

## CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 01-08-2018

Contract/Lease Control #: C18-2668-BCC

Procurement#: NA

Contract/Lease Type: AGREEMENT

Award To/Lessee: SUNTRUST MERCHANT SERVCIES, LLC

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 01/03/2018

Expiration Date: 01/02/2023 W/1 YR RENEWALS

Description of Contract/Lease: MASTER SERVICES AGREEMENT

Department: BCC

Department Monitor: HOFSTAD

Monitor's Telephone #: 850-651-7515

Monitor's FAX # or E-mail: JHOFSTAD@CO.OKALOOSA.FL.US

Closed:

Cc: Finance Department Contracts & Grants Office

## PROCUREMENT/CONTRACT/LEASE INTERNAL COORDINATION SHEET

Procurement/Contract/Lease Number: <u>TBO</u>	Tracking Number: <u>2084-18</u>
Procurement/Contractor/Lessee Name: <u>Suntrust market</u>	Grant Funded: YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Purpose: <u>MSA-</u>	
Date/Term: <u>5YRS - 1yr renewals</u>	1. <input type="checkbox"/> GREATER THAN \$50,000
Amount: _____	2. <input type="checkbox"/> GREATER THAN \$25,000
Department: <u>BCC</u>	3. <input type="checkbox"/> \$25,000 OR LESS
Dept. Monitor Name: <u>Hofstad</u>	

<b>Purchasing Review</b>	
Procurement or Contract/Lease requirements are met:	
<u>DeRita Mason</u>	Date: <u>10-18-17</u>
Purchasing Director or designee Greg Kisela, Charles Powell, DeRita Mason, Matthew Young	

<b>2CFR Compliance Review (if required)</b>	
Approved as written:	<u>NA</u>
_____	Date: _____
Grants Coordinator	Renee Biby

<b>Risk Management Review</b>	
Approved as written:	<u>see email attached</u>
_____	Date: <u>10-25-17</u>
Risk Manager or designee	Laura Porter or Krystal King

<b>County Attorney Review</b>	
Approved as written:	<u>see email attached</u>
_____	Date: <u>12-4-17</u>
County Attorney	Gregory T. Stewart, Lynn Hoshihara, Kerry Parsons or Designee

Following Okaloosa County approval:

<b>Contracts &amp; Grants Office</b>	
Document has been received:	
_____	Date: _____
Contracts & Grants Manager	Marcella Eubanks, Mindy Kovalsky, Ashley Endris

## DeRita Mason

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**From:** Krystal King  
**Sent:** Wednesday, October 25, 2017 4:15 PM  
**To:** DeRita Mason; Parsons, Kerry  
**Cc:** Lynn Hoshihara  
**Subject:** RE: First Data

Risk Management approved.

*Krystal King*  
Okaloosa County  
Risk Management  
(850)689-5977  
Fax (850)689-5973

Please note: Due to Florida's very broad public records laws, most written communications to or from County employees regarding County business are public records available to the public and media upon request. Therefore, this written email communication including your email address, may be subject to public disclosure.

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**From:** DeRita Mason  
**Sent:** Wednesday, October 18, 2017 1:27 PM  
**To:** Parsons, Kerry <KParsons@ngn-tally.com>  
**Cc:** Lynn Hoshihara <lhoshihara@co.okaloosa.fl.us>; Krystal King <kking@co.okaloosa.fl.us>  
**Subject:** FW: First Data

Please review and approve.

Thanks,

DeRita

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**From:** Greg Kisela  
**Sent:** Wednesday, October 18, 2017 12:19 PM  
**To:** DeRita Mason <[dmason@co.okaloosa.fl.us](mailto:dmason@co.okaloosa.fl.us)>  
**Subject:** FW: First Data

DeRita: Can you route this to Legal and Risk for coordination?

Greg Kisela

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**From:** Katie Sharon [<mailto:ksharon@okaloosaclerk.com>]  
**Sent:** Tuesday, October 03, 2017 8:47 AM  
**To:** Greg Kisela <[gkisela@co.okaloosa.fl.us](mailto:gkisela@co.okaloosa.fl.us)>  
**Subject:** FW: First Data

Greg, can you help me get the draft merchant (credit card processing) agreement reviewed by legal so we can get it on the first November board meeting agenda?

Thanks

## DeRita Mason

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**From:** Parsons, Kerry <KParsons@ngn-tally.com>  
**Sent:** Monday, December 04, 2017 1:04 PM  
**To:** Katie Sharon  
**Cc:** Greg Kisela; DeRita Mason; Krystal King; Lynn Hoshihara  
**Subject:** RE: Okaloosa County Red lines

Hey Katie:

I have reviewed and the revisions are acceptable for legal purposes. The only comment I have is that the BOCC's legal name pursuant to Florida Constitution is actually "Okaloosa County, a political subdivision of the state of Florida". I know that seems strange because the other constitutional offices all have their name in the legal title, but we can blame that on the legislature ( : . As such, I recommend changing it, since the Master Agreement specifically requests the legal name.

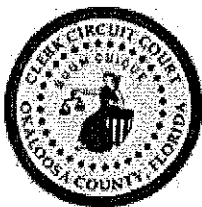
Let me know if you have any questions,  
Kerry

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**From:** Katie Sharon [mailto:ksharon@okaloosaclerk.com]  
**Sent:** Monday, November 27, 2017 8:40 AM  
**To:** Parsons, Kerry  
**Cc:** Greg Kisela (gkisela@co.okaloosa.fl.us); DeRita Mason; kking@co.okaloosa.fl.us  
**Subject:** FW: Okaloosa County Red lines

Kerry, please see attached accepted changes from First Data. Can you let me know if the changes they accepted will work or if I need to arrange for a short call with their lawyers to discuss it further? Reminder: this service is currently in place for Water & Sewer. This contract is allowing us to consolidate merchant service providers for the Convention Center and Growth Management. The rep at First Data did offer to allow us to keep the current contract we have and sign a separate agreement to add services at the two new departments. However, if we can get to a place where you're ok with the contract language, I think it would be cleaner to have a current up-to-date contract on file.

Thanks,  
Katie



### Katie Sharon

Chief Financial Officer, Okaloosa County Clerk of Courts

Tel: (850) 689-5000 X3431 | Cell: (850) 826-8349

ksharon@okaloosaclerk.com | www.okaloosaclerk.com

302 N. Wilson Street, Suite 203, Crestview, Florida 32536



How am I Doing?

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PLEASE NOTE: Florida has a very broad public records law. Email communications to or from Okaloosa County Clerk of Court employees are considered public records and are available to the public and media upon request. Your e-mail communications, including your email address, are subject to public disclosure. This email is intended for the addressee(s) indicated above only. If you have received this email in error, please delete it immediately.

**Contract # C18-2668-BCC**  
**SUNTRUST MERCHANT SERVICES, LLC**  
**MASTER SERVICES AGREEMENT**  
**EXPIRES: 01/02/2023 W/1 YR RENEWALS**

**MASTER SERVICES AGREEMENT**

Okaloosa County, a political subdivision of the state of Florida

CUSTOMER's Legal Name

Doing Business As

302 N. Wilson Street, Suite #203

Crestview

FL

32536

Street Address

City

State

Zip Code

Specify Whether CUSTOMER is a Corporation, Partnership, Sole Proprietorship, Non-Profit or Other Type of Entity

596000765

Taxpayer Identification Number (CUSTOMER certifies, under penalties of perjury, that the federal taxpayer identification number and corresponding filing name provided herein are correct).

Recipient/Title For Notices

Facsimile Number

This Master Services Agreement ("MSA") is among the CUSTOMER identified above SUNTRUST MERCHANT SERVICES, LLC and/or its Affiliates (collectively, "PROVIDER") for the Services identified below.

The intent of this MSA is to provide one set of standardized "Terms and Conditions" to be utilized for multiple relationships within the United States between CUSTOMER and PROVIDER. All services provided by PROVIDER ("Services") will be identified as individual addenda to this MSA ("Addendum") with specific operational specifications and associated pricing. These Addenda will be subject to the Terms and Conditions of this MSA unless the applicable Addendum specifically states that additional and/or other terms and conditions apply.

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



1. **Services.** The Services provided shall be more fully described in the attached Service Addendums: TransArmor and Clover.

2. **Term.** This MSA and any Addenda attached hereto shall be in effect upon signing of each document by all parties and shall remain effective through the initial term of five (5) years which shall commence upon the date this MSA is signed by PROVIDER. This MSA and any Addenda hereto shall automatically renew for successive one (1) year terms until terminated by the parties upon one hundred and twenty (120) days' notice prior to the end of the then existing term. This MSA shall be effective until all Addenda are terminated.

3. **Financial and Other Information.**

3.1 During any periods in which CUSTOMER is not subject to the reporting requirements of the Securities Exchange Act of 1934 or, if subject to such reporting requirements, is not in compliance with such, CUSTOMER agrees to provide PROVIDER quarterly financial statements of CUSTOMER within forty five (45) days after the end of each fiscal quarter and annual audited financial statements within ninety (90) days after the end of each fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles. CUSTOMER also shall provide such other financial statements and other information concerning CUSTOMER's compliance with the terms and provisions of this MSA as PROVIDER may reasonably request. CUSTOMER authorizes PROVIDER to obtain from third parties financial and credit information relating to CUSTOMER in connection with PROVIDER's determination whether to accept this MSA and PROVIDER's continuing evaluation of the financial and credit status of CUSTOMER. Upon PROVIDER's request, CUSTOMER shall provide to PROVIDER or their representatives access to CUSTOMER's facilities and records during CUSTOMER's normal business hours of operation for the purpose of performing any inspection and/or copying of CUSTOMER's books and/or records pertaining to the Services contemplated in this MSA. If not requested by the Card Organizations or law enforcement, alternatively, CUSTOMER may elect to provide copies of such books and/or records to PROVIDER.

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

TRUE  
AND CORRECT COPY  
BY   
DATE Apr 4, 2018  


**4. Indemnification.**

- 4.1 CUSTOMER agrees, to the extent provided by law, to indemnify and hold harmless PROVIDER, its Affiliates, agents, subcontractors (to the extent PROVIDER's agents, Affiliates, and subcontractors provide Services under the MSA and/or any Addenda), employees directors and officers from and against and be responsible for all losses, liabilities, damages and expenses resulting from any breach of any representation, warranty, covenant, provision of this MSA or any Addenda or any misrepresentation by CUSTOMER under this MSA or any Addenda. This provision in no way waives nor alters any of the CUSTOMER's immunities as provided by law, including but not limited to those provided under 768.28, Florida Statutes.
- 4.2 PROVIDER agrees to Indemnify and hold harmless CUSTOMER from and against all losses, liabilities, damages and expenses (including, but not limited to, attorneys' fees) resulting from any breach of any representation, warranty, covenant, provision of this MSA or any Addenda or any misrepresentation by PROVIDER under this MSA or any Addenda.
- 4.3 In the event of any legal action or claim with any third parties concerning any transaction or event in which a claim for indemnification against a party may be made under this MSA, any Addenda hereto the party to be indemnified hereunder (the "Indemnified party") agrees to: (a) promptly notify the party indemnifying hereunder (the "Indemnifying party") of the legal action or claim, (b) reasonably cooperate with the indemnifying party in the making of claims or defenses, and (c) provide information, assist in the resolution of the legal action or claim and make available at least one employee or agent who can testify regarding said claim or defenses. The indemnifying party shall, upon written notice from the indemnified party, immediately undertake the defense of any said legal action or claim with counsel reasonably satisfactory to the Indemnified party. In any event the indemnifying party shall be entitled to direct the defense and settlement thereof with counsel reasonably satisfactory to the Indemnified party; provided, however, that the indemnifying party shall not compromise or settle any claim or action affecting the Indemnified party to the extent that it involves more than the payment of money by the indemnifying party hereunder without the indemnified party's written consent.

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

- 5.1 Disclaimer of Warranties. THIS MSA AND ANY ADDENDA IS AN MSA FOR SERVICES AND EXCEPT AS EXPRESSLY PROVIDED IN THIS MSA AND ANY ADDENDA, PROVIDER AND ITS AFFILIATES DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO CUSTOMER OR ANY OTHER PERSON, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OR OTHERWISE (REGARDLESS OF ANY COURSE OF DEALING, CUSTOM OR USAGE OF TRADE) OF ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE SERVICES PROVIDED UNDER THIS MSA.
- 5.2 Exclusion of Consequential Damages. NOTWITHSTANDING ANYTHING IN THIS MSA AND ANY ADDENDA TO THE CONTRARY, IN NO EVENT SHALL PROVIDER OR ITS AFFILIATES BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL THEORY FOR LOST PROFITS, LOST REVENUES, LOST BUSINESS OPPORTUNITIES, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EACH OF WHICH IS HEREBY EXCLUDED BY MSA OF THE PARTIES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER ANY PARTY OR ANY ENTITY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 5.3 PROVIDER's Limitation of Liability. PROVIDER'S MAXIMUM LIABILITY TO CUSTOMER RELATING TO OR ARISING FROM THE SUBJECT MATTER OF THIS MSA OR ANY ADDENDA FOR ANY CLAIM OF ANY KIND IN THE AGGREGATE SHALL BE NO MORE THAN \$100,000 (THE "LIMITATION OF LIABILITY") REGARDLESS OF FORM OF ACTION OR LEGAL THEORY. THE LIMITATION OF LIABILITY SHALL CONTROL NOTWITHSTANDING ANY OTHER PROVISION OF THIS MSA OR ANY ADDENDA AND SHALL ALSO APPLY TO THE LIABILITY OF ANY SERVICERS OR ANY AFFILIATES OF THEM.

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

**7. Publicity.** Neither party will initiate publicity relating to this MSA and any Addenda without the prior written approval of the other, except that: (i) either party may make disclosures required by legal, accounting or regulatory requirements; and (ii) PROVIDER may use CUSTOMER's name in publicity indicating that CUSTOMER and PROVIDER have entered into a contractual relationship.

**8. Confidentiality.** Each party acknowledges and agrees that the other may be providing to it and that it may become aware of the confidential and proprietary information of the other party, including but not limited to, the terms of this MSA, any Addenda attached hereto, financial information and other information related to each party's business operations. Each party agrees that it will maintain the confidentiality of such information and neither party shall disclose any such information to any other person or entity (other than to those of its employees, agents, contractors and Affiliates to whom disclosure is reasonably necessary in furtherance of the performance of this MSA). Notwithstanding the foregoing, the requirements of non-disclosure shall not apply to any information which: (a) at the time of disclosure is already in the possession of the receiving party; (b) is independently developed by the receiving party without reliance on the disclosed confidential or proprietary information; (c) is or becomes publicly available through no wrongdoing of the receiving party or (d) becomes available to receiving party on a non-confidential basis from a person, other than the disclosing party, who is not bound by a confidentiality obligation or otherwise restricted from transmitting the information to the receiving party or (e) is required to be disclosed by law. Furthermore, this Section shall not prohibit the receiving party from making legally required disclosures pursuant to subpoena, court order or the order of any other authority having jurisdiction; provided that receiving party shall provide disclosing party with prompt notice, unless prohibited by law or court order, thereof so that disclosing party may see an appropriate protective order or other remedy. If in the absence of a protective order or other remedy or waiver of the terms of this section, receiving party determines in its sole discretion that it is required by law, regulation, legal process or regulatory authority to disclose any such confidential or proprietary information, receiving party may disclose such information upon written notice to disclosing party. The parties acknowledge that Customer as a public entity is

subject to open records laws that may affect document disclosure. To the extent either party is provided with a records request for documents related to the Services, the receiving party shall provide notice to the other as soon as practical and will cooperate with the other party in defending or limiting the documents produced, if requested and at the expense of the requesting party.

**9. Exclusivity.** During this MSA term: (i) PROVIDER will be the sole and exclusive provider of Services to CUSTOMER; and (ii) CUSTOMER will not, directly or indirectly, offer or promote any other services.

**10. Compliance with Laws.** In performing its obligations under this MSA and any Addenda, each party agrees to comply with all federal, state, and local laws and regulations applicable to it. CUSTOMER further agrees to cooperate and provide information requested by PROVIDER, as PROVIDER determines necessary, to facilitate PROVIDER's compliance with any applicable law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the US Department of the Treasury. CUSTOMER further acknowledges and agrees that it will not use its merchant account and/or the Services for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq, as may be amended from time to time, or those that prohibit processing and acceptance of transactions in certain jurisdictions pursuant to 31 CFR Part 500 et seq. and other laws enforced by the Office of Foreign Assets Control (OFAC).

**11. Assignment.** Neither party may assign its rights or delegate its obligations under this MSA and any Addenda without the other's prior written consent, which will not be unreasonably withheld. PROVIDER may, however, assign any or all of its rights or delegate any or all of its obligations to an Affiliate or to an entity that is acquiring all or substantially all of the assets of PROVIDER.

**12. Choice of Law and Venue.** This MSA and any Addenda shall be governed by and construed in accordance with the laws of the State of Florida (without regard to its choice of law provisions). The exclusive venue for any actions or claims arising under or related to this MSA and any Addenda shall be in the appropriate state or federal court located in Okaloosa County, Florida.

**13. Waiver of Jury Trial.** ALL PARTIES IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY CLAIM RELATING TO OR ARISING UNDER THIS MSA AND ANY ADDENDA.

**14. Force Majeure.** PROVIDER shall not be held responsible for any delays in or failure or suspension of service caused, directly or indirectly, by mechanical or power failure, computer malfunctions (including, without limitation, software, hardware and firmware malfunctions), failure, delay or error in clearing or processing a transaction through the ACH Network or Federal Reserve system, if applicable, the nonperformance, delay or error by a third party or in any other third party system for any similar cause beyond the reasonable control of such party, including without limitation, failures or fluctuations in telecommunications, transmission links or other equipment; any outbreak or escalation of hostilities, war, riots, terrorism or civil disorders in any country; strikes, labor difficulties, fire, inability to operate or obtain service for its equipment, unusual delays in transportation, earthquake, fire, flood, elements of nature or other acts of God, any act or omission of the other party or any government authority, or other causes reasonably beyond the control of PROVIDER.

**15. Equipment.** CUSTOMER acknowledges that equipment and/or software purchased or rented from PROVIDER, if any, may not be compatible with another processor's systems. PROVIDER does not have any obligation to make such software and/or equipment compatible with any other processing systems. In the event that CUSTOMER elects to use another processing service provider upon the termination of this MSA or any Addenda, CUSTOMER acknowledges that it may not be able to use the equipment and/or software rented or purchased under this MSA or any Addenda.

**16. Notices.** Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the Services) shall be in writing, shall be sent by mail, courier or facsimile (facsimile notices shall be confirmed in writing facsimile confirmation), if to CUSTOMER at the address appearing on the first page of this MSA and if to PROVIDER at the following address: First Data Merchant Services LLC, 1307 Walt Whitman Road, Melville, New York 11747, Facsimile (631) 683-7516, Attention: Executive Vice President Operations, with a copy to Attention: General Counsel's Office, 5775 DTC Blvd., Suite 100 North, Greenwood Village, Colorado 80111, and shall be deemed to have been given (i) if sent by mail or courier, when received, and (ii) if sent by facsimile machine, when the confirmation copy is actually received. Notice given in any other manner shall be effective when delivered.

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

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

**19. Audit.** The County and/or its designee shall have the right once every 12 months during the Term at its sole expense to audit the compliance by the PROVIDER with the terms, conditions, obligations, limitations, restrictions and requirements of this Contract.


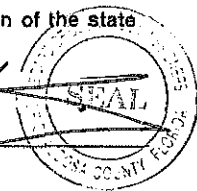
**20. Document Retention.** PROVIDER shall maintain all records pertaining to this Contract for a period of seven (7) years after creation of the document.

**19. Entire Agreement; Waiver.** This MSA and any Addenda hereto constitute the entire agreement between the parties with respect to the subject matter thereof, and supersedes any previous agreements and understandings. Except as provided in other Sections of this MSA or any Addenda, this MSA, along with any Addenda can be changed only by a written agreement signed by all parties. A party's waiver of a breach of any term or condition of this MSA and any Addenda shall not be deemed a waiver of any subsequent breach of the same or another term or condition. Purchase orders, requests for production, pre-printed terms or other CUSTOMER-generated documents that PROVIDER may receive are for administrative convenience only and do not modify this MSA and any Addenda and are expressly rejected by PROVIDER. The words "including", "include" and "includes" will each be

deemed to be followed by the term "without limitation". This MSA and any Addenda may be executed in counterparts, each of which will be deemed an original for all purposes, but all of which when taken together will constitute one agreement.

The parties hereto have caused this MSA and any Addenda to be executed by their duly authorized officers. **THIS MSA AND ANY ADDENDA ARE NOT BINDING UPON PROVIDER UNTIL SIGNED BY PROVIDER.**

Okaloosa County, a political subdivision of the state  
of Florida  
("CUSTOMER")

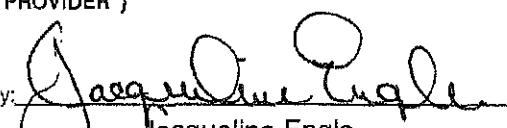
By:    
Signature

Name: Graham W. Fountain  
Print or Type

Title: Chairman

Date: 01/03/2018

SUNTRUST MERCHANT SERVICES, LLC  
("PROVIDER")

By:   
Signature  
Jacqueline Engle

Name: \_\_\_\_\_  
Print or Type

Title: Vice President

Date: 12.13.2017

**SUNTRUST MERCHANT SERVICES, LLC  
BANKCARD ADDENDUM TO MASTER SERVICES AGREEMENT**

This Merchant Services Bankcard Addendum ("Bankcard Addendum") is among the CUSTOMER identified in the MSA, SUNTRUST BANK ("BANK"), WELLS FARGO BANK, N.A. ("DEBIT SPONSOR BANK"), and SUNTRUST MERCHANT SERVICES, LLC ("PROVIDER") (BANK, DEBIT SPONSOR BANK and PROVIDER are referred to as "SERVICERS," as described in the Definitions Annex). The terms of the MSA between PROVIDER and CUSTOMER are incorporated herein and the parties hereto agree to be bound by such terms.

This Bankcard Addendum, together with the incorporated terms and conditions of the MSA and the terms of Schedule A, contains the terms and conditions under which CUSTOMER will receive services.

BANK, as a wholly-owned operating subsidiary of a member of Visa U.S.A., Inc. ("VISA") and MasterCard International Incorporated ("MasterCard") (VISA and MasterCard, collectively, the "Card Organizations" or "Bankcard Associations"), is a licensee of the Bankcard Associations permitting it to acquire VISA and MasterCard transactions and has sponsored PROVIDER with the Bankcard Associations as a "Member Services Provider" (as defined in the Card Organization Rules). Accordingly, PROVIDER shall perform certain functions in connection with Authorization, processing and settlement for CUSTOMER hereunder. As between themselves, the respective rights and obligations of PROVIDER and BANK shall be governed by the agreements between them and/or their parent entities and the Card Organization Rules. CUSTOMER acknowledges that, notwithstanding anything contained in any or all of this Bankcard Addendum (which includes the Annex(es), Your Payment Acceptance Guide, attachment(s), schedule(s) or supplement(s) referred to herein or amendments to any of the aforesaid) to the contrary, BANK's obligations hereunder shall be limited to the sponsorship and settlement of certain Card transactions submitted in accordance with the terms and conditions of this Bankcard Addendum and the Card Organization Rules, and BANK shall not have any obligation or liability of any nature in connection with any related services or any services of any kind provided by PROVIDER or its affiliates provided hereunder or pursuant hereto.

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

1. **Definitions.** As used in this Bankcard Addendum, capitalized terms will have the meaning set forth in Annex 1.
2. **Services.**
  - 2.1 Subject to the Card Organization Rules, Services may be performed by PROVIDER, BANK, DEBIT SPONSOR BANK, or other third party banks subject to the agreements between them as the same may be modified from time to time. With respect to SERVICERS' obligations under this Bankcard Addendum, any liability of BANK and PROVIDER, or DEBIT SPONSOR BANK and PROVIDER, to CUSTOMER will joint but not several.
  - 2.2 In addition to SERVICERS, one or more Affiliates of PROVIDER may assist in providing local support functions in connection with this Bankcard Addendum, provided that PROVIDER is fully responsible for the actions and/or omissions of any such Affiliates performed in connection with this Bankcard Addendum.
3. **Acceptance of Cards.** The following rules are requirements strictly enforced by Card Organizations, which include but not limited to:
  - 3.1 CUSTOMER's minimum Credit Card acceptance amount cannot exceed \$10.00. Such minimum amount must be established to all Credit Cards regardless of Card Issuer or Card brands.
  - 3.2 CUSTOMER may not impose a surcharge or fee for accepting a Debit Card.
  - 3.3 CUSTOMER cannot establish any special conditions for accepting a Card.
  - 3.4 CUSTOMER may provide a discount/incentive for a consumer to pay cash, check Credit Card, Debit Card, etc., however, CUSTOMER must clearly and conspicuously disclose the discount to consumers. Also, CUSTOMER must offer the discount to all consumers and CUSTOMER cannot discriminate based on Card brand or Card Issuer.
  - 3.5 CUSTOMER may not require Cardholders to provide personal information (e.g., home or business phone number; home or business address; or driver's license number) unless instructed by the Authorized Center except for mail/telephone/Internet order or delivery-required transaction, or zip code for card-present key-entered transaction for purposes of obtaining an Address Verification. Any information that is supplied by the Cardholder must not be in plain view when mailed.
  - 3.6 CUSTOMER may not submit any transaction representing the refinancing or transfer of an existing Cardholder obligation that is deemed uncollectible by the CUSTOMER.
  - 3.7 CUSTOMER shall not post signs indicating that CUSTOMER will refuse to honor Card transactions below or above a specified amount. CUSTOMER shall not engage in acceptance practices or procedures that discriminate against, discourage or favor the offered use of any particular Card accepted by CUSTOMER, other than co-branded Cards or other proprietary Cards.
  - 3.8 To the extent CUSTOMER processes a transaction that requires the Cardholder's signature, including, without limitation, a manually entered transaction, CUSTOMER must check each Card accepted for validity in accordance with the terms of this Bankcard Addendum, Your Payment Acceptance Guide and the applicable Card Organization Rules. CUSTOMER must not submit for settlement any sale that was not created between the CUSTOMER and the Cardholder for settlement and under no circumstances may a CUSTOMER submit any sale that has been previously charged back by the Cardholder and returned to CUSTOMER.
  - 3.9 CUSTOMER will check each Card used during a transaction for validity in accordance with the terms of this Bankcard Addendum, Your Payment Acceptance Guide and the applicable Card Organization Rules. CUSTOMER will not honor a Card that appears to be invalid or expired.

- 3.10 All Sales Drafts and Credit Vouchers must include (i) either a manual imprint or an electronic printing of the Card obtained by passing the Magnetic Stripe on the Card through a point-of-sale terminal, of Cardholder Information contained on the Card or Magnetic Stripe; (ii) the signature of the authorized user as it appears on the Card, if required; (iii) the date of the transaction; (iv) a description of the merchandise sold or rented or the services rendered; and (v) the total cash price of the Card transaction (including taxes).
  - 3.11 Except for transactions completed by using Magnetic Stripe reading point-of-sale terminals that print Card transaction records or originated at limited amount terminals that are capable of reading Magnetic Stripes and limit each Card transaction to twenty-five (\$25), CUSTOMER is deemed to warrant the true identity of any Cardholder unless CUSTOMER manually imprints the Card on the Sales Draft, as described in subsection 3.8, above.
  - 3.12 Unless a Card transaction is governed by Section 6, Section 9 or otherwise specifically authorized by SERVICERS in writing, CUSTOMER may only complete a Card transaction when (i) the Card is present and (X) the data stored on the magnetic stripe or similar device is electronically read and printed by a magnetic stripe/device reader or (Y) the Card is manually imprinted, (ii) the Card is signed and the signature on the Sales Draft, if required, appears to be the same as the signature on the Card, (iii) the Cardholder resembles the person pictured (if any) on the Card, and (iv) all, or the appropriate portion, of the embossed account number on the Card matches with the corresponding digits printed on the Card and with the account number displayed and/or printed by a point-of-sale device reading the magnetic strip on the Card. (If a previously unsigned Card is signed at the time of a Card transaction, CUSTOMER will review (and identify on the Sales Draft) a current, official government identification document (such as a driver's license or passport) bearing the Cardholder's signature.) CUSTOMER will deliver at least one copy of the Sales Draft or agreement or Credit Voucher to the Cardholder.
- 4. Your Payment Acceptance Guide; Card Organization Rules.** CUSTOMER acknowledges that it has received Your Payment Acceptance Guide (provided separately), the terms of which are incorporated into this Bankcard Addendum. CUSTOMER agrees to follow the procedures in Your Payment Acceptance Guide in connection with each Card transaction and to comply with all applicable Card Organization Rules. From time to time, SERVICERS may change Your Payment Acceptance Guide, in whole or in part, and other operating procedures, by providing CUSTOMER with at least thirty (30) days' prior written notice of the change. However, in the event of changes in the Card Organization Rules or due to security reasons, certain changes in Your Payment Acceptance Guide may become effective on shorter notice. If there is any conflict between the terms of this Bankcard Addendum and Your Payment Acceptance Guide, the terms of this Bankcard Addendum will govern, unless the conflict is directly related to a change in Your Payment Acceptance Guide or the Card Organization Rules which specifically addresses a procedure or requirement detailed in this Bankcard Addendum. If CUSTOMER loses or otherwise misplaces Your Payment Acceptance Guide or notices of changes thereto, CUSTOMER shall be responsible for contacting SERVICERS to obtain replacement copies.
- 5. Authorization.**
- 5.1 CUSTOMER shall be responsible for obtaining Authorization in advance for each Card transaction. The Authorization number provided by SERVICERS shall be noted by CUSTOMER in the appropriate place on the Sales Draft. If Authorization is declined, CUSTOMER shall not complete the Card transaction.
  - 5.2 CUSTOMER shall comply with any special authorization procedures contained in any other sections of this Bankcard Addendum, Your Payment Acceptance Guide, and the Card Organization Rules.
  - 5.3 CUSTOMER acknowledges that Authorization, (i) indicates only the availability of credit at the time of Authorization; (ii) does not warrant that the person presenting the Card is the rightful Cardholder; and (iii) is not an unconditional promise or guarantee by SERVICERS that any Card transaction will not be subject to Chargeback.
  - 5.4 CUSTOMER may, as permitted in this Bankcard Addendum and for an additional fee, obtain a voice authorization or manually enter the transaction, in the event that the POS Terminal is not operating properly. SERVICERS will provide CUSTOMER with an approval number for voice authorized transactions and CUSTOMER shall record such approval number on the Sales Draft.
  - 5.5 SERVICERS shall have no obligation to process any transactions initiated with a Card type not selected by CUSTOMER and SERVICERS shall be entitled to decline such transactions without first attempting to obtain an authorization. In the event any such transaction is inadvertently not declined by SERVICERS and is authorized by a Card issuer or Card Organization, CUSTOMER shall be fully liable for each transaction, as if the Card type initiating in such transaction was selected by CUSTOMER.
- 6. Telephone and Mail Orders.**
- 6.1 If CUSTOMER is authorized to accept telephone or mail orders, Authorization for each such Card transaction, regardless of the face amount, must be obtained and CUSTOMER must write "TO" (indicating telephone order), or "MO" (indicating mail order) as applicable, on the Sales Draft in lieu of the Cardholder's signature. CUSTOMER assumes all responsibility for identification of the Cardholder and the validity of the Card information for telephone and mail orders. For telephone and mail order Card transactions where merchandise is to be shipped or delivered to or for the Cardholder, the shipping date shall not be more than seven (7) calendar days after the Authorization is obtained, and any shipping costs not included in the Authorization amount must not exceed fifteen percent (15%) of the amount authorized.
  - 6.2 An installment payment option may be offered for telephone or mail order merchandise if all terms are clearly disclosed, each installment is authorized, the first installment is not submitted for settlement until the merchandise is shipped, and subsequent installments are submitted no more frequently than monthly.
  - 6.3 Under no circumstances may CUSTOMER require that a Cardholder complete a postcard or other document which displays the Cardholder's account data in plain view when mailed.
- 7. Multiple Sales Drafts and Partial Consideration.**
- 7.1 Except as shall be specifically set forth in Your Payment Acceptance Guide or the Card Organization Rules, CUSTOMER shall list all items of goods and services purchased during each Card transaction and the total amount thereof on a single Sales Draft.

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

**8. Preauthorized Orders and Recurring Sales.**

- 8.1 A Preauthorized Order or Recurring Sale may include the payment of recurring charges such as insurance premiums, subscriptions, membership fees, tuition or utility charges and may also include preauthorized health care payments (subject to the associated preauthorized payment schedule between the Cardholder and CUSTOMER).
- 8.2 If CUSTOMER is authorized to accept Preauthorized Orders or Recurring Sales, Authorization for each such Card transaction, regardless of the amount, must be obtained and CUSTOMER must write "Recurring Transaction" (for Visa and other non-MasterCard Card transactions) or "PO" (for MasterCard Card transactions) as applicable, on the Sales Draft in lieu of the Cardholder's signature.
- 8.3 Except for preauthorized health care payments for the incremental costs not covered by insurance, advance deposits and installment payments, all made in compliance with this Bankcard Addendum and Your Payment Acceptance Guide and Card Organization Rules, a Preauthorized Order or Recurring Sale may not include partial payments made to CUSTOMER for goods or services purchased in a single transaction. In no event may any finance charges be imposed on any periodic payments in connection with a Preauthorized Order or Recurring Sale.
- 8.4 CUSTOMER may not accept a Preauthorized Order or Recurring Sale from a Cardholder for the purchase of goods or services which are delivered or performed periodically unless the Cardholder completes and delivers to CUSTOMER a written request (and, when applicable, a written renewal request) identifying (i) the goods or services to be charged to the Cardholder's account, (ii) the amount of the preauthorized or recurring charges (unless such charges are for variable amounts), (iii) the frequency of the preauthorized or recurring charges and (iv) the duration of time for which the Cardholder's permission is granted. If CUSTOMER accepts any Preauthorized Orders or Recurring Sales for variable amounts, CUSTOMER must comply with the associated preauthorized payment schedule between the Cardholder and CUSTOMER.
- 8.5 The Cardholder's written request (including any written renewal request) must be (i) retained for the duration of the preauthorized or recurring charges; (ii) provided in response to a Card issuing bank's request for original documentation; and (iii) used no longer after receiving notice of cancellation.

**9. Internet Processing.** If CUSTOMER is authorized to accept and process Internet transactions through SERVICERS, CUSTOMER also acknowledges that it must inform SERVICERS of its use of any processing software, third party Internet payment gateway, shopping cart, Web Site host, or other service provider (collectively "Internet Service Providers"), that any Internet payment gateway must be approved by SERVICERS and that CUSTOMER is prohibited from transmitting any Cardholder transaction data to any Internet Service Providers (or any third party) without the approval of SERVICERS. If CUSTOMER accepts Internet transactions without such approval, SERVICERS may, in addition to any other rights it may have under this Bankcard Addendum, establish a chargeback reserve account to protect them from risk of loss. If authorized to accept payment by Internet, the Sales Draft shall be completed without the Cardholder's signature or an Imprint but shall include the Cardholder's name, billing address, Card number, expiration date, of the Card, a description of the merchandise or service and the date and amount of all charges. All Internet transactions will be settled by SERVICERS into a depository institution in the United States. CUSTOMER shall process Internet transactions only (a) if the Internet transactions have been encrypted by SERVICERS or by an Internet Service Provider acceptable to SERVICERS and (b) Cardholder data is protected by CUSTOMER as required by the then-current Card Organization Rules, PCI data security requirements, or any other applicable regulations. Encryption is not guarantee of payment to CUSTOMER. CUSTOMER acknowledges that Internet transactions may be authorized and settled through separate BIN/ICA numbers and interchanges and that SERVICERS may be unable to combine deposits of Internet transactions and non-Internet Credit Card or Debit Card transactions. Because the transactions processed via the Internet are higher risk, CUSTOMER may be charged higher fees which are set forth on Schedule A. Internet transactions are subjected to a higher incidence of chargebacks and, as with non-Internet transactions, receiving an authorization and following procedures will not relieve the CUSTOMER of liability associated with chargebacks and/or the fraudulent use of customer data obtained off of CUSTOMER's Web Sites. All communications costs related to Internet transactions are CUSTOMER's responsibility. SERVICERS will not manage the Internet telecommunication link which is also CUSTOMER's responsibility. Obtaining any license or sub-license of software required to permit CUSTOMER to process Internet transactions shall be CUSTOMER's responsibility, and if obtained from SERVICER's, subject to a separate agreement. SERVICERS do not guarantee that obtaining required approvals from SERVICERS or implementing suggested security measures will cause CUSTOMER's Internet transactions to be secure or impregnable, and SERVICERS will not be responsible in the event of the infiltration of CUSTOMER's or any Internet Service Provider's security systems. CUSTOMER further acknowledges and agrees that SERVICERS are not responsible for the security of the Cardholder data or information stored on CUSTOMER's or any Internet Service Provider's computers, systems or Web Site(s) and that CUSTOMER will be solely responsible for any liability, fines, or penalties arising from its use, storage, or dissemination of Cardholder data.

**10. Cardholder Refunds and Credits.**

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

- 10.2 If CUSTOMER establishes a policy limiting refunds or acceptance of returned merchandise (e.g., no refund, exchange only, in-store credit only, or special conditions), CUSTOMER must follow the procedures regarding refunds and returned merchandise as set forth in the Card Organization Rules including, without limitation, the proper disclosure of such policy on all copies of each Sales Draft in letters at least 1/4" high in close proximity to the space provided for the Cardholder's signature.
  - 10.3 CUSTOMER will not accept money from a Cardholder for the purpose of preparing and depositing a Credit Voucher that will effect a deposit to the Cardholder's account. CUSTOMER must not process a Credit Voucher without having completed a previous Card transaction with the same Cardholder (or with a Cardholder who purchased a gift returned by the recipient). Under no circumstances may CUSTOMER require a Cardholder to waive the Cardholder's right to dispute a Card transaction with the Card Issuing bank.
- 11. Presentment of Card Transactions.**
- 11.1 CUSTOMER shall electronically or physically deliver to SERVICERS Sales Drafts for all Card transactions to be processed and settled hereunder.
  - 11.2 CUSTOMER will not submit any Sales Draft that was not created in conjunction with a Card transaction between CUSTOMER and the applicable Cardholder. Under no circumstances will CUSTOMER submit any Sales Draft that has been previously charged back by the Cardholder and subsequently returned to CUSTOMER.
- 12. Settlement of Card Transactions.**
- 12.1 SERVICERS will only be required to settle CUSTOMER's Card transactions for Cards as specified in this Section 12. After presentment of Sales Drafts pursuant to Section 11, above, SERVICERS will initiate a transfer via Automated Clearing House of the applicable settlement funds to CUSTOMER. After SERVICERS receive payment of settlement funds through ACH, SERVICERS will initiate a transfer of such applicable settlement funds through ACH to CUSTOMER's Settlement Account, usually on the same or next banking day. CUSTOMER agrees that SERVICERS may credit CUSTOMER's Settlement Account as described in this Section 12.1.
  - 12.2 All credits to CUSTOMER's Settlement Account or other payments to CUSTOMER are provisional and are subject to SERVICERS' final audit and trailing amounts due from Customer for returns, refunds, Chargebacks (including SERVICERS' related losses), SERVICERS' fees (based on Schedule A), Third Party Fees, other amounts payable to Third Parties pursuant to instructions given by CUSTOMER to SERVICERS, and any other obligations of CUSTOMER under Card Organization Rules or this MSA.
  - 12.3 SERVICERS will deduct any amounts due from CUSTOMER for returns, refunds, Chargebacks, SERVICERS' fees (based on Schedule A), Third Party Fees, other amounts payable to Third Parties pursuant to instructions given by CUSTOMER to SERVICERS, and any other obligations of CUSTOMER under Card Organization Rules or this MSA. CUSTOMER agrees that SERVICERS may debit CUSTOMER's Settlement Account as described in this Section 12.3 and as described in Section 12.2 in connection with SERVICERS' final audit and trailing amounts due from CUSTOMER.
  - 12.4 SERVICERS will not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties, including but not limited to delay or error in clearing or processing a transaction through the ACH Network or Federal Reserve system, or delays caused by any Card Organization or CUSTOMER's financial institution. In addition to any other remedies available to SERVICERS under this Bankcard Addendum, CUSTOMER agrees that should any of the events set forth in Section 21.3 occur, SERVICERS may, upon at least 24 hours' advance written notice, change processing or payment terms to suspend credits or other payments of any and all funds, money and amounts now due or hereafter to become due to CUSTOMER from SERVICERS pursuant to the terms of this Bankcard Addendum, until SERVICERS have had reasonable opportunity to investigate and discuss such event with CUSTOMER. In cases of fraud or similar cause, no prior notice shall be required, but SERVICERS shall notify CUSTOMER in writing within three (3) business days after effectuating a suspension of credits or other payments, which notice shall state SERVICERS' reason for the belief that such fraud or similar cause exists.
- 13. Fees; Adjustments; Collection of Amounts Due.**
- 13.1 On a monthly basis, CUSTOMER will be charged, and CUSTOMER will pay (via the settlement processes described in Section 12 above), SERVICERS' fees (based on Schedule A) and Third Party Fees attributable to CUSTOMER's Card transactions. CUSTOMER acknowledges that some of the fees referenced in Schedule A are based upon the qualification of CUSTOMER's transactions for certain reduced interchange fees as set by the applicable Card Organization.
  - 13.2 The fees for Services set forth in Schedule A, are based upon assumptions associated with the anticipated annual volume, average transaction size and CUSTOMER's method of doing business. If the actual volume or average transaction size are not as expected or if CUSTOMER significantly alters its method of doing business, SERVICERS may adjust its Transaction Fees without prior notice.
  - 13.3 The fees for Services set forth in Schedule A may be adjusted to reflect increases or decreases by Card Organizations in interchange, assessment or other Card Organization fees or to pass through increases charged by third parties for on-line communications and similar items. All such adjustments shall be CUSTOMER's responsibility to pay and shall become effective upon the date any such change is implemented by the applicable Card Organization or other third party. CUSTOMER shall at all times be responsible for, payment of all fees and charges set forth in Schedule A (including increases, additions, or modifications made thereto), as well as, without limitation, Third Party Fees imposed upon SERVICERS due to any failure by CUSTOMER to comply with its obligation under this Addendum.
  - 13.4 In addition to the regular Chargeback fees, as set forth on Schedule A, CUSTOMER agrees to pay SERVICERS any Third Party Fees imposed on SERVICERS, resulting from Chargebacks and any other Third Party Fees with respect to acts or omissions of CUSTOMER.

13.5 If CUSTOMER's Chargeback Percentage for any line of business exceeds the estimated industry chargeback percentage, CUSTOMER shall, in addition to the regular Chargeback fees due to SERVICERS and any applicable Chargeback or Third Party Fees, pay SERVICERS the excessive Chargeback fee shown on Schedule A for all Chargebacks occurring in such month in such line(s) of business. Each estimated industry chargeback percentage is subject to change from time to time by SERVICERS in order to reflect changes in the industry chargeback percentage reported by VISA or MasterCard.

13.6 If CUSTOMER believes any adjustments should be made with respect to CUSTOMER's Settlement Account for any amounts due to or due from SERVICERS, CUSTOMER shall notify SERVICERS (at the addresses set forth in Sections 26.2 and 27, respectively) in writing within forty-five (45) days after any debit or credit is or should have been effected. If CUSTOMER notifies SERVICERS after such time period, SERVICERS may, in their discretion, assist CUSTOMER, at CUSTOMER's expense, in investigating whether any adjustments are appropriate and whether any amounts are due to or from SERVICERS, but SERVICERS shall not have any obligation to investigate or effect any such adjustments. Any voluntary efforts by SERVICERS to assist CUSTOMER in investigating such matters shall not create any obligation to continue such investigation or assist with any investigation in response to any future notices of possible adjustments that are not timely submitted.

#### 14. Chargebacks.

14.1 CUSTOMER shall be responsible for all Chargeback amounts relating to Card transactions settled by SERVICERS where, including, but not limited to:

- (i) merchandise is returned and a proper credit for Cardholder is not received by SERVICERS for processing;
- (ii) the Sales Draft is, or is alleged to have been, executed, accepted, endorsed, completed or assigned improperly without authority or not in accordance with the Authorization requirements or provisions of this Bankcard Addendum;
- (iii) regardless of any Authorization obtained (including without limitation, telephone and mail order transactions), CUSTOMER completed a transaction when the Cardholder did not sign the Sales Draft;
- (iv) the signature on the draft was unauthorized as compared to the signature appearing on the Card, the signature panel on the Card was blank, or a limited purpose business purchasing card was accepted without appropriate authorization of the nature of the goods or services purchased (in addition to Authorization of the transaction amount);
- (v) the Sales Draft is incorrectly completed, incomplete or illegible;
- (vi) the Cardholder disputes the sale, quality or delivery (or availability for pre-arranged pick-up) of merchandise or the performance or quality of service covered by the Sales Draft or agreement accepted by such Cardholder;
- (vii) the circumstances in which the Sales Draft was created or submitted by, or credit was received by, CUSTOMER constituted or otherwise involved a breach of any term, condition, representation, warranty or duty of CUSTOMER hereunder;
- (viii) multiple Sales Drafts were executed to avoid the need to obtain authorization necessary to complete the transaction;
- (ix) the extension of credit for merchandise sold or rented or services performed was in violation of law or the rules or regulations of any governmental agency, whether federal, state, local or otherwise;
- (x) a legible copy of the Sales Draft or Credit Voucher cannot be produced by CUSTOMER within ten days of SERVICERS' request (except to the extent SERVICERS are responsible pursuant to Paragraph 16.1);
- (xi) the Cardholder asserts any claim or defense which the Cardholder has as a consumer of goods or services;
- (xii) the Cardholder disputes the validity of a telephone or mail order Card transaction;
- (xiii) the Card transaction is otherwise subject to Chargeback by the Card issuing bank or Cardholder in accordance with Card Organization Rules or applicable law; or
- (xiv) the Card transaction is subject to Chargeback in accordance with the procedures set forth in Your Payment Acceptance Guide.

14.2 CUSTOMER shall reimburse SERVICERS for any Chargebacks, return items, or other losses resulting from CUSTOMER's failure to produce a Card transaction record requested by SERVICERS within the applicable time limits.

#### 15. Representations; Warranties.

15.1 Without limiting any other warranties hereunder, CUSTOMER represents and warrants as to each Card transaction submitted by CUSTOMER under this Bankcard Addendum that:

- (i) the Card transaction represents a bona fide sale/rental of merchandise or services not previously submitted;
- (ii) the Card transaction represents an obligation of the Cardholder for the amount of the Card transaction;
- (iii) the amount charged for the Card transaction is not subject to any dispute, setoff, or counterclaim;
- (iv) the Card transaction amount is only for the merchandise or services (including taxes, but without any surcharge) sold or rented and, except for any delayed delivery or advance deposit Card transactions expressly authorized by this Bankcard Addendum, the merchandise or service was actually delivered to or performed for the person entering into the Card transaction simultaneously upon CUSTOMER's accepting and submitting the Card transaction for processing;
- (v) the Card transaction does not represent the refinancing of an existing obligation of the Cardholder (including any obligation otherwise owed to CUSTOMER by a Cardholder or arising from the dishonor of a personal check);
- (vi) CUSTOMER has no knowledge or notice of any fact, circumstances or defense which would indicate that the Card transaction was fraudulent or not authorized by the Cardholder or which would otherwise impair the validity or collectibility of the Cardholder's obligation arising from such Card transaction or relieve the Cardholder from liability with respect thereto;
- (vii) the Card transaction submitted to SERVICERS was entered into by CUSTOMER and the Cardholder; and
- (viii) the Card transaction was made in accordance with the terms of this Bankcard Addendum, Card Organization Rules and Your Payment Acceptance Guide.

15.2 **SERVICERS** represent and warrant that: (i) **SERVICERS** will provide the services in accordance with the then current applicable Card Organization Rules.

**16. Retention of Records.**

16.1 If Schedule A provides that **PROVIDER** shall prepare and retain Images (on microfilm or otherwise) of **CUSTOMER's** paper Sales Drafts and Credit Vouchers, **CUSTOMER** shall deliver to **PROVIDER** the originals or copies of **CUSTOMER's** Sales Drafts and Credit Vouchers in suitable form for imaging no later than seven calendar days from the date of the transaction; provided however, that **CUSTOMER** shall retain legible copies of Sales Drafts and Credit Vouchers for at least six months following the date of each such transaction. If Schedule A provides that **PROVIDER** shall capture and store data reflecting Card transactions electronically transmitted to **PROVIDER**, **CUSTOMER** shall transmit to **PROVIDER** all data required to be included on Sales Drafts and Credit Vouchers (or **CUSTOMER** shall be responsible for any deficiencies in the data transmitted).

16.2 If Schedule A provides that **CUSTOMER** shall retain images (on microfilm or otherwise) or legible copies of **CUSTOMER's** Sales Drafts and Credit Vouchers, **CUSTOMER** shall retain legible copies of Sales Drafts and Credit Vouchers for a period of at least eighteen months from the date of each such transaction. **CUSTOMER** shall submit to **SERVICERS** a legible copy of a Sales Draft or Credit Voucher within 5 days of a request by **SERVICERS**.

16.3 Unless Schedule A provides that **PROVIDER** is responsible for retaining records of **CUSTOMER's** Card transaction data and **CUSTOMER** has actually delivered to **PROVIDER** the applicable Card transaction data containing all required information in legible and suitable form for imaging or electronic capture and storage (as applicable), **CUSTOMER** shall be responsible for the retrieval of all Sales Drafts and Credit Vouchers requested by **SERVICERS** within the shortest time limits established by the Card Organization Rules, as specified in Your Payment Acceptance Guide, this Bankcard Addendum, or other notice from **SERVICERS**. **CUSTOMER** shall not be relieved of its responsibility under the preceding sentence for any deficiencies in Card transaction data transmitted or otherwise delivered to **SERVICERS**, even though **PROVIDER** may agree to capture or produce images of, store and retrieve any such incomplete data on **CUSTOMER's** behalf.

**17. Cash Payments by and Cash Disbursements to Cardholders.** **CUSTOMER** shall not accept any direct payments from Cardholders for charges of merchandise or services which have been included on a Sales Draft, it being the right of the Card issuing bank to receive such payments. Taxes on Card transactions must be included in the amount charged and may not be collected by **CUSTOMER** in cash. **CUSTOMER** shall not make any cash disbursements to a Cardholder as part of a Card transaction except to the extent expressly authorized by one or more of Schedule A, Your Payment Acceptance Guide or the Card Organization Rules.

**18. Confidentiality.**

18.1 Unless **CUSTOMER** obtains consents from each applicable Card Organization, **SERVICERS**, Card issuing bank and Cardholder, **CUSTOMER** shall not use, disclose, sell or disseminate any Cardholder information obtained in connection with a Card transaction (including the names, addresses and Card account numbers of Cardholders) except for purposes of authorizing, completing and settling Card transactions and resolving any chargebacks, Retrieval Requests or similar issues involving Card transactions, other than pursuant to a court or governmental agency request, subpoena or order. **CUSTOMER** shall use proper controls for and shall limit access to, and shall render unreadable prior to discarding, all records containing Cardholder account numbers and Card Imprints. **CUSTOMER** must not retain or store Magnetic Stripe data after a transaction has been authorized. If **CUSTOMER** stores any electronically captured signature of a Cardholder, **CUSTOMER** shall not reproduce such signature except upon specific request of **SERVICERS**.

18.2 **CUSTOMER** acknowledges that it obtains no ownership rights in any information relating to and derived from Card transactions. Cardholder account numbers, personal information and other Card transaction information, including any databases containing such information, may not be sold or disclosed to a third party as an asset upon a bankruptcy, insolvency or failure of **CUSTOMER's** business. Upon a bankruptcy, insolvency or failure of **CUSTOMER's** business all Card transactions information must be returned to **SERVICERS** or acceptable proof of the destruction of all Card transaction information must be provided to **SERVICERS**.

18.3 In the event of termination or expiration of this Bankcard Addendum for any reason, upon request: (i) **SERVICERS** shall promptly return to **CUSTOMER** or destroy (as directed by **CUSTOMER**) any **CUSTOMER** Confidential Information in **SERVICER's** possession; and (ii) **CUSTOMER** shall promptly return to **SERVICERS** or destroy (as directed by **SERVICERS**) any **SERVICERS** Confidential Information in **CUSTOMER's** possession.

**19. Supplies; Advertising.** At **CUSTOMER's** option and at charges specified from time to time by **SERVICERS**, **SERVICERS** may furnish **CUSTOMER** with operational supplies such as the forms of sales drafts, credit vouchers and Card Organization decals (excluding any supplies for terminals or other equipment, which shall be **CUSTOMER's** responsibility). **CUSTOMER** shall display VISA, MasterCard and, if applicable, other Card Organization decals and program marks on promotional materials furnished by **SERVICERS**, as required by Card Organization Rules, but shall not indicate that VISA, MasterCard or any other Card Organization endorses **CUSTOMER's** goods or services and shall not continue using such materials after termination of this Bankcard Addendum.

**20. Assignment.**

- 20.1 Any transfer or assignment of this Bankcard Addendum by CUSTOMER without SERVICERS' prior written consent, by operation of law or otherwise, is voidable at either SERVICERS' sole discretion. In the event of such transfer or assignment, the party to whom the Bankcard Addendum was transferred or assigned shall be bound to the terms and conditions of this Bankcard Addendum to the same extent as if SERVICERS and such assignee or transferee, as the case may be, entered into an agreement identical to this Bankcard Addendum on the effective date of such transfer or assignment. Furthermore, if the assignment is not approved by SERVICERS, CUSTOMER shall indemnify and hold SERVICERS harmless from all liabilities, Chargebacks, expenses, costs, fees and fines arising in connection with such transferees or assignees, as the case may be, submission of Card transactions to SERVICERS for processing. For purposes of this Bankcard Addendum, any transfer of voting control of CUSTOMER or its parent shall be considered an assignment or transfer hereof.
- 20.2 Notwithstanding anything to the contrary in Section 11 of the MSA, upon notice to CUSTOMER, another VISA and MasterCard member may be substituted for BANK under whose sponsorship this Bankcard Addendum is performed. Upon substitution, such other VISA and MasterCard member shall be responsible for all obligations required of BANK, including without limitation, as may be expressly required by applicable Card Organization Rules. Subject to the Card Organization Rules, SERVICERS may assign or transfer this Bankcard Addendum and their rights and obligations hereunder and may delegate their duties hereunder, in whole or in part, to any third party, in connection with a change in sponsorship, as set forth in the preceding sentence, without the notice to or consent of CUSTOMER.
- 20.3 Except as provided in the following sentence, this Bankcard Addendum shall be binding upon permitted successors and assigns and shall inure to the benefit of the parties and their respective permitted successors and assigns. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, sheriff or any other officer of a court, or other person charged with taking custody of a party's assets or business, shall have any right to continue or to assume or to assign this Bankcard Addendum.

**21. Term; Events of Default.**

- 21.1 This Bankcard Addendum and the applicable Schedules shall become effective upon the date this Bankcard Addendum and the applicable Schedules are signed by BANK and/or DEBIT SPONSOR BANK, which shall in all instances be on or after the date(s) CUSTOMER and PROVIDER sign this Bankcard Addendum and the applicable Schedules and CUSTOMER will be advised of the effective date by SERVICERS.
- 21.2 The initial term and any subsequent terms of this Bankcard Addendum shall commence and shall continue in force as described in the MSA.
- 21.3 If any of the following events shall occur (each an Event of Default\*):
- (i) (a) a material adverse change in the financial condition of CUSTOMER, or (b) a material adverse change in CUSTOMER's business procedures or procedures regarding Card acceptance, or (c) a material adverse change in the products or services sold by CUSTOMER; or
  - (ii) any assignment or transfer of voting control of CUSTOMER or its parent; or
  - (iii) a sale of all or a substantial portion of CUSTOMER's assets; or
  - (iv) irregular Card sales submitted by CUSTOMER, fraudulent or suspected fraudulent Card sales submitted by CUSTOMER excessive Chargebacks, or any other circumstances which, in SERVICERS' sole reasonable discretion, may increase SERVICERS' exposure for CUSTOMER's chargebacks or otherwise presents a financial or security risk to SERVICERS; or
  - (v) any representation or warranty of either party in this Bankcard Addendum is breached in any material respect or was or is incorrect in any material respect when made or deemed to be made; or
  - (vi) either party shall default in any material respect in the performance or observance of any term, covenant, condition or agreement contained in this Bankcard Addendum, including, without limitation on the part of CUSTOMER, the establishment or maintenance of funds in a Reserve Account, as detailed in Paragraph 22; or the Data Security requirements as detailed in Section 25; or
  - (vii) CUSTOMER shall default in any material respect in the performance or observance of any term, covenant or condition contained in any agreement with any affiliate of SERVICERS, including, but not limited to, any agreement governing check guarantee or check verification services; or
  - (viii) CUSTOMER shall default in the payment when due, whether upon maturity or otherwise, of any material indebtedness for borrowed money or any material trade payable; or
  - (ix) CUSTOMER shall: commence a voluntary case under the Bankruptcy Code; file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or entry into a composition agreement or similar arrangement for adjustment of debts; 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 laws; 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 receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; generally become unable to pay its debts or trade obligations as they become due; make a general assignment for the benefit of creditors; or take any corporate action for the purpose of authorizing any of the foregoing; or
  - (x) a case or other proceeding shall be commenced against CUSTOMER, in any court of competent jurisdiction seeking relief under the Bankruptcy Code or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts, the appointment of a trustee, receiver, custodian, liquidator or the like of CUSTOMER, or of all or any substantial part of the assets, domestic or foreign, of CUSTOMER, and such case or proceeding shall continue undismissed or unstayed for a period of sixty (60) consecutive days, or an order granting the relief requested in such case or proceeding against CUSTOMER (including, but not limited to, an order for relief under the Bankruptcy Code) shall be entered; or
  - (xi) the independent certified accountants retained by CUSTOMER shall refuse to deliver an unqualified opinion with respect to the annual financial statements of CUSTOMER and its consolidated subsidiaries;

then, upon the occurrence of (1) an Event of Default specified in subparagraphs (iv), (vi), (ix) or (x) above, the non-defaulting party may consider this Bankcard Addendum to be terminated immediately, upon notice, and all amounts payable hereunder by CUSTOMER to SERVICERS shall be immediately due and payable in full without demand or other notice of any kind, all of which are expressly waived by CUSTOMER, and (2) any other Event of Default, this Bankcard Addendum may be terminated by the non-defaulting party by giving not less than ten (10) days' notice to the defaulting party, and upon such notice, all amounts payable hereunder by CUSTOMER to SERVICERS shall be due and payable on demand.

- 21.4 Neither the expiration nor termination of this Bankcard Addendum shall terminate the obligations and rights of the parties pursuant to provisions of this Bankcard Addendum which by their terms are intended to survive or be perpetual or irrevocable and such provisions shall survive the expiration or termination of this Bankcard Addendum.
- 21.5 If any Event of Default shall have occurred and be continuing, SERVICERS may, in their sole discretion, exercise all of their rights and remedies under applicable law.
- 21.6 This Bankcard Addendum also may be terminated by SERVICERS prior to the then-current expiration date upon at least 90 days' advance written notice, if CUSTOMER's Card transactions fail to conform to the volume or average transaction size representations as set forth in Schedule A.
- 21.7 This Bankcard Addendum also may be terminated by SERVICERS without notice or penalty, if in their sole discretion, such termination is necessary for SERVICERS to comply with their obligations under any applicable law, rule or regulation including, but not limited to, the Office of Foreign Assets Control ("OFAC") Regulations and Card Organization Rules. SERVICERS' termination of this Bankcard Addendum pursuant to this Section 21.7 shall not be deemed a breach of contract by SERVICERS.
- 21.8 If this Bankcard Addendum is terminated for cause, CUSTOMER acknowledges that SERVICERS may be required to report CUSTOMER's business name and the names and other identification of its principals to the Combined Terminated Merchant File maintained by VISA and MasterCard. CUSTOMER expressly agrees and consents to such reporting in the event CUSTOMER is terminated as a result of the occurrence of an Event of Default or for any reason specified as cause by VISA or MasterCard. Furthermore, CUSTOMER agrees to waive and hold SERVICERS harmless from and against, any and all claims which CUSTOMER may have as a result of such reporting.
- 21.9 The provisions governing processing and settlement of Card transactions, all related adjustments, fees and other amounts due from CUSTOMER and the resolution of any related chargebacks, disputes or other issues involving Card transactions will continue to apply even after termination of this Bankcard Addendum, until all Card transactions made prior to such termination are settled or resolved. In addition, the provisions of Sections 13 through 18, inclusive, 20, 22, 24 and 25, and Subsections 21.7, 21.9, 26.2 and 26.3, all in this Bankcard Addendum, shall survive any termination. Upon termination of this Bankcard Addendum, CUSTOMER agrees to immediately send SERVICERS all the data relating to Card transactions conducted prior to the date of termination.
- 21.10 After termination of this Bankcard Addendum for any reason whatsoever, CUSTOMER shall continue to bear total responsibility for all Chargebacks, fees, credits and adjustments resulting from Card transactions processed pursuant to this Bankcard Addendum and all other amounts then due or which thereafter may become due to SERVICERS under this Bankcard Addendum or which may be due to SERVICERS before or after such termination to either SERVICERS or any of SERVICERS' Affiliates for any related equipment or related services.
22. **Reserve Account; Security Interest.**
- 22.1 CUSTOMER expressly authorizes SERVICERS to establish a Reserve Account pursuant to the terms and conditions set forth in this Section 22. The amount of such Reserve Account shall be set by SERVICERS, in their sole discretion, based upon CUSTOMER processing history and the anticipated risk of loss to SERVICERS.
- 22.2 The Reserve Account shall be fully funded upon three (3) days' notice to CUSTOMER, or in instances of fraud or an Event of Default, reserve account funding may be immediate. Such Reserve Account may be funded by all or any combination of the following: (i) one or more debits to CUSTOMER's Settlement Account or any other accounts held by BANK, DEBIT SPONSOR BANK, or any of their respective Affiliates; (ii) one or more deductions or off sets to any payments otherwise due to CUSTOMER; (iii) CUSTOMER's delivery to SERVICERS of a letter of credit; or (iv) if SERVICERS so agree, CUSTOMER's pledge to SERVICERS of a freely transferable and negotiable certificate of deposit. Any such letter of credit or certificate of deposit shall be issued or established by a financial institution acceptable to SERVICERS and shall be in a form satisfactory to SERVICERS. In the event of termination of this Bankcard Addendum by either CUSTOMER or SERVICERS, an immediate Reserve Account may be established without notice in the manner provided above. Any Reserve Account will be held by BANK or DEBIT SPONSOR BANK for the greater of ten months after termination of this Bankcard Addendum or for such longer period of time as is consistent with BANK or DEBIT SPONSOR BANK's liability for Card transactions under Card Organization Rules. CUSTOMER's funds held in a reserve account may be held in a commingled Reserve Account for the reserve funds of BANK or DEBIT SPONSOR BANK's customers, without involvement by an independent escrow agent.
- 22.3 If CUSTOMER's funds in the Reserve Account are not sufficient to cover the Chargebacks, adjustments, fees and other charges due from CUSTOMER, or if the funds in the Reserve Account have been released, CUSTOMER agrees to promptly pay SERVICERS such sums upon request. In the event of a failure by CUSTOMER to fund the Reserve Account, SERVICERS may fund such Reserve Account in the manner set forth in subsection 22.2, above.
- 22.4 To secure CUSTOMER's obligations to SERVICERS and their affiliates under this Bankcard Addendum and any other agreement for the provision of related equipment or related services, CUSTOMER grants to SERVICERS a first priority lien and security interest in and to any of CUSTOMER's funds pertaining to the Card transactions contemplated by this Bankcard Addendum now or hereafter in the possession of SERVICERS, whether now or hereafter due or to become due to CUSTOMER from SERVICERS. Any such funds, money or amounts may be commingled with other funds of SERVICERS, or, in the case of any funds held pursuant to the foregoing paragraphs, with any other funds of other customers of SERVICERS.

- 22.5 In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, SERVICERS are hereby authorized by CUSTOMER at any time and from time to time, without notice or demand to CUSTOMER or to any other person (any such notice and demand being hereby expressly waived), to set off, recoup and to appropriate and to apply any and all such funds against and on account of CUSTOMER's obligations to SERVICERS and their affiliates under this Bankcard Addendum and any other agreement with SERVICERS or any of SERVICERS' affiliates for any related equipment or related services (including any check guarantee and check verification services), whether such obligations are liquidated, unliquidated, fixed, contingent, matured or unmatured. CUSTOMER agrees to duly execute and deliver to SERVICERS such Instruments and documents as SERVICERS may reasonably request to perfect and confirm the lien, security interest, right of set off, recoupment and subordination set forth in this Bankcard Addendum. Upon request by CUSTOMER, SERVICERS shall provide an accounting in reasonable detail of all amounts set off or recouped pursuant to this Paragraph and the CUSTOMER obligations toward which such amounts were appropriated or applied.
23. **Indemnification.** In addition to the indemnity obligations set forth in Section 4 of the MSA, to the extent permitted by law, CUSTOMER agrees to indemnify and hold harmless SERVICERS from and against and be responsible for all losses, liabilities, damages and expenses (including attorneys' fees and collection costs) resulting from any breach of any warranty, covenant, provision of this Bankcard Addendum or any misrepresentation by CUSTOMER under this Bankcard Addendum, or arising out of any gross negligence or willful misconduct of CUSTOMER, its employees, or agents in connection with CUSTOMER's Card transactions or otherwise arising from CUSTOMER's provision of goods and services to Cardholders. This provision in no way waives nor alters any of the CUSTOMER's Immunities as provided by law, including but not limited to those provided under 768.28, Florida Statutes.
24. Reserved
25. **Data Security.**
- 25.1 Per the terms of this Bankcard Addendum, CUSTOMER is required to follow Your Payment Acceptance Guide and CUSTOMER and SERVICERS will comply with applicable Card Organization Rules as they may each be amended from time to time. The Card Organization may impose different compliance requirements on different types and levels of customers. The Card Organization may impose restrictions, fines, or prohibit CUSTOMER from participating in Card Organization programs if it is determined CUSTOMER is non-compliant with such programs. CUSTOMER understands that it must be in compliance with applicable data security regulations for its type or level of customer as defined by the Card Organizations security procedures as well as comply with general security procedures. SERVICERS will endeavor to provide CUSTOMER with amended operating procedures outlining the various Card Organization requirements with regard to Data Security, and other matters, pursuant to the terms of the Bankcard Addendum, however, CUSTOMER understands and acknowledges that it is solely the responsibility of CUSTOMER to maintain compliance with all applicable Card Organization PCI Data Security procedures and regulations, and to pay any and all fines, assessments and other liabilities levied by the applicable Card Organization for its non-compliance, whether or not SERVICERS provide to CUSTOMER the amended operating procedures.
- 25.2 CUSTOMER also understands and acknowledges that it is solely responsible for the compliance of any and all third parties (including but not limited to Internet Service Providers) that are granted access by CUSTOMER to Cardholder data, and for any third party POS VAR software that CUSTOMER may use. CUSTOMER further acknowledges that it is CUSTOMER's responsibility to inform SERVICERS of any of CUSTOMER's third party providers that are given access by CUSTOMER to Cardholder data. CUSTOMER also acknowledges that it is CUSTOMER's duty to notify SERVICERS of any data security compromise and to cooperate and assist SERVICERS in any subsequent investigation and that CUSTOMER is solely responsible to pay any and all fines, assessments and other liabilities resulting from any such data security compromise.
- 25.3 SERVICERS may in their sole discretion, suspend or terminate card processing services under the Bankcard Addendum for any data security compromise.
26. **Miscellaneous.**
- 26.1 If CUSTOMER requests SERVICERS to perform or provide any system enhancements, custom reports, or related service enhancements that are different from or in addition to the system, services and reports SERVICERS otherwise agree to provide to CUSTOMER (collectively, "System Enhancements"), SERVICERS will use reasonable efforts to provide such System Enhancements if CUSTOMER pays SERVICERS the additional fees charged by SERVICERS for such System Enhancements. Following receipt of any request for System Enhancements and prior to providing the requested System Enhancements, SERVICERS shall provide CUSTOMER with a description of the System Enhancements to be made, together with an estimate of SERVICERS' fee for providing such System Enhancements. If CUSTOMER thereafter instructs SERVICERS in writing to make such System Enhancements, SERVICERS shall do so, and CUSTOMER shall pay the additional fees charged by SERVICERS for such System Enhancements.
- 26.2 Any notice to BANK shall be sent to BANK at 200 S. Orange Avenue, 4<sup>th</sup> Floor, MC: FL-Orlando-1044, Orlando, Florida 32801, Attn: Merchant Services. Notices to PROVIDER or CUSTOMER shall be in the same manner provided under the MSA.
- 26.3 This Bankcard Addendum, along with the MSA, any Schedules and Your Payment Acceptance Guide, constitutes the entire agreement between the parties with respect to the subject matter.
- 26.4 The parties acknowledge that the VISA and MasterCard Card Organization Rules give VISA and MasterCard certain rights to require termination or modification of this Bankcard Addendum with respect to transactions involving VISA and MasterCard Cards and the VISA and MasterCard Card system and to investigate CUSTOMER. The parties also acknowledge that issuers of other Cards, for which PROVIDER performs services on behalf of CUSTOMER, may have similar rights under their applicable Card Organization Rules with respect to this Bankcard Addendum's applicability to transactions involving such other Cards.
- 26.5 CUSTOMER acknowledges and agrees that any of information obtained by SERVICERS may be shared with SERVICERS' Affiliates, on a need-to-know basis, in connection with the provision of other services provided to

CUSTOMER by SERVICERS, as long as the Affiliates are under obligation to treat such information with the same degree of care as required of SERVICERS under this Addendum or the MSA.

27. **Visa and MasterCard Disclosure**

Member BANK Information: SunTrust Bank

The BANK's mailing address is 200 S. Orange Avenue, 4<sup>th</sup> Floor, MC: FL-Orlando-1044, Orlando, Florida 32801, Attn: Merchant Services and its phone number is 407-237-6727.

**Important Member BANK Responsibilities**

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

**Important Merchant Responsibilities**

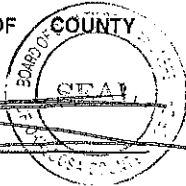
- (a) Ensure compliance with Cardholder data security and storage requirements.
- (b) Maintain fraud and Chargebacks below Card Organization thresholds.
- (c) Review and understand the terms of the Bankcard Addendum.
- (d) Comply with Card Organization Rules.

THE PARTIES HERETO HAVE CAUSED THIS BANKCARD ADDENDUM TO BE EXECUTED BY THEIR DULY AUTHORIZED OFFICERS. THIS BANKCARD ADDENDUM IS NOT BINDING UPON SERVICERS UNTIL SIGNED BY SERVICERS.

OKALOOSA COUNTY BOARD OF  
COMMISSIONERS  
("CUSTOMER")

By: \_\_\_\_\_

*Signature*



Name: Graham W. Fountain

*Print or Type*

Title: Chairman

Date: 01/03/2018

SUNTRUST BANK  
("BANK")

By: \_\_\_\_\_

*Signature*

(under limited powers of attorney granted to  
First Data Merchant Services LLC)

Name: Jacqueline Engle

*Print or Type*

Title: Vice President

Date: 12.13.2017

SUNTRUST MERCHANT SERVICES, LLC  
("PROVIDER")

By: \_\_\_\_\_

*Signature*

Name: Jacqueline Engle

*Print or Type*

Title: Vice President

Date: 12.13.2017

WELLS FARGO BANK, N.A.  
("DEBIT SPONSOR BANK")

By: \_\_\_\_\_

*Signature*

(under limited powers of attorney granted to  
First Data Merchant Services LLC)

Name: Jacqueline Engle

*Print or Type*

Title: Vice President

Date: 12.13.2017

## ANNEX 1

As used in the MSA, Bankcard Addendum or any Schedule hereto, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

**Acquirer:** (i) BANK for Visa or MasterCard Credit Card and Signature Debit Card transactions, (ii) DEBIT SPONSOR BANK for PIN Debit Card transactions and for Signature Debit Card transactions involving a Card Organization other than Visa or MasterCard, or (iii) PROVIDER for Discover Network transactions that acquire Card transactions from CUSTOMER.

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

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

**Authorization:** Approval by, or on behalf of, the Issuer to validate a transaction. An Authorization indicates only the availability of the Cardholder's credit limit or funds at the time the Authorization is requested.

**Authorized Center:** A department that electronically communicates a merchant's request for Authorization on Credit Card transactions to the Cardholder's bank and transmits such Authorization to the merchant via electronic equipment or by voice Authorization.

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

**Business Day:** Monday through Friday, excluding Bank holidays.

**Card:** See either Credit Card or Debit Card.

**Cardholder:** Means the individual, entity, or association whose name is embossed on a Card (or Debit Card, as applicable) and any authorized user of such Card.

**Card Organization:** Any entity that is (i) formed to administer and promote Credit Cards and/or Debit Cards, and (ii) supported by PROVIDER.

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

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

**Chargeback Percentage:** Monthly percentage calculated by dividing CUSTOMER's total monthly Visa and MasterCard Chargeback Items by the number of CUSTOMER's total monthly VISA and MasterCard transactions.

**Credit:** A refund or price adjustment given for a previous purchase transaction.

**Credit Card:** An account that (i) may be presented in various form factors (including, but not limited to, mobile devices, cards, fobs or tags), (ii) bears the Mark of a Card Organization, and (iii) enables the Cardholder to buy goods or services on credit.

**Credit Voucher:** The evidence of a refund or price adjustment by CUSTOMER to a Cardholder's Card account in connection with a prior purchase by such Cardholder using a Card, regardless of whether the form of such evidence is in paper, electronic or otherwise.

**Debit Cards:** PIN Debit Cards and Signature Debit Cards.

**Debit Sponsor Bank:** A bank that is a member of a debit network in which CUSTOMER participates and that sponsors CUSTOMER's acceptance of debit transactions.

**Discount Rate:** A percentage rate and/or other amount charged to a merchant for processing its qualifying daily credit and/or debit transactions.

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

**Issuer:** The financial institution or Card Organization that has issued a Card to a person.

**Magnetic Stripe:** A stripe of magnetic information affixed to the back of a plastic Credit Card or Debit Card that contains essential Cardholder and account information.

**Marks:** names, logos, emblems, brands, service marks, trademarks, trade names, tag lines or other proprietary designations.

**Merchant Account Number (Merchant Number):** A number that numerically identifies each merchant location, outlet, or line of business to PROVIDER for accounting and billing purposes.

**N/A:** If "n/a" is used when referring to a fee or a selection in Schedule A, "n/a" means that the service relating to the fee or the selection is not being provided.

**PIN:** A personal identification number entered by the Cardholder to authenticate a PIN debit transaction.

**PIN Debit Card:** A card or other payment form (including, but not limited to, mobile devices, fobs, or tags) that (i) bears the Marks of PIN debit networks, (ii) enables the Cardholder to buy goods or services by debiting the Cardholder's demand deposit account or stored value/prepaid account, and (iii) is authenticated either with a PIN or, under applicable Card Association Rules, without a PIN for qualifying transactions.

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

**Preauthorized Order:** A Cardholder's written authorization to make one or more future charges to such Cardholder's MasterCard Card account.

**Recurring Safe:** A Cardholder's written authorization to make one or more future charges to such Cardholder's VISA or other non-MasterCard Card account.

**Reserve Account:** An account established and funded at our request or on your behalf, pursuant to Section 22 of the Bankcard Addendum.

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

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

**Schedules:** The attachments, addenda and other documents, including revisions thereto, which may be incorporated into and made part of this Bankcard Addendum concurrently with or after the date of this Bankcard Addendum.

**Services:** The activities undertaken by BANK, DEBIT SPONSOR BANK, and/or PROVIDER, as applicable, to authorize, process and settle all United States Dollar denominated Visa, MasterCard, and Discover Network transactions undertaken by Cardholders at CUSTOMER's location(s) in the United States, and all other activities necessary for PROVIDER to perform the functions required by this Bankcard Addendum for Discover Network and all other Cards covered by this Bankcard Addendum.

**Servicers:** Unless otherwise indicated in a Schedule: (i) for Visa and MasterCard Credit Card transactions and for Visa and MasterCard Signature Debit Card transactions, "Servicers" means BANK and PROVIDER collectively (with the words "we," "us," and "our" referring to BANK and PROVIDER); (ii) for Signature Debit Card transactions involving a Card Organization other than Visa or MasterCard and for PIN Debit Card transactions, "Servicers" means DEBIT SPONSOR BANK and PROVIDER collectively (with the words "we," "us," and "our" referring to DEBIT SPONSOR BANK and PROVIDER); and (iii) for all other Card transactions, "Servicer" means PROVIDER only (with the words "we," "us," and "our" referring to PROVIDER only).

**Settlement Account:** An account at a financial institution designated by CUSTOMER as the account to be debited and credited by PROVIDER, BANK, or DEBIT SPONSOR BANK for CUSTOMER's Credit Card or Debit Card transactions, SERVICERS' fees, Third Party Fees, and other amounts due under or in connection with the Bankcard Addendum, including returns, refunds, adjustments, Chargebacks (including SERVICERS' related losses), other amounts payable to Third Parties under instructions given by CUSTOMER to SERVICERS, and any other obligations of CUSTOMER under Card Organization Rules, the MSA, or the Bankcard Addendum.

**Signature Debit Card:** A card or other payment form (including, but not limited to, mobile devices, fobs, or tags) that (i) bears the Marks of signature debit networks, (ii) enables the Cardholder to buy goods or services by debiting the Cardholder's demand deposit account or stored value/prepaid account, and (iii) is authenticated without a PIN.

**Third Party:** Any person, entity, or association other than SERVICERS or CUSTOMER, including but not limited to Card Organizations, card-issuing organizations, telecommunications providers, delivery service providers/couriers, gateways, CUSTOMER's software providers/integrators or other service providers, and federal, state, or local governmental authorities. Star Networks, Inc. is a Third Party.

**Third Party Fees:** Fees, charges, liabilities, or obligations imposed at any time by a Third Party (i) in connection with CUSTOMER's Credit Card or Debit Card transactions, (ii) as a result of CUSTOMER's acts or omissions, or (iii) as a result of the acts or omissions of others that act on CUSTOMER's behalf or that provide services to CUSTOMER. Third Party Fees include but are not limited to: interchange; Card Organization assessments (including but not limited to dues, issuer reimbursements, fines, penalties, and fraud recovery losses); fees established by the Card Organizations (including but not limited to access fees, switch fees, and file fees); adjustments; and Chargebacks.

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

**Schedule A**  
**Bankcard Addendum to Master Services Agreement**

**Fee Schedule**

Unless otherwise indicated below, CUSTOMER will be charged, and will pay (as described in Section 12 of the Bankcard Addendum), all fees, charges, liabilities, obligations, and other amounts described or referenced in this Schedule A (including Third Party Fees) on a monthly basis.

**1. TRANSACTION FEES FOR CREDIT TRANSACTIONS:**

- (a) The fees below are based on:  
(i) an annual Visa/MasterCard volume of \$ \_\_\_\_\_; and  
(ii) an average ticket value (all Card types) of \$ \_\_\_\_\_.

Credit Processing/Authorization Fee (Visa/MasterCard)	N/A	per transaction <sup>1</sup>
Credit Discount Rate (Visa/MasterCard)	0.15%	of transaction value (per transaction) <sup>1, 2</sup>
Credit Processing/Authorization Fee (Card Organizations other than V/MC)	N/A	per transaction <sup>1</sup>
Credit Discount Rate (Card Organizations other than V/MC)	0.15%	of transaction value (per transaction) <sup>1, 2</sup>
Manual Voice Authorization Fee	\$1.00	per voice call <sup>2</sup>
IVR Authorization Fee	\$0.25	per IVR call <sup>2</sup>
Chargeback Fee	\$5.50	per Chargeback
Retrieval Fee	\$5.50	per retrieval
Adjustment Fee	\$2.50	per adjustment

<sup>1</sup> This fee is charged for each transaction that is billable under applicable Card Organization Rules, including but not limited to authorization attempts/inquiries, purchases, returns, credits, and reversals, regardless of whether a transaction is approved or declined.

<sup>2</sup> This fee is in addition to the applicable processing/authorization fee.

- (b) Each foreign Credit Card transaction submitted by CUSTOMER will be subject to a 0.2% international transaction handling fee.
- (c) The fees in this Section may be adjusted without notice to reflect increases or decreases in applicable sales or telecommunication taxes as levied by federal, state or local authorities.
- (d) Supplies are provided at PROVIDER's then-current price, plus a minimum supplies handling fee of \$11.95 per shipment.
- (e) CUSTOMER shall be responsible for payment of all shipping costs associated with any equipment purchased, leased or maintained by Servicers hereunder.
- (f) CUSTOMER will pay PROVIDER for all Third Party Fees Incurred in connection with the Services provided to CUSTOMER.

**2. INTERCHANGE, ASSESSMENTS, AND CARD ORGANIZATION FEES:**

The Card Organizations impose certain fees and charges on CUSTOMER's transactions, some or all of which are charged to PROVIDER as the processor for CUSTOMER's transactions. In addition to the fees referenced in Section 1 and Section 3, CUSTOMER will pay PROVIDER for all fees, charges, liabilities, and obligations imposed by the Card Organizations in connection with CUSTOMER's transactions (including but not limited to Interchange; assessments (including but not limited to dues, issuer reimbursements, fines, penalties, and fraud recovery losses); access fees, switch fees, and other fees established by the Card Organizations; adjustments; and Chargebacks.

Interchange (Visa, MasterCard, and Other Card Organizations)	Pass-through	per transaction
Assessments (Visa, MasterCard, and Other Card Organizations)	Pass-through	per transaction
Fees Established by Visa, MasterCard, and Other Card Organizations	Pass-through	per transaction
Adjustments/Chargebacks	Pass-through	each

3. **ADDITIONAL FEES:**

Implementation Fee	Waived	per project
Application Fee	Waived	per application
Maintenance Fee	Waived	per month
Merchant ID Set-Up Fee	Waived	per merchant ID
Merchant ID Monthly Fee	Waived	per merchant ID
PCI Compliance Program Fee	\$99.00	per merchant ID, per year
PCI Non-Compliance Fee	\$19.95	per merchant ID, per month
ACH Deposit Fee	\$0.20	per ACH
ACH Reject Fee	\$20.00	per reject
Wire Deposit Fee	\$8.00	per wire
Paper Statement Fee	\$10.00	per statement (waived if accessed electronically)
Address Verification Fee	Waived	per address verification
Online Reporting Tool (ClientLine) Fee	Waived	per month
Clover Register Lite (optional)	Waived	\$9.95 per device per month
Clover Mobile (wifi/3G) w/Bluetooth Printer and Docking Stand	\$1049	Per device
Clover Mini Terminal with Merchant Keypad	\$649	Per device
Clover Mini Terminal	\$599	Per device

4. **OTHER SERVICES:**

- A. Services for the transaction types selected below are provided by PROVIDER and not BANK, and the fees and charges for these Services are set forth in Sections 1 through 3 of this Schedule A.

☐ None Enabled
                    
 ☒ American Express\*
                    
 ☐ Discover Authorization Only\*  
☐ JCB\*
                    
 ☐ Diners Club\*
                    
 ☐ Voyager\*\*  
☐ Wright Express\*
                    
 ☐ Fleet\*

The Card Organizations selected above are collectively referred to as ("Issuer") in this Section 4.

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

\*\*Servicers will settle Voyager transactions directly to merchants. The other Card Organizations selected above will settle the transactions of those Card Organizations.

**General.** In the event CUSTOMER has a separate Issuer agreement with a respective Issuer, all Chargeback and financial obligations including but not limited to fees and issues related thereto shall be governed by the terms of such Issuer agreement. Notwithstanding the foregoing, in the event PROVIDER is providing settlement services for Diners Club and/or JCB transactions PROVIDER shall be responsible for providing such services pursuant to the terms of the Bankcard Addendum. CUSTOMER shall comply with all terms and conditions of the Issuer agreement and the applicable rules, regulations, interpretations and other requirements of the respective Issuer and shall not seek authorization for or submit for processing or settlement hereunder any Issuer Card transactions at any time when CUSTOMER does not have in effect a valid Issuer agreement with such Issuer. CUSTOMER agrees to notify PROVIDER immediately upon the termination of any Issuer agreement to which it is a party. Upon such termination, PROVIDER shall have no further obligations hereunder to provide any services to CUSTOMER with respect to any transactions involving such Issuer Cards.

In the event CUSTOMER does not have a separate Issuer agreement with a respective Issuer, the Issuer Card services to be provided hereunder shall be in accordance with the terms herein and the Bankcard Addendum.

**Issuer Consents.** CUSTOMER shall be responsible for obtaining any operational consents required of Issuer to comply with procedures or practices contemplated by both CUSTOMER and PROVIDER under this Bankcard Addendum. PROVIDER does not warrant or bear responsibility for the performance of any Issuer in any way.

**Authorization Services Only.** For each of the networks selected above, PROVIDER is providing authorization services only for Issuer Card transactions as specified herein, and CUSTOMER shall seek such authorization through PROVIDER. PROVIDER will submit the settlement file to the applicable Issuer on behalf of CUSTOMER. For any network not selected above, PROVIDER is not providing processing services for Issuer Card transactions, and CUSTOMER shall be

responsible for processing and submitting directly to the applicable Issuer for settlement of such Card transactions, if CUSTOMER accepts such networks' Cards.

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

- B. Discover® Network/Full Service Program: Services for the Discover Network/Full Service Program are provided by PROVIDER and not BANK, and the fees and charges for these Services are set forth in Sections 1 through 3 of this Schedule A.

\_\_\_\_\_ Discover Network/Full Service Program Not Enabled

☒ X \_\_\_\_\_ Discover Network/Full Service Program

The terms and conditions of the Bankcard Addendum and Your Payment Acceptance Guide shall govern CUSTOMER's acceptance of Discover® Network Cards, and PROVIDER'S provision of Services to CUSTOMER in connection with Discover® Network Card transactions.

PROVIDER is the Acquirer for Discover transactions under this Section B and the Discover services are solely between CUSTOMER and PROVIDER. BANK is not an Acquirer or sponsor of any services that are related to Discover Card Transactions and shall bear no responsibility.

Settlement of Transactions: The timing of CUSTOMER's Settlement payments is described in Your Payment Acceptance Guide and Bankcard Addendum, unless otherwise indicated by PROVIDER in writing. PROVIDER may, at its discretion, change the timing of CUSTOMER's Settlement payment upon five (5) calendar days' advance written notice if required by Discover® Network. CUSTOMER's terminals or point-of-sales devices must be programmed with the Merchant Account Number that PROVIDER assigned to CUSTOMER if CUSTOMER is to receive Settlement for Discover® Network Card Sales. CUSTOMER is responsible for reprogramming of CUSTOMER's terminals. If a third party programs CUSTOMER's terminals, CUSTOMER is responsible for such third party's acts and omissions in connection therewith, including, without limitation, any payment of CUSTOMER's Settlement amounts to the incorrect party. If CUSTOMER does not receive Settlement amounts for Discover® Network Card sales in accordance with the Bankcard Addendum and Operation Regulations, CUSTOMER must contact PROVIDER immediately or risk non-payment for such Discover® Network Card sales.

Term. PROVIDER may terminate the Discover® Network Program or this Discover® Network Program Addendum at any time and for any reason by giving you thirty (30) days prior written notice. PROVIDER may terminate immediately and without such notice if CUSTOMER has materially breached the Discover® Network Program due to an Event of Default as outlined in the Bankcard Addendum, or if the Discover® Network Card sales conducted by CUSTOMER, the goods or services sold by CUSTOMER or CUSTOMER's business practices violate any U.S. federal, state or local laws, statute or regulation. Furthermore, CUSTOMER acknowledges that the Discover® Network Operating Procedures give Discover® Network certain rights to require termination or modification of the Discover® Network Program with respect to transactions involving Discover® Network Cards and Discover® Network Card system and to investigate CUSTOMER.

Retention of Records. CUSTOMER agrees to keep an original copy of all Sales Drafts, mail/telephone order forms, documentation required in Your Payment Acceptance Guide and other related document(s), e.g. shipping invoices, for no less than three hundred and sixty five (365) days from the Discover® Network Card transaction date, or one hundred and eighty (180) days from the date of submission of the Sales Draft, whichever is later. CUSTOMER also agrees to keep microfilm or other copies of Sales Drafts for no less than three (3) years from the date of the Discover® Network Card transaction.

Factoring. CUSTOMER agrees that they will not factor any Discover® Network Card sales. See Operating Procedures for complete details regarding what constitutes factoring and the liability incurred if CUSTOMER factors any Discover® Network Card sales.

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

References to Discover® Network Procedures. Any provisions contained in the Bankcard Addendum which refers to Cards other than Visa or MasterCard shall be construed so as not to apply to Discover® Network Cards, and any provision which refers CUSTOMER specifically to procedures or terms and conditions of Discover® Network (but not references to Card Organization Rules) will be disregarded.

## 5. DEBIT SERVICES:

### A. General

PROVIDER works with DEBIT SPONSOR BANK to provide CUSTOMER with Services relating to the Debit Card transaction types CUSTOMER has selected below. The debit Services are provided to CUSTOMER only by DEBIT SPONSOR BANK and PROVIDER. If DEBIT SPONSOR BANK is not the same as "BANK," then BANK is not providing the debit Services to CUSTOMER and is not liable to CUSTOMER in any way with respect to the debit Services.

DEBIT SPONSOR BANK's obligations relating to the debit Services are limited to the sponsorship and settlement of CUSTOMER's Debit Card transactions that are submitted in compliance with the Bankcard Addendum and Card Organization Rules.

Periodically, another debit network member bank may be substituted for an existing DEBIT SPONSOR BANK, and PROVIDER will give CUSTOMER notice of the substitution. Any new DEBIT SPONSOR BANK will be responsible for all obligations required of the former sponsor bank (including but not limited to all obligations under applicable Card Association Rules).

CUSTOMER acknowledges its understanding that all parties involved in processing adjustments and Chargebacks to Debit Card transactions are regulated by time frames specified in the Card Organization Rules, the Electronic Funds Transfer Act, Regulation E, and other applicable laws. CUSTOMER must reconcile Debit Card transactions at each of its locations within one (1) business day of the original Debit Card transaction. If CUSTOMER discovers an error involving any Debit Card transaction processed by PROVIDER, CUSTOMER must promptly initiate the appropriate adjustment transaction to correct the error, or CUSTOMER may be subject to additional fees, fines, or other action.

Unless otherwise authorized by PROVIDER in writing, CUSTOMER agrees to use PROVIDER-compatible terminals/PIN pads or systems capable of processing all on-line Debit Card transactions, and to place them at its merchant locations. As between PROVIDER and CUSTOMER, all software residing on these terminals or systems is the sole property of PROVIDER. Any software residing in CUSTOMER-owned terminals or systems must be PROVIDER-compatible. CUSTOMER's placement of the terminals or system at its merchant locations shall constitute acceptance of all terms and conditions set forth in this Bankcard Addendum. In the case of an inoperative terminal or system CUSTOMER may consult CUSTOMER's warranty, or terminal maintenance addendum, as applicable. Responsibility for the installation of and training in the use of terminals is dependent upon the type of equipment or system being used by CUSTOMER.

Which debit network is used for a Debit Card transaction will depend on various factors, including whether a particular debit network is available at the time of the transaction, whether a particular Debit Card is enabled for a particular debit network, and other legal requirements relating to routing. SERVICERS may use, at our sole discretion, any debit network available to us for a given Debit Card transaction.

Only equipment approved by Provider can be used with the debit services. Equipment for the debit services is provided under a separate equipment addendum.

#### **B. SETTLEMENT, FEES, AND DEBIT CARD TRANSACTION TYPES (INCLUDING PIN, PINLESS, AND SIGNATURE):**

The Card Organizations impose certain fees and charges on CUSTOMER's Debit Card transactions, some or all of which are charged to PROVIDER as the processor for CUSTOMER's Debit Card transactions. In addition to the fees and charges described above, CUSTOMER will pay PROVIDER for all fees, charges, liabilities, and obligations imposed by the Card Organizations in connection with CUSTOMER's Debit Card transactions (including but not limited to interchange; assessments (including but not limited to dues, issuer reimbursements, fines, penalties, and fraud recovery losses); access fees, switch fees, and other fees established by the Card Organizations; adjustments; and Chargebacks, as referenced in Section 2 of this Schedule.

Settlement of CUSTOMER's Debit Card transactions will occur on a "net settlement" basis, as described in the Bankcard Addendum. As part of the settlement process for CUSTOMER's Debit Card transactions, CUSTOMER will pay on a monthly basis (via deduction from applicable settlement funds) all returns, refunds, adjustments, Chargebacks (including SERVICERS' related losses), SERVICERS' fees (based on this Schedule), Third Party Fees, other amounts payable to Third Parties under instructions given by CUSTOMER to SERVICERS, and any other obligations of CUSTOMER under Card Organization Rules, the MSA, or the Bankcard Addendum.

Each foreign Debit Card transaction CUSTOMER submits (where available) will be subject to a 0.2% International transaction handling fee, in addition to the fees below.

CUSTOMER will pay the following transaction fees for the selected Debit Card transaction types:

Debit Card Transaction Type	Processing/Authorization Fee	Discount Rate (per transaction) <sup>1,2</sup>
X PIN Debit	N/A (per transaction <sup>1</sup> )	0.15% of transaction value
X PINless Debit	N/A (per transaction <sup>1</sup> )	0.15% of transaction value
X Visa/MasterCard Signature Debit	N/A (per transaction <sup>1</sup> )	0.15% of transaction value
X Discover Signature Debit	N/A (per transaction <sup>1</sup> )	0.15% of transaction value
X Other Signature Debit	N/A (per transaction <sup>1</sup> )	0.15% of transaction value

- <sup>1</sup> This fee is charged for each transaction that is billable under applicable Card Organization Rules, including authorization attempts/inquiries, purchases, returns, credits, and reversals, regardless of whether a transaction is approved or declined.
- <sup>2</sup> This fee is in addition to the applicable processing/authorization fee.

CUSTOMER will pay the following additional fees in connection with its Debit Card transactions:

<b>Manual Voice Authorization Fee</b>	<b>\$1.00</b>	per voice call (In addition to the applicable processing/authorization fee)
<b>IVR Authorization Fee</b>	<b>\$0.25</b>	per IVR call (In addition to the applicable processing/authorization fee)
<b>Chargeback Fee</b>	<b>\$5.50</b>	per Chargeback
<b>Retrieval Fee</b>	<b>\$5.50</b>	per retrieval
<b>Adjustment Fee</b>	<b>\$2.50</b>	per adjustment