

**1. ORDER OF PRECEDENCE**

In the event of any inconsistency between articles, attachments, specifications or provisions which constitute this Contract, the following order of precedence shall apply:

- a. Exhibit A: Special Terms and Conditions
- b. State of California Standard Agreement (STD 213)
- c. Exhibit C: The State's General Terms and Conditions (GTC 307 / CCC 307)
- d. Exhibit B: Budget and Payment Provisions
- e. Exhibit D: Outline of Changes to the Merchant Agreement for Discover Governmental Utility Merchant Services Agreement and Operating Regulations (05/00)
- f. Exhibit E: Merchant Agreement for Discover Governmental Utility Merchant Services Agreement and Operating Regulations (05/00)

**2. CHANGES**

The Contractor may add materials, new features to the services, or offer new electronic information services and payment technologies. Any changes in terms and conditions by the contractor for new materials, features, or electronic information systems and payment technologies must be approved by DGS in writing.

**3. SUBSCRIBERS**

The below referenced State of California departments, agencies, and political subdivisions of the State may request services from DFS Services:

- The Executive Branch
- The Legislative Branch
- The Judicial Branch
- Constitutional Officers
- California State Universities
- Community Colleges
- Political subdivisions of the State, such as city and county governments and special districts.

**4. SUBSCRIPTION AGREEMENTS**

Under the MSA, individual subscribers shall establish subscription agreements with the contractor in accordance with their specific requirements. The contractor will be able to provide solutions to the particular requirements of subscribers regarding accounting practices, information requirements associated with some payments, and recovery of cost associated with card acceptance. The subscription agreements executed between the contractor and the subscribing agency shall incorporate the MSA. Subscribing agencies are required to complete the Standard Agreement, Std. 213 Form. Local government agencies are required to complete a contractual agreement meeting the MSA, local and contractor requirements.

To better meet the specific needs of the subscribing agency, a subscription agreement may contain a particular set of terms and conditions, as mutually agreed, provided that:

- They comply with and meet all requirements of the codes and regulations of the State of California,
- There are no conflicts with the terms and conditions of the MSA.

In the event of a conflict between the MSA language and any subscription agreement, the terms and conditions of the MSA take precedence.

The initial terms of MSA 5-08-99-02 Subscription Agreement shall read as follows:

1. Contractor agrees to provide Card acceptance services to the (Subscribing Agency Name) as provided under the terms and conditions of the Master Service Agreement 5-08-99-02, its amendments, and further agency specific terms and conditions.
2. The maximum term of this Subscription shall be (start date) through June 30, 2011, unless terminated earlier or extended by the Department of General Services, per the terms of the MSA 5-08-99-02.
3. The participating State agency may terminate this Subscription Agreement at any time by giving thirty (30) days written notice to the other party, whether or not such other party is in default.
4. MSA 5-08-99-02 and its amendments are incorporated by reference and made a part of this agreement.

**5. MASTER SERVICES AGREEMENT CONTACT PERSONS**

Reports and notices required under the MSA shall be in writing and delivered to the appropriate address(es) below. Each party shall notify the other of any change in name and address.

June Sailas, Client Manager  
Discover Network  
2500 Lake Cook Road, 2-3AA  
Riverwoods, IL 60015  
Email: [junesailas@discover.com](mailto:junesailas@discover.com)  
Phone: (224) 405-5819  
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Mary Anne DeKoning, Contract Administrator  
Department of General Services  
707 Third Street, 2<sup>nd</sup> Floor  
West Sacramento, CA  
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Phone: (916) 375-4635  
Fax: (916) 375-4663

**6. NEWS RELEASES**

News releases pertaining to any award from this contract may not be made by either party without prior written approval of DGS or contractor as appropriate.

**7. ALTERNATIVE DISPUTE RESOLUTION**

In the event a dispute arises with respect to the interpretation or performance of, or the relationship created by, all or any part of this contract, the parties will attempt in good faith to resolve the dispute. If such efforts prove unsuccessful, each party agrees to consider the use of mediation, mini-trial, arbitration or other alternative dispute resolution techniques prior to resorting to litigation. If mediation, mini trial, arbitration or other alternative dispute resolution techniques are utilized by the parties, each party agrees that no award or decision resulting there from shall include punitive damages.

**8. SEVERABILITY**

If any provisions of this MSA are held by a court of competent jurisdiction to be void or unenforceable, the remainder of this MSA shall remain in full force and effect.

**9. PHASE-IN-AND PHASE-OUT SERVICES**

Prior to termination of this Agreement and/or those contracts executed directly with agencies under this Agreement, the contractor must furnish phase-out services for up to 120 working days. Additionally, the contractor must negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required.