

Exhibit G--Agreement For Merchant Processing Services

1. SCOPE OF THIS AGREEMENT; DEFINITIONS AND GENERAL PROVISIONS

a. **Scope:** Your acceptance of electronic payments is governed by this Agreement (defined below).

b. **Definitions:**

Affiliate means any entity that controls, is controlled by, or is under common control of a party, including its subsidiaries.

Agreement means the Std. 213 form and the Master Service Agreement which includes all Exhibits ("MSA") and Contractor's Merchant Operating Guide, and mutually agreed upon amendments thereto.

Associations or Payment Networks means any:

- (a) Credit Card Association (defined as (i) Visa.; (ii) MasterCard; (iii) American Express; (iv) Discover Network; and any successor organization or association to any of the foregoing);
- (b) EFT Network (defined as (i) Interlink Network Inc., Maestro U.S.A., Inc., STAR Networks, Inc., NYCE Payments Network, LLC, PULSE Network LLC, ACCEL/Exchange Network, Alaska Option Services Corporation, Armed Forces Financial Network, Credit Union 24, Inc., NETS, Inc., and SHAZAM, Inc.; and any successor organization or association to any of the foregoing);
- (c) ECS Association (defined as Visa (in its operation of the Visa POS Check Service), NACHA and any regional ACH association or network, the Federal Reserve (in its processing of ACH entries or Demand Drafts or other legal replacements or substitutes for a Paper Check, including under the Check Clearing for the 21st Century Act or under applicable provisions of the Uniform Commercial Code; and any successor organization or association to any of the foregoing)
- (d) governmental agency or authority.

Association or Payment Networks Rules means the rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by Associations designated in this Agreement including all amendments as agreed upon pursuant to Exhibit G, Section 3.

Authorization means the process by which the Authorized Users electronically accesses Servicers' computerized system, unless such system is inoperable or otherwise not accessible to the State, in which case the State shall utilize the designated toll-free telephone number, to obtain credit approval from the Card issuing bank before completion of the Card transaction.

Authorized Users means (i) State of California government entities that participate in this MSA ("State Authorized Users"), and (ii) Local government entities that participate in this MSA ("Local Authorized Users"), as further defined in Exhibit D.1 of the MSA.

Bank (or "Member") means U.S. Bank.

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

Business Day means a day (other than Saturday or Sunday) on which Bank is generally open for business.

Card or Payment Device means as any device or method used for the purpose of obtaining credit or debiting a designated account including a credit card (associated with a revolving line of credit), debit card (associated with an electronic debit to the Cardholder's account), and any other financial transaction device or method, including an electronic gift card (special stored value card), check (whether converted into electronic form or used as a source document for an electronic fund transfer), electronic benefits transfer card, stored value card, "smart" card, or other device created to be used for the purpose of obtaining credit or debiting a designated account, that is now or hereafter effected through Charges with Authorized Users.

Cardholder means the individual whose name appears on the Card or in whose name a Card has been issued, and any person who purports to be an authorized user of such Card.

Charge, transaction or Transaction means any action between a Cardholder using a Card and an Authorized User that results in activity on the Cardholder's account (e.g. payment, purchase, refund or return).

Chargeback means the procedure by which the funds from a Sales Draft or other indicia of a Card transaction (or disputed portion thereof) are returned to the cardholder by the issuing bank. Visa or MasterCard will debit the Servicers the chargeback amount to make the issuer whole. The Servicers in turn will recoup the chargeback amount from the Authorized User.

Chargeback Percentage means the ratio of overall Chargeback-to-settlement volume. Specifically, your Chargeback Percentage means the actual monthly percentage calculated by dividing your total monthly VISA and MasterCard Chargeback items in any line of business by the number of the State or your total monthly VISA and MasterCard transactions in such line of business

Contractor means Elavon, Inc., or its affiliates providing services hereunder.

Contractor System means any hardware, software, system, or methods used by Contractor to perform the Services, and expressly exclude any third party hardware, software, systems or methods used by an Authorized User.

Credit Voucher means the evidence of a refund or price adjustment by the State or Authorized User 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.

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Electronic Check Service (ECS) means the service offering by Elavon pursuant to which transactions effected via an ACH payment device are presented for clearing and settlement by or through an ECS Association.

Establishments means all of your locations, outlets, websites, online networks, and all other methods for selling goods and services, including methods that you adopt in the future.

Establishment Number (sometimes called the “merchant id” or “SE” number) is the unique number we assign to your Establishment; if you have more than one Establishment, we may assign to each a separate Establishment Number.

Marks mean names, logos, service marks, trademarks, trade names, taglines, or other proprietary designations belonging to the Associations.

Operating Procedures means the manual prepared by Servicers (including the Merchant Operating Guide), containing operational procedures, instructions and other directives relating to Card transactions.

Preauthorized Order means a Cardholder's written authorization to make one or more future charges to such Cardholder's Card account.

Recurring Sale means a Cardholder's written authorization to make one or more future charges to such Cardholder's Card account.

Sales Draft or Transaction Receipt means evidence of a purchase of goods or services by a Cardholder from the Authorized User using a Card, regardless of whether the form of such evidence is in paper, electronic or otherwise, all of which must conform to Association Rules.

Settlement Account or ZBA means an account at a financial institution designated by the Authorized User as the account to be credited by Servicers for Card transactions, and other amounts due hereunder.

Servicers means collectively Contractor and Bank.

Subscription Agreement means the Authorized User's Standard 213 form or contract equivalent, the Selected Services Signature Page, and the Authorized User Participation – Set Up Form, all MSA Exhibits, Authorized User's Scope of Work and Invoice contact information, and any attachments or amendments thereto.

We, our, and us also means Servicers.

You, you and your means each Authorized User individually, not collectively.

Other defined terms appear in italics in the body of this Agreement.

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- c. **For Your Use Only:** This Agreement covers only you. You must not obtain Authorizations, submit Charges or credits, or receive payments on behalf of any other party.

2. ACCEPTANCE OF CARDS

- 2.1 You will accept any Card properly tendered, without imposing any special conditions (such as requiring identification) not required or allowed by Association Rules. You will assess no special charge (a surcharge in connection with accepting a card for payment) or extract any special agreement, condition (including any minimum or maximum transaction amounts) or security from a Cardholder in connection with any Card transaction. You shall not post signs indicating that You will refuse to honor Card transactions below or above a specified transaction (i.e., \$5 minimum to use payment card). You may offer a discount for using cash if clearly disclosed as a discount from the price available for all other means of payment. You shall not engage in acceptance practices or procedures that discriminate against, discourage or favor the offered use of any particular Card accepted by You. You will not require Cardholders to provide personal information such as a home or business telephone number, a home or business address, or any form of identification (such as a driver's license) as a condition for honoring and accepting a Card, unless specifically required by this Exhibit G or the applicable Association. You shall not accept Cards at terminals that dispense scrip in violation of the Association Rules.
- 2.2 You must check each Card accepted for validity in accordance with the terms of this Exhibit G, the Operating Procedures and the applicable Association Rules. You must not submit any sale that was not created between You and the Cardholder for settlement and under no circumstances may You submit any sale that has been previously charged back by the Cardholder and returned to You.
- 2.3 You will check each Card used during a transaction for validity in accordance with the terms of this Exhibit G, the Operating Procedures and the applicable Association Rules. You will not honor a Card that appears to be invalid or expired.
- 2.4 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; (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).
- 2.5 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), You are deemed to warrant the true identity of any Cardholder unless You imprint the Card on the Sales Draft, as described in subsection 2.4, above.
- 2.6 Unless a Card transaction is governed by Section 5, Section 8 or otherwise specifically authorized by Servicers in writing, You may only complete a Card transaction when (i) the Card is present and (X) the data stored on the magnetic stripe is electronically read and printed by a magnetic stripe reader or (Y) the Card is manually imprinted, (ii) the Card is signed and the signature on the Sales Draft appears to be the same as the

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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, You 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.) You will deliver at least one copy of the Sales Draft or agreement or Credit Voucher to the Cardholder.

- 2.7 You shall determine in accordance with Association Rules and the Agreement which types of Cards and processing services You will agree to accept as a form of payment from your customers by selecting the applicable processing services on the Authorized User Participation - Set Up Form (Exhibit D, Attachment I).

3. OPERATING PROCEDURES; ASSOCIATION RULES

You acknowledge that you have received the link to the Operating Procedures, the terms of which are incorporated into this Exhibit G. You agree to follow the procedures in the Operating Procedures in connection with each Card transaction. You also agree to comply with all applicable Association Rules, including all requirements applicable to obtaining authorization for ACH debits from a consumer account as applicable, and to comply with all laws applicable to the selected processing services, including without limitation, laws related to Cards, electronic fund transfers, confidential treatment of information, and the Fair and Accurate Credit Transactions Act of 2003 (FACTA), including its requirements relating to the content of transaction receipts provided to Cardholders. From time to time, Servicers may change the Operating Procedures by providing You with at least (30) days' prior written notice of the change. However, in the event of changes in the Association Rules or due to security reasons, certain changes in Card procedures may become effective on shorter notice. If Servicers change their Operating Procedures during the term of the Agreement, and such changes are not mandated by an Association or governing body of rules or guidelines, the change will be subject to review and approval by the State and Authorized User within sixty (60) day of receipt of change notice. Failure of the State or Authorized Users to object, and continuation of Card acceptance hereunder, will constitute the State's and Authorized Users' acceptance of the new Operating Procedures. The State and/or any Authorized User may provide notice to terminate for convenience as provided in Exhibit D, Section 11.b, if any changes to Operating Procedures and/or Association Rules are unacceptable. While it is intended that the Operating Procedures will supplement this Exhibit G, if there is any conflict between the terms of this Exhibit G and the Operating Procedures, the terms of this Exhibit G will govern, unless the conflict is directly related to a change in the Operating Procedures which specifically addresses a procedure or requirement detailed in this Exhibit G. If You lose or otherwise misplace the Operating Procedures or notices of changes thereto, You shall be responsible for contacting Servicers to obtain replacement copies or links thereto.

4. AUTHORIZATION

- 4.1 You shall be responsible for obtaining Authorization in advance for each Card transaction. The Authorization number provided by Servicers or issuers shall be noted

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by You in the appropriate place on the Sales Draft. If Authorization is declined, You shall not complete the Card transaction.

- 4.2 You shall comply with any special authorization procedures contained in any other sections of this Exhibit G, the Operating Procedures, the MSA and the Association Rules.
- 4.3 You acknowledge 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.
- 4.4 You may, as permitted in this Exhibit G or the Operating Procedures obtain a voice authorization or manually enter the transaction, in the event that the POS Terminal is not operating properly. Servicers will provide You with a response for voice authorized transactions and You shall record any approval number on the Sales Draft.
- 4.5 Servicers shall have no obligation to process any transactions initiated with a Card type not selected by You on the Authorized User Participation Set-up Form 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 an Association, You shall be fully liable for each transaction, as if the Card type initiating in such transaction was selected by You.

5. TELEPHONE AND MAIL ORDERS

- 5.1 If You are authorized to accept telephone or mail orders, Authorization for each such Card transaction, regardless of the face amount, must be obtained and You must write "TO" (indicating telephone order), or "MO" (indicating mail order) as applicable, on the Sales Draft in lieu of the Cardholder's signature. You assume 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 five 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.
- 5.2 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.
- 5.3 Under no circumstances may You require that a Cardholder complete a postcard or other document which displays the Cardholder's account data in plain view when mailed.
- 5.4 You will comply with the procedures for Card Not Present transactions in the Operating Procedures and Association Rules.

6. MULTIPLE SALES DRAFTS AND PARTIAL CONSIDERATION

- 6.1 Except as shall be specifically set forth in the Operating Procedures or the Association Rules, You shall list all items of goods and services purchased during each Card transaction and the total amount thereof on a single Sales Draft.
- 6.2 You shall comply with all special procedures and conditions applicable under the Operating Procedures and the Association Rules with respect to any partial payment,

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installment payment, delayed delivery or advance deposit situation and any delayed or amended charges for a travel and entertainment transaction. You shall not use more than one Sales Draft to represent a single Card transaction to avoid the need for Authorization.

7. PREAUTHORIZED ORDERS AND RECURRING SALES.

- 7.1 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 You).
- 7.2 If You are authorized to accept Preauthorized Orders or Recurring Sales, Authorization for each such Card transaction, regardless of the amount, must be obtained and You must write "Recurring Transaction" (for Visa and other non-MasterCard Card transactions) or "Pre-Authorized Order" (for MasterCard Card transactions) as applicable, on the Sales Draft in lieu of the Cardholder's signature.
- 7.3 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 Exhibit G and the Operating Procedures and Association Rules, a Preauthorized Order or Recurring Sale may not include partial payments made to You 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.
- 7.4 You 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 You 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 You accept any Preauthorized Orders or Recurring Sales for variable amounts, You must do so pursuant to associated preauthorized payment schedule between the Cardholder and you.
- 7.5 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.
- 7.6 You will comply with the procedures for Recurring Payments and Pre-Authorized Orders in the Operating Procedures and Association Rules.

8. INTERNET PROCESSING

You must obtain approval from Servicers to accept and process Internet transactions through Servicers. You also acknowledge that you must inform Servicers of your 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 You are prohibited from transmitting any Cardholder transaction data to any Internet Service Providers (or any third party) without the approval of Servicers. . If authorized to accept payment by Internet, the

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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. You will comply with the requirements for Card Not Present Transactions specified in the Operating Procedures and Association Rules. All Internet transactions will be settled by Servicers into a depository institution in the United States. You 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 You as required by the then current Association Rules, PCI data security requirements, or any other applicable regulations. Encryption is not guarantee of payment to You. You acknowledge 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 and debit Card transactions. Because the transactions processed via the Internet are higher risk, You may be charged higher Association fee. 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 You of liability associated with Chargebacks and/or the fraudulent use of customer data obtained off of Your Web Sites. All communications costs related to Internet transactions are Your responsibility. Servicers will not manage the Internet telecommunication link which is also Your responsibility. Obtaining any license or sub-license of software required to permit You to process Internet transactions shall be Your 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 Your Internet transactions to be secure or impregnable, and Servicers will not be responsible in the event of the infiltration of Your or any Internet Service Provider's security systems. You further acknowledge and agree that Servicers are not responsible for the security of the Cardholder data or information stored on Your or any Internet Service Provider's computers, systems or Web Site(s) and that You will be solely responsible for any liability, fines, or penalties arising from its use, storage, or dissemination of Cardholder data.

9. CARDHOLDER REFUNDS AND CREDITS

- 9.1 If a Cardholder returns goods or cancels services purchased from You with a Card, or You allow 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), You will not return cash to the Cardholder but will instead prepare a Credit Voucher and process each such refund or adjustment, as specified in the Operating Procedures and Association Rules. You will give the Cardholder a copy of the completed Credit Voucher.
- 9.2 If You establish a policy limiting refunds or acceptance of returned merchandise (e.g., no refund, exchange only, in-store credit only, or special conditions), You must follow the procedures regarding refunds and returned merchandise as set forth in the Association 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.

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- 9.3 You will not accept money from a Cardholder for the purpose of preparing and depositing a Credit Voucher that will affect a deposit to the Cardholder's account. You 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 You require a Cardholder to waive the Cardholder's right to dispute a Card transaction with the Card issuing bank.
- 9.4 You acknowledge that Elavon may delay cardholder credits for up to five (5) business days for accounting verification. Credits issued by you to PIN-debit Cards will not be subject to this delay.

10. PRESENTMENT OF CARD TRANSACTIONS

- 10.1 You shall electronically or physically deliver to Servicers Sales Drafts for all Card transactions to be processed and settled hereunder. You will submit Sales Drafts to Servicers in no event later than the fifth calendar day or third banking day (whichever is earlier) after completing Card transactions (unless You are entitled to any special extension of these deadlines). You acknowledge that the times specified in the previous sentence are the maximum deadlines and that faster time frames are required to qualify for incentive programs.
- 10.2 You will not submit any Sales Draft that was not created in conjunction with a Card transaction between You and the applicable Cardholder. Under no circumstances will You submit any Sales Draft that has been previously charged back by the Cardholder and subsequently returned to You.

11. SETTLEMENT OF CARD TRANSACTIONS

- 11.1 Servicers will only be required to settle Your Card transactions for Cards as specified herein provided that Servicers receive your Card transaction information in the format required by Servicers. Promptly after presentment of Sales Drafts pursuant to Section 10, above, as applicable, Servicers will initiate a transfer via Automated Clearing House Credit of the applicable settlement funds to You. When Servicers receive payment of settlement funds through automated clearing house credit, Servicers will initiate a transfer of such applicable settlement funds through ACH to Your Settlement Account. Settlement by automated clearing house credit will take place according to the schedule indicated in Exhibit A, Section 4.a.2.
- 11.2 All settlements to You for VISA and MasterCard Card transactions will be based upon gross sales, less credits/refunds, adjustments, Chargebacks, amounts payable to third parties pursuant to instructions from You in accordance with Association Rules.
- 11.3 All credits to Your Settlement Account or other payments to You are provisional and are subject to Servicers' final audit, and Chargebacks. You agree that Servicers may credit Your Settlement Account for any overages, pending Chargebacks, or may offset chargeback amounts from settlement funds due to You. Alternatively, Servicer will invoice You for any deficiency, fine, or fee amounts, net due 30 days after the invoice date or on such earlier date as may be specified.
- 11.4 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 any Association or Your financial institution. In addition to any other remedies available to Servicers under the Agreement, You agree that should any of the events set forth in Paragraph 17.2 occur, Servicers may, upon at least 24 hours' advance written notice, change

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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 You from Servicers pursuant to the terms of this Exhibit G, until Servicers have had reasonable opportunity to investigate and discuss such event with You. In cases of fraud, suspicious activity or similar cause, no prior notice shall be required, but Servicers shall notify You in writing within three business days after effectuating a suspension of credits or other payments that have not been released, which notice shall state Servicers' reason for the belief that such fraud, suspicious activity or similar cause exists.

12. FEES; ADJUSTMENTS; COLLECTION OF AMOUNTS DUE

- 12.1 Servicers shall charge You a fee for the Services, which shall be calculated and payable pursuant to Exhibit E. The fees shown on Exhibit E shall be calculated based on the net amount of transactions submitted to Servicers. If Your Card transactions fail to qualify for the reduced interchange fees, Servicers shall process such Card transactions at the applicable interchange fees as set by the applicable Association. If a transaction fails to qualify for Your anticipated interchange levels, then the Association will downgrade the transaction and process it at a more costly interchange level for which it does qualify which amount will be passed on to You.
- 12.2 Beginning on the Agreement Effective Date, all Authorized Users collectively under the MSA will be assigned to one of the pricing tiers identified on Exhibit E Attachment I based on the Transaction count for the twelve (12) month period prior to Effective Date. The Transactions included in the Transaction count are the aggregate number of all Visa, MasterCard and Debit Transactions processed by Contractor for all Authorized Users. Once annually, one month prior to the anniversary date, Contractor will review the combined Authorized Users' Transaction count data for the prior twelve (12) months and, upon the first day of the month following the annual anniversary date, will apply the applicable pricing tier to all Authorized Users.
- 12.3 The fees for Services set forth in Exhibit E may be adjusted to reflect increases or decreases by Associations in interchange, assessments or other Association fees or to pass through increases charged by third parties for on-line communications and similar items. All such adjustments shall be Your responsibility to pay and shall become effective upon the date any such change is implemented by the applicable Association or other third party. You shall at all times be responsible for, payment of all fees and charges (including increases additions, or modification made thereto), without limitation, of any Association, Internet Service Provider, telecommunications provider, federal, state, or local governmental authority (each a "Third Party") including, without limitation any switch fee, issuer, reimbursement fee, adjustment fee, interchange fee, assessment fee or access fee, (collectively, "Third Party Fees").
- 12.5 In addition to the regular Chargeback fees, as set forth on Exhibit E Attachment I, You agree to pay Servicers any fines, fees, assessments, or penalties imposed on Servicers by any Association, resulting from Transactions or Chargebacks and any other fines, fees or penalties imposed by an Association with respect to acts or omissions of You or your Third Parties.
- 12.6 It is your responsibility to reconcile the statements regarding Transaction activity received from Servicers, any Association, and any third party vendors with the

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statements You receive for your bank account. You must promptly examine all statements and promptly notify Servicers in writing of any errors in the statement received from Servicers. Your written notice must include: (i) Your name and account number; (ii) the dollar amount of the asserted error; (iii) a description of the asserted error; and (iv) an explanation of why You believe an error exists and the cause of it, if known. That written notice must be received by Servicers within forty-five (45) days of the date of the Servicer statement containing the asserted error.

13. CHARGEBACKS

13.1 You shall be responsible for all Chargeback amounts relating to Card transactions settled by Servicers for any reason under the Association Rules, including but not limited to where:

- (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 Exhibit G or the Operating Procedures;
- (iii) regardless of any Authorization obtained (including without limitation, telephone and mail order transactions), You 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, You constituted or otherwise involved a breach of any term, condition, representation, warranty or duty of You 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 You within ten days of Servicers' request;
- (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 the Association Rules or applicable law; or

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(xiv) the Card transaction is subject to Chargeback in accordance with the procedures set forth in the Operating Procedures.

14. CASH PAYMENTS BY AND CASH DISBURSEMENT TO CARDHOLDERS.

You 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 You in cash. You shall not make any cash disbursements to a Cardholder as part of a Card transaction except to the extent expressly authorized by Exhibit G, the Operating Procedures or the Association Rules.

15. CONFIDENTIALITY

- 15.1 Unless You obtain consents from each applicable Association, Servicers, Card issuing bank and Cardholder, You shall not use, disclose, sell or disseminate any Cardholder information solely 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. You 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. You must not retain or store magnetic stripe data after a transaction has been authorized. If You store any electronically captured signature of a Cardholder obtained solely in connection with a Card transaction, You shall not reproduce such signature except upon specific request of Servicers.
- 15.2 You acknowledge that You obtain no ownership rights in any information relating to and derived solely from Card transactions including Cardholder account numbers and personal information. You agree that Cardholder data and bank account information obtained by You in connection with any Transaction is the property of the financial institution that issued the Card or holds the customer's account.

16. FINANCIAL AND OTHER INFORMATION (See Exhibit D, Section 14)

17. TERMINATION

- 17.1 The Agreement may be terminated by Elavon effective at the end of the term by providing written notice of an intent not to renew to the State or an Authorized User at least ninety (90) days prior to the expiration of the then current term.
- 17.2 The Agreement may be terminated by Elavon immediately upon notice of the occurrence of one or more of the following:
- (i) The garnishment or attachment of the State's or an Authorized User's deposit accounts with Member, alternate security, the DDA, or any of the State's or an Authorized User's property in the possession of Elavon or Member.
 - (ii) The commencement of a bankruptcy proceeding by or against the State or Authorized User.
 - (iii) Any Association requires Elavon to terminate the Agreement or cease processing transactions for the State or Authorized User.

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- (iv) Any change, whether or not reported to Elavon, to the method or type of transactions processed that Elavon deems, in its discretion, to materially increase the risk to it of providing the services.
- (v) Assignment of the Agreement without Elavon's written consent.
- (vi) Upon the occurrence of a Data Incident as described in Exhibit G, Section 18.

17.3 Elavon has the right to send the DGS Contract Administrator or Authorized User, as applicable, a notice specifying the default in the following sections (i)-(v) and providing the DGS Contract Administrator or Authorized User an opportunity to cure the breach within a period of time no less than thirty (30) days (Cure Period). If the breach is not cured within the Cure Period, then Elavon has the right to terminate this Agreement by notice to the State or Authorized User, with termination to be effective not less than thirty (30) days following the end of the Cure Period.

- (i) The occurrence of Excessive Activity (defined as the occurrence, during any monthly period, of Chargebacks and/or retrieval requests in excess of one percent (1%) of the gross dollar amount of the Authorized User's Charges or returns in excess of two and one-half percent (2.5%) of the gross dollar amount of Charges).
- (ii) The acceptance of Card Not Present or Convenience Fee Charges without proper disclosure to Elavon in the Subscription Agreement or an amendment thereto.
- (iii) The failure to pay Elavon any amount the State or an Authorized User owes Elavon (in which case the notice shall be extended to sixty (60) days).
- (iv) The failure by the State or an Authorized User to perform a material obligation of the Agreement.
- (v) Any representation, warranty or covenant by the State or Authorized User is false or misleading in any material respect as of the date made, or becomes false or misleading in any material respect at any time during the term of the Agreement.

17.4 The parties' rights under the Agreement are cumulative. A party may exercise its termination rights with respect to an individual Authorized User or processing service without terminating other Authorized Users or processing services, provided that any termination of the Agreement in whole shall automatically terminate all related processing services and Authorized Users. A specific right of termination in this section shall not limit any other right of the party to terminate the Agreement expressed elsewhere.

17.5 All of the obligations of each party hereto that by their nature should survive termination or expiration of the Agreement in order to achieve its purposes shall so survive and remain binding upon and for the benefit of the parties hereto.

18. DATA SECURITY

Per the terms of this Exhibit G, You are required to follow the Operating Procedures and comply with Association Rules as they may each be amended from time to time as referenced in Section 3, including but not limited to the requirements of the Payment Card Industry (PCI) Data Security Standard (PCI DSS), the Cardholder Information Security Program (CISP) of Visa, the Site Data Protection Program (SDP) of MasterCard, the Data Security DISC Program and the PCI DSS regulations of Discover Network and any successor to such programs (the

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“Security Programs”). The Associations may impose different compliance requirements on different types and levels of customers. You understand that You must be in compliance with data security regulations for Your type or level of customer as defined by the Associations’ Security Programs as well as comply with general security procedures. Servicers will endeavor to provide You with amended Operating Procedures outlining the various Association requirements with regard to Data Security, and other matters, pursuant to the terms of Exhibit G, however, You understand and acknowledge that it is solely the responsibility of You to maintain compliance with all Association Security Programs, and to pay any and all fines and assessments levied by the applicable Association for Your non-compliance, whether or not Servicers provide to You the amended Operating Procedures. You also understand and acknowledge that You are solely responsible for the compliance of any and all third parties (including but not limited to Internet Service Providers) that are given access by You, to Your Cardholder data, and for any third party POS VAR software that You may use. You further acknowledge that it is Your responsibility to inform Servicers of any of Your third party providers that are given access by You to Your cardholder data. You also acknowledge that it is Your duty to notify Servicers of any data security compromise and to cooperate and assist Servicers in any subsequent investigation. You must notify Servicers within twenty-four (24) hours (and if notice is given orally, it must be confirmed in writing within the same twenty-four hour period), if You know or suspect that Cardholder data, customer information, or Transaction information has been accessed or used without authorization from You or Your third party providers (a “Data Incident”). The notice must include: (a) a detailed written statement about the Data Incident including the contributing circumstances, (b) the form, number and range of compromised account information, (c) specific account numbers compromised, and (d) details about the ensuing investigation and Your security personnel who may be contacted in connection with the Data Incident. In the event of a Data Incident, You must take immediate steps to preserve all business records, logs and electronic evidence relating to the Data Incident. Within seventy-two (72) hours of becoming aware of the Data Incident, You must engage the services of a data security firm acceptable to the Associations and/or to Servicers to assess the vulnerability of the compromised data and related systems. You must provide weekly written status reports to Servicers until the forensic audit is complete. You must promptly furnish updated lists of potential or known compromised account numbers and other documentation or information that the Associations and/or Servicers may request. In addition, You must provide all security audit reports to Servicers, and such audits must be completed to the satisfaction of the Associations and/or of Servicers.

Servicers may in their sole discretion, suspend or terminate card processing services under this Exhibit G for any data security compromise.

19. CONTRACT MANAGEMENT

As of the Effective Date of this Agreement, the Contract Manager for the State of California shall be as follows:

Mary Anne DeKoning
Department of General Services
Procurement Division
707 Third Street, 2nd Floor
West Sacramento, CA 95605

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MaryAnne.Dekoning@dgs.ca.gov

916-375-4365

916-375-4663

As of the Effective Date of this Agreement, the Contract Manager for Contractor shall be as follows:

Bridget Stover
Client Executive
621 Capitol Mall, Suite 800
Sacramento, CA 95814
Telephone: (916) 498-3443
Fax: (865) 498-3813
bridget.stover@elavon.com

Should the Contract Manager for either party change, the party will provide written notice with the updated information as soon as reasonably possible after the change.

20. ASSIGNMENT

Any transfer or assignment of this Exhibit G by You without Servicers' prior written consent as required by Exhibit C Section 3, 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 this Exhibit G was transferred or assigned shall be bound to the terms and conditions of this Exhibit G to the same extent as if Servicers and such assignee or transferee, as the case may be, entered into an agreement identical to this Exhibit G on the effective date of such transfer or assignment.

Upon notice to You, another VISA and MasterCard member may be substituted for Bank under whose sponsorship this Exhibit G 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 Association Rules. Subject to Association Rules, Servicers may assign or transfer this Exhibit G and their rights and obligations hereunder and may delegate their duties hereunder, in whole or in part, to any third party, whether in connection with a change in sponsorship, as set forth in the preceding sentence, or otherwise, with notice but without consent of You.

Except as provided in the following sentence, this Exhibit G 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 Exhibit G.

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21. RETENTION OF RECORDS

You must retain legible copies of Sales Drafts and Credit Vouchers for a period of at least eighteen (18) months from the date of such transaction. You must submit to Servicers a legible copy of a Sales Draft or Credit Voucher within 10 days of a request by Servicers, or longer period of time as may be allowed by the Association.

22. Miscellaneous.

- 22.1 The parties acknowledge that the Association Rules give the Associations certain rights to require termination or modification of this Exhibit G with respect to transactions involving Association Cards and the Association Card system and to investigate Authorized User. The parties also acknowledge that issuers of other Cards, for which Servicers perform services on behalf of Authorized User, may have similar rights under their applicable Association Rules with respect to this Exhibit G's applicability to transactions involving such other Cards.
- 22.2 Authorized User acknowledges and agrees that any of information obtained by Servicers may be shared with Servicers' affiliates, who have a need-to-know, in connection with the provision of other services provided to You by Servicers provided in connection with this MSA, as long as the affiliates are under obligation to treat such information with the same degree of care as required of Servicers.
- 22.3 You represent that: (i) You have never been placed on the MasterCard MATCH™ system (formerly known as the Combined Terminated Merchant File), or been named to the Consortium Merchant Negative File maintained by Discover or, if You have, you have disclosed this fact to Servicers in writing; (ii) You are obtaining and using the processing services from us for business purposes only and to facilitate lawful business Charges between You and your customers, and you will not submit Charges for processing to us for any businesses, materially different products, or methods of selling other than those set forth in the Subscription Agreement without the prior written consent of Servicers; (iii) You acknowledge that the bank account into which debits and credits are made is being used for lawful business purposes only; (iv) with respect to the parties to this Agreement, You are responsible for the actions of or failure to act by your officers, directors, employees, agents, Internet Service Providers, third parties, business invitees, and those of any other person who, with or without your consent or cooperation, obtains access to information related to Charges from You or access to systems under your control, but excluding all actions to the extent attributable to our breach of the Agreement, negligence or willful misconduct.
- 22.4 You are solely responsible for monitoring your Transactions. Servicers are under no duty to monitor Your Transactions for fraudulent or other suspicious activity.
- 22.5 In the event of failure or other suspension of your business operations, including any bankruptcy proceeding, you must not sell, transfer, or disclose any materials that contain Cardholder or Charge information to third parties. Unless otherwise ordered by law or court order, You must: (a) return this information to us, or (b) provide acceptable proof of destruction of this information to us.