

1. FEES AND COSTS:

In consideration of Contractor's processing services, Authorized Users will pay monthly, and in arrears, pricing based on the pricing matrix provided in Exhibit E Attachment I.

2. VISA AND MASTERCARD INTERCHANGE ASSESSMENT RATES:

The Visa and MasterCard interchange assessment pricing specified is subject to fluctuations. These rates are outside of the control of the State of California and the Contractor. Both increases and decreases in these rates are to be passed on to the Authorized Users of this Agreement in the form of changes in the official interchange assessment rates from VISA and MasterCard by the Contractor. Contractor will send, as promptly as possible, to each Authorized User and to the DGS Contract Manager, notices documenting all pricing adjustments resulting from the official changes in interchange assessment rates. The following sites provide the most up-to-date interchange assessment rates as they occur.

MasterCard Interchange Rates:

http://www.mastercard.com/us/merchant/support/interchange_rates.html

Visa Interchange Rates:

http://usa.visa.com/merchants/operations/interchange_rates.html

3. EQUIPMENT PRICING:

Upon request, Contractor will provide equipment and software pricing and specification sheets on an annual basis in DGS's electronic format (see Exhibit E -- Attachments II & III) and submit to DGS's Contract Administrator (by email, CD, ftp, or other agreed upon format). Once these prices are negotiated and approved by DGS, this information will be posted along with the respective contracts on the Electronic Payment Acceptance MSA website. Posting of price lists allows the Authorized Users access to both service and equipment/software pricing so Authorized Users can conduct a complete cost analysis based on their organization's individual requirements. Authorized Users may negotiate lower pricing than the maximums listed on the Contractor's Price Sheet. Please refer to Attachment II for equipment pricing information).

Price declines shall be effective immediately upon any public notification of the decline. All prices quoted shall be firm fixed maximum for the initial price list period. However, should a price decline be announced by the Contractor after contract award, and prior to an Authorized User utilizing the services, then the Contractor shall use the reduced pricing.

4. CONVENIENCE FEES:

Authorized Users, at their discretion, may elect to have the Contractor charge a convenience fee to the cardholder (paying parties) to offset the cost of card acceptance. Assessment of the fee occurs at the time of the transaction. Use of Convenience fees should be addressed by each Authorized User in their individual Subscription Agreement.

The Convenience Fee to be charged Cardholders for transactions processed will be mutually agreed upon by Contractor/Third Party Processor and Authorized User. Contractor/Third Party Processor shall not charge Authorized User a fee in consideration for Convenience Fee Provider providing Convenience Fee Assessment. Any amendment to the Convenience Fee must be mutually agreed upon by the Authorized User.

Convenience fees are subject to the constraints of the card associations and card companies and, in some instances, by State regulations and/or laws. In general, card payments, and specific card brands, may not be disadvantaged at the point-of-sale relative to other payment.

Contractor/Third Party Processor agrees to all of the following:

- Contractor must provide flexibility to assess or not assess a convenience fee.
- Support convenience fee policies and variations in convenience fees at the individual Authorized User level while remaining in compliance with credit and debit card Association regulations.
- Support convenience fee assessment by type of payment channel (IVR, point of sale, internet, etc.) within each Authorized User's agency.
- Separate the Convenience Fee from any payment that is owed by a Cardholder to Authorized User and paid through a Payment Transaction. Separate Convenience fees from other fees when invoicing the Authorized User.
- Provide Authorized User access to reports detailing all processed transactions.
- Provide Cardholder the opportunity to make Authorized User payments by credit card through both an interactive telephone voice response system ("IVR") and Internet interface.
- On behalf of Authorized User, collect and process Authorized User Payments from Cardholders using the American Express[®] Card, MasterCard[®], VISA[®], and Discover[®] Card.
- Provide the Card Services to Cardholders on a date to be mutually agreed upon by Contractor/Third Party Processor and the Authorized User.
- Provide Authorized User Payment Transactions to the appropriate Card organizations through Contractor/Third Party Processor and Contractor/Third Party Processor shall settle the Authorized User's payments to the Authorized User's designated bank account. Contractor/ Convenience Fee Provider shall

Amendment 1 of Exhibit E – Fees and Costs

retain all Convenience Fees collected by it hereunder after paying all fees owed in connection with payment transactions to the appropriate parties.

- Confirm the dollar amount of all Cardholder's Authorized payments and the corresponding convenience fees to be charged to Cardholder and obtain the Cardholder's approval (electronic or otherwise) of such charges prior to initiating credit authorizations.
- Provide Cardholder with electronic confirmation of Card transactions.
- Electronically transmit all Card transactions to Contractor, in real time as the transactions occur.
- Arrange for a unique line merchant description for the Authorized payment that references the name of Authorized User and arrange for a separate unique line merchant description for the Convenience Fee that references Contractor/Third Party Processor and the nature of the fee.
- Provide Authorized User with logos, graphics, and other appropriate marketing materials for Authorized User's use in its communications with Cardholders..
- Provide Authorized User with reports summarizing use of the Card Services by Cardholders for a given reporting period.
- Grant to Authorized Users a revocable, non-exclusive, non-transferable, royalty-free license to use Contractor/Third Party Processor's logo, trademarks and other service marks for the sole purpose of promoting the Card Services in a form as approved by Contractor/Third Party Processor.
- May, but shall not be required to, assign to Authorized User one or more identification numbers or passwords for Authorized User's use in obtaining the Card Services. Once such identification number(s) or password(s) have been delivered to Authorized Agency by Contractor/Third Party Processor, the use and confidentiality of such numbers and/or passwords shall be the sole responsibility of Authorized User.

Authorize User agrees to the following:

- Take all reasonable security precautions within its system, hardware and software to prevent unauthorized or fraudulent use of Contractor/Third Party Processor's System by Authorized User, Authorized User's employees and agents, and Cardholders.
- Other than permitting Contractor/Third Party Processor to charge the Convenience Fees in accordance with the Card Services, Authorized User will not impose any surcharge or penalty on transactions made by Cardholders using the Card Services.
- If Authorized User requests a customized reporting format, Authorized User shall provide Contractor/Third Party Processor with its desired reporting format sufficiently in advance of the requested report delivery date. Customized reporting formats require Contractor/Third Party Processor's prior written approval.

Amendment 1 of Exhibit E – Fees and Costs

- Not to require, as a condition to making an Authorized User payment, that a Cardholder agree in any way to waive such Cardholder's rights to dispute the transaction with their banking institution for legitimate reasons.
- May, but shall not be required to, actively promote the Card Services to its Cardholders at Authorized User's own expense. These promotions may include publishing the relevant URL for Contractor/Third Party Processor's Website and relevant telephone number (as applicable) on all tax instruction booklets, tax preparer communications, taxpayer information publications, citations and notices, and all related marketing materials. Authorized User will obtain Contractor/Third Party Processor's consent prior to publishing any materials that reference the Card Services or Contractor/Third Party Processor.
- Shall be solely responsible, at their own expense, for acquiring, installing and maintaining all of its own equipment, software and data communication service, which is not a part of the Contractor/Third Party Processor System.
- Shall (i) collect and verify all identification information as required by law or government regulation, and (ii) make such identifying information available to Contractor/Third Party Processor if requested by a regulator, law enforcement officials, or judicial process.