship with its customer.

**9. Governing Law.** The Service Documentation shall be governed by: (a) U.S. federal law and (b) the law of the State of Alaska ("Governing Law").

**10. Claims.** Any claim arising out of or relating to this Account Agreement, or the breach thereof, will be resolved using the procedure described in Alaska Statutes 36.30.620. Any claim not resolved under Alaska Statutes 36.30.620 will be brought in Alaska Superior Court.

**11. Jurisdiction.** For any proceedings regarding this Agreement (not subject to arbitration in Section 10), Customer and Bank hereby irrevocably submit to the jurisdiction of the courts of the Alaska Superior Court in Juneau, Alaska, over any action or proceeding arising out of or relating to this Agreement and irrevocably agrees that all claims in respect of such action or proceeding may be heard or determined in such courts.

**12. Miscellaneous.**

**12.1 Severability.** Any portion of the Service Documentation which is inconsistent with Applicable Law or Governing Law will be deemed modified and applied in a manner consistent therewith, and Bank will incur no liability to Customer as a result of the inconsistency or modification and application to any dispute regarding the Service Documentation. If any portion or provision of the Service Documentation is deemed unenforceable, it will not affect the legality, enforceability or validity of the remaining Service Documentation nor the legality, enforceability or validity of such portion or provision under the law of any other jurisdiction.

- 12.2 Entire Agreement.** The Service Documentation (and any documents referred to therein) together with the State of Alaska standard agreement constitutes and represents the entire agreement between Bank and Customer regarding the Services we provide for all Accounts opened at Bank and supersedes and extinguishes all prior agreements, understandings, representations, warranties and arrangements of any nature (including requests for proposals and other sales material), whether oral or written, between Customer and Bank relating to any such Service (including any other Master Agreement for Treasury Management Services, but excluding the current Commercial Account Agreement or Global Commercial Account Agreement, as applicable).
- 12.3 No Waiver.** Neither the failure nor any delay by Bank in exercising any right, remedy, power or privilege shall be deemed to be a waiver of such right, remedy, power or privilege. No course of dealing or waiver of any right on one occasion will constitute a modification of the Service Documentation or be a waiver of that right on a subsequent occasion.
- 12.4 No Third Party Beneficiaries.** Except as otherwise provided in the Service Documentation, no person or entity other than Customer and Bank will be deemed to be a third party beneficiary under the Service Documentation.
- 12.5 Financial Condition.** Customer will provide Bank promptly upon Bank's request any existing financial statements or other information pertaining to Customer's financial condition or any previously unprepared financial statements which Bank may require Customer to prepare and/or to be audited or reviewed by independent certified public accountants acceptable to Bank.
- 12.6 Customer's Representations and Warranties.** Customer represents and warrants that: (a) it will not use any Service in a manner that could result in a contravention of Applicable Law by Customer or Bank; and (b) if Customer employs an agent in connection with its use of any Service, Customer represents and warrants to Bank that: (i) Customer's governing body has duly authorized the agent and (ii) Customer will exercise appropriate controls to ensure each agent so authorized does not exceed the authority so granted to it.
- 12.7 Customer Communications.** Any communication to Bank regarding Customer's use of a Service from Customer's agent will be deemed to be a communication from Customer, and Customer authorizes Bank to communicate with Customer's agent regarding any such communication or Service.
- 12.8 Notice.** Either party may provide notice to the other party by mail, personal delivery, or electronic transmission. Customer will notify Bank promptly in writing of any change in its name, Address, legal status, electronic contact information (including an e-mail address or otherwise), or any other changes relevant to the conduct of the Account or affecting Customer's business relationship with Bank. The term "Address" as used herein refers to a mailing or electronic address. Customer will use the Address where Customer's

relationship manager or other manager is located and will address any notice to the attention of such manager.

Bank will be entitled to rely on any notice from Customer that it believes in good faith was authorized by an authorized representative of Customer and, except as expressly stated in another agreement between Customer and Bank, will have no obligation to verify the signature (including an electronic signature). Each party will have a reasonable time after receipt of any notice to act on it

**12.9 Survival.** Sections 1, 4, 5, 6, 7, 8, 9, 10, 11, and 12 will survive termination of this Agreement.

## **APPENDIX X**

### Applicable Branches or Subsidiaries of Bank

1. Wells Fargo Bank, N.A. – London Branch
2. Wells Fargo Bank, N.A. – Cayman Islands Branch