

STANDARD AGREEMENT AMENDMENT

STD. 213 A (Rev 6/03)

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 38 Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
5-10-99-02	1
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and Contractor named below:

STATE AGENCY'S NAME
DEPARTMENT OF GENERAL SERVICES

CONTRACTOR'S NAME
Elavon, Inc (See second signature page)

2. The term of this Agreement is June 1, 2010 through May 31, 2015

3. The maximum amount of this Agreement after this amendment is: \$0 Zero dollars

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

To amend and supplement Master Services Agreement 5-10-99-02 dated June 1, 2010 (the "Agreement"). Elavon and DGS do hereby agree to include new and replace the exhibits shown below in its entirety and attach hereto and incorporate herein as follows

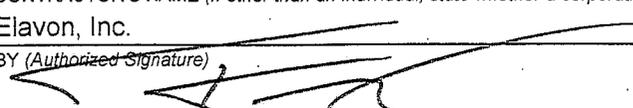
From: Elavon	To: Elavon	
Exhibit B	Amendment 1 of Exhibit B – Budget Detail and Payment Provisions	Pages 3
Exhibit D	Amendment 1 of Exhibit D – Special Terms and Conditions	Pages 8
Exhibit D - Attach I	Amendment 1 of Exhibit D – Attachment I – Elavon Authorization User Participation – Set Up Form	Pages 4
Exhibit D - Attach II	Amendment 1 of Exhibit D– Attachment II –State Signature Page	Pages 2
Exhibit D - Attach III	Amendment 1 of Exhibit D– Attachment III –Local Signature Page	Pages 3
Exhibit E	Amendment 1 of Exhibit E – Fees and Costs	Pages 3
Exhibit K	Official Payment Corporation Convenience Fee Services (new)	Pages 11
Exhibit K - Attachment I	– OPC Convenience Fee Rate Determination Worksheet (new)	Pages 2
Exhibit K - Attachment II	– OPC Annual Interchange Transaction Data Report Pages (new)	Pages 2

All other terms and conditions shall remain the same. The effective date of this amendment is the date approved and signed by the Department of General Service's Office of Legal Services.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)
Elavon, Inc.

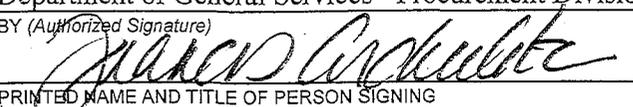
BY (Authorized Signature)  DATE SIGNED (Do not type)
7/5/11

PRINTED NAME AND TITLE OF PERSON SIGNING
Timothy I. Miller, Senior Vice President

ADDRESS
7300 Chapman Highway, Knoxville, TN 37920

STATE OF CALIFORNIA

AGENCY NAME
Department of General Services - Procurement Division

BY (Authorized Signature)  DATE SIGNED (Do not type)
7/22/11

PRINTED NAME AND TITLE OF PERSON SIGNING
Jim Butler, Deputy Director

ADDRESS
707 Third Street, 2nd Floor, West Sacramento, CA 95605

CALIFORNIA
Department of General Services
Use Only

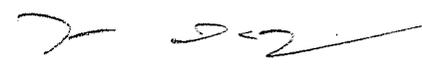


APPROVED

JUL 25 2011

DEPT OF GENERAL SERVICES

Exempt per:



IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their authorized officers, all as of the day and year first written above.

The undersigned each agree to be bound by the terms and conditions of the MSA exhibits selected and signed for below.

Exhibits A-J

Elavon

("Contractor")

Signature: 

Print Name: Timothy Miller

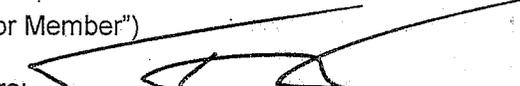
Title: SUP

Dated: 7/5/11

Exhibits A-G

U.S. Bank

("Bank or Member")

Signature: 

Print Name: Timothy Miller

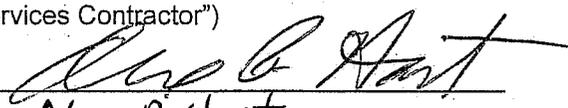
Title: SUP

Dated: 7/5/11

Exhibits A-G and K

Official Payments Corporation

("Exhibit K Services Contractor")

Signature: 

Print Name: Alex P. Hart

Title: Chief Executive Officer

Dated: 7/19/11

Exhibit A – Scope of Services

1. AGREEMENT TERM:

This Master Service Agreement (“MSA” or “Agreement”) shall be for a five (5) year term starting on the date of its execution by the State of California Department of General Services (“DGS”), as specifically noted on the attached Std 213 Standard Agreement (the “Effective Date”). DGS reserves the right to extend this Agreement for one additional two (2) year period at the same rates, terms and conditions.

2. CONTRACT MANAGEMENT:

Contractor must provide the name, address, telephone number, and e-mail address of the individual directly responsible for managing this Agreement on behalf of the Contractor to the State’s designated Contract Manager. Should the Contractor’s Contract Manager change or any of the contact information change, Contractor must provide updated information no later than ten (10) business days after the date of change to the State’s Contract Manager. Contractor is responsible for notifying all Authorized Users (as defined in Exhibit D) in writing of any changes to a contact person, address, phone numbers, or any other information deemed important to the day-to-day operation of the electronic payment acceptance program.

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
MaryAnne.Dekoning@dgs.ca.gov
916-375-4365

Should the Contract Manager for the State of California change, the State must provide written notice with the updated information no later than ten (10) business days after the change to the Contractor’s Contract Manager.

3. GENERAL OVERVIEW OF SERVICES:

Contractor shall provide electronic payment acceptance and processing services for State of California agencies, local entities such as universities and city and county government offices, as defined in Exhibit D.

Exhibit A – Scope of Services

4. MINIMUM SERVICE LEVEL AGREEMENTS:

Contractor shall provide electronic payment acceptance and processing services as follows:

a. General Service Level Agreements (All Categories)

Contractor will:

1. Allow for batch processing of transactions.
2. Initiate funding for Credit, Debit and PIN-Based Cards, E-Checks and Check Conversion transactions as follows:

Transaction Day (Charges received by 11:30 PM ^{2/} PST)	Initiate ^{1/} Funding to Authorized User's Account Via ACH
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Monday
Saturday/Sunday	Monday

^{1/} Includes Contractor's authorization to send funds from Contractor's bank to Authorized User's bank account.

^{2/} For E-Checks and Check Conversions, the transactions must be received by Contractor by 8 PM PST.

3. Contractor shall settle in gross daily and process chargebacks and adjustments by invoicing the Authorized User for compensation.
4. Provide to each Authorized User access to detailed statements and online reporting tools that provide sufficient information for each Authorized User to reconcile deposits and adjustments made to the Authorized User's designated bank account(s).
5. Provide a 24x7 Customer Support Center
6. At all times, maintain industry standard data privacy controls sufficient to meet the requirements of the applicable service category security standards and California State Privacy statutes and regulations (defined in Exhibit D, Section 5). Contractor is fully responsible for all administrative and financial obligations that arise from any security breach caused by the Contractor.
7. Annually, make Contractor's SAS-70 information available for review on Contractor's premises upon Authorized User's 30 days written notice. Authorized User's review shall take place during Contractor's normal business hours upon the signing of Contractor's confidentiality agreement. Authorized User's review does not include copying of such documents or taking of notes.

Exhibit A – Scope of Services

b. Credit & Debit Merchant Card Processing (Service Category 1)

Contractor will:

1. Process for the Authorized User, MasterCard, Visa, American Express, Discover, JCB, Debit Cards, & Purchasing Cards in accordance with the operating rules of each of the named associations and under applicable law.
2. Provide continuous service and Contractor's system shall be functional at a minimum 99 percent of the time, measured on a monthly basis. Scheduled maintenance must be approved in advance by Authorized User and occur during Authorized User's non-business hours.
3. Provide Authorization and Settlement functions on behalf of Authorized User. Authorizations must be completed in real time with response times of no more than 2-12 seconds. Response time is measured from the time Contractor receives a transaction authorization request to the time Contractor provides a transaction authorization response to Authorized User, excluding time dependent upon third parties and delays caused by failures or delays in third party's systems.
4. Deliver, at a minimum, the following standard reports:
 - i. Deposit Summary
 - ii. Transaction Reports
 - iii. Statements
 - iv. Interchange
 - v. Adjustments
 - vi. Chargebacks
 - vii. Authorizations
 - viii. Control for Duplicate Transmissions
5. Process Chargebacks, voids, cancels, returns (partial and full) and Retrievals on behalf of Authorized User. Chargebacks will be noticed to the Authorized User within 24 to 48 hours of receipt, unless the Chargeback Department can provide a response to the Chargeback without needing to obtain additional information from the Authorized User. The Contractor will provide all reasonable assistance to allow the Contractor, on the Authorized User's behalf, to protest any chargeback. Chargebacks and adjustments will be invoiced to the Authorized Users for compensation.
6. Remain Payment Card Industry (PCI) compliant at all times.

c. Electronic Check Conversion (Service Category 3)

Contractor will:

1. Provide Authorized Users with both web based and client software based paper check scanning utilities.

Exhibit A – Scope of Services

2. Allow Authorized Users to scan any check written on a checking or brokerage account domiciled at a United States financial institution including, but not limited to:
 - Consumer checks
 - Business checks
 - Travelers checks
 - Convenience checks
 - Money orders
 - Government checks
 - Cashiers checks
 - Official checks
3. Allow Authorized Users, using MICR and/or OCR scanning devices, to transmit Magnetic Ink Character Recognition (“MICR”) lines or images of the front and back of checks to a central, secure scanner controlled by the Contractor.
4. Provide the following features in the check imaging process:
 - i. Image Quality Assurance
 - ii. Control Totals
 - iii. Duplicate Check controls
5. Using a hosted decision engine, convert all checks received at the central, secure server into:
 - i. Point of Presentation/Payment (“POP”) entries permitted by the rules and regulations of the NACHA (if all items can be converted to BOC, POP is optional).
 - ii. Account Receivables Conversion (“ARC”) entries permitted by the rules and regulations of the NACHA.
 - iii. Back Office Conversion (“BOC”) entries permitted by the rules and regulations of the NACHA.
 - iv. Check 21 eligible images permitted under the rules and regulations formulated by the Federal Reserve Bank.
6. For those entries converted to POP, ARC or BOC, deliver correctly formatted and compliant Automated Clearinghouse debit files to the Authorized User’s designated bank account with member Bank.
7. For those entries converted to Check 21 images, deliver correctly formatted and compliant X9.37 image files to the Authorized User’s bank for credit to the Authorized User’s designated bank account.

Exhibit A – Scope of Services

8. Provide Authorized User with access to electronically converted check history via a web interface.
9. Provide Authorized User with daily and monthly check processing (transaction and dollars) statistics and reconciliation data.
10. Provide Authorized User with industry standard individual user enrollment and authentication procedures that include a Multi-Factor Authentication.

5. DEMONSTRATIONS AND PILOT PROGRAMS:

Contractor agrees to conduct demonstrations and pilot programs, at the request of the State and/or an Authorized User, prior to implementation of an electronic payment acceptance program during the term of the contract. Specifically, if services in Categories 2 and 3 are requested, the State will require the Contractor to provide them on a "Pilot Program" basis to State of California agencies. Contractor and requesting State Authorized User may need approval from and shall work collaboratively with the State Treasurer's Office (STO) and other State entities for successful implementation and monitoring of any Pilot Program.

6. TRAINING:

The Training site and all costs associated with the facility cost (if any) shall be provided by the Authorized User.

Food and/or refreshments shall not be provided to attendees by Contractor at any time.

Training material and equipment shall be provided by the Contractor at the Contractor's expense and shall include a link to the most recent version of the Contractor's Merchant Operating Guide (posted on the DGS website) as described below. Contractor shall ensure that sufficient material is provided to all attendees.

Contractor shall provide a Welcome Kit that includes a training guide for that location. This Welcome Kit will provide instructions for scheduling telephone training for each Authorized User. The telephone training will be provided at no additional cost. The Training Guide includes, at a minimum, but not limited to the following:

- Step by Step Instructions
- Support Services
- Quick Reference Guide

Authorized Users will have 24x7 access to Elavon's Merchant Operating Guide, which will be posted on the DGS website.

7. CUSTOMER SERVICE AND SUPPORT:

Contractor must provide contact information through the individual agreement with each Authorized User for problem resolution and inquiries. Most inquiries regarding

Exhibit A – Scope of Services

the direct reconciliation of an Authorized User's payment transactions, the transfer to the bank account or any other payment transactions involving the Contractor shall be addressed and or resolved by the Contractor within three (3) business days from the date of the original inquiry. Most other problems and inquiries will be addressed within five (5) business days from the date of the original contact. If Contractor is unable to resolve issues within the timelines stated above, Contractor will work with the Authorized User to establish mutual resolution timeframes and project timelines.

8. PROGRAM WEBSITE:

Contractor shall provide and regularly update a secure website for use by Authorized Users of this Agreement. This website shall include at a minimum, the following information:

- Link to the Contractor's standard Merchant Operating Guide.
- Links to industry related rules and regulations as described in this Agreement.
- Customer Service and Support Help desk telephone number.
- Information that provides answers to frequently asked questions.
- Link to report database (see Reporting Requirements of this Agreement)

Amendment 1 of Exhibit B – Budget Detail and Payment Provisions

1. INVOICING AND PAYMENT:

- a. All Authorized Users are required to open a deposit account at an approved State financial institution that participates in the Automated Clearing House of the Federal Reserve System (ACH) to accept electronic payments via ACH under this MSA. For California State Authorized users this deposit account must be a Zero Balance Account (ZBA).
- b. Each Authorized User must provide the Contractor with the name, bank deposit account and ABA (bank routing) numbers of the financial institution where such Authorized User's deposit account is established. Further, Authorized User must notify Contractor of any changes to its financial institution, account, or ACH information over the course of the agreement. Each Authorized User must also notify its financial institution that the Contractor has access to the designated deposit account to make payments.
- c. For State Authorized Users, Contractor does not have authority to debit any amounts from the Authorized User's deposit account. Contractor shall settle the total amount for Charges net of Chargebacks, Credits and applicable adjustments. However, Contractor shall not reduce any payment transaction for payment of the processing fees (as defined in Exhibit E - Fees and Costs). If Authorized User chooses to use a third party convenience fee provider (as provided in Exhibit K), Authorized User acknowledges that all fees will be settled to a DDA established by the third party convenience fee provider. Further, Authorized User acknowledges and agrees that Contractor shall bill the third party convenience fee provider for all fees due and owing for such convenience fee transactions by Authorized User hereunder. Notwithstanding the above, Authorized User shall be fully liable for any Contractor's fees and Third Party Fees, provided for in this Agreement.
- d. Contractor shall initiate payment to each Authorized User's designated deposit account in accordance with the schedule noted in Exhibit A, Section 4.a.2. If the payment transmittal date falls on a day that Contractor's bank is not open for processing payments, Contractor will initiate payment as soon as the Contractor's bank is open. Funds due to State Authorized Users shall never be held in Contractor's account or any other account not specifically authorized by an Authorized User. Contractor will not be responsible for any obligations, damages, or liabilities in excess of the amount of the applicable debit, credit, or adjustment to an Authorized User's deposit account in the event that the Authorized User's financial institution does not honor any such item or improperly applies it to such Authorized User's account.
- e. Each Authorized User is responsible for paying for electronic payment acceptance services provided hereunder, subject to appropriations of its controlling body, as set forth in Section 2 of Exhibit B.
- f. Each Authorized User shall provide billing information (mailing address, contact person, etc.) as part of its individual Subscription Agreement (defined in Exhibit D, Section 2) executed with Contractor.

Amendment 1 of Exhibit B – Budget Detail and Payment Provisions

- g. Invoices shall be submitted in arrears to each State Authorized User on Contractor's letterhead within 15 days of the end of each month and in accordance with the Prompt Payment Act. The invoice shall include:
- The MSA number.
 - Authorized User Name.
 - Authorized User Merchant Number.
 - Time period covered.
 - Work completed for the period shall be identified (detailed statement of services rendered) as specified in the individual Authorized User's Subscription Agreement.
 - Contact information for billing comments or inquiries such as a telephone number, fax number, and address.
- h. Upon receipt of invoices and subsequent approval by the Authorized User's designated representative(s), the Authorized User will pay the Contractor for fees and costs as specified in Exhibit E. Contractor must NOT charge processing fees that are higher than or any additional fees other than those specified, which cover all services provided by this MSA including electronic payment acceptance services, user guides, reports, and customer service.
- i. State Authorized Users will promptly process the invoice and pay Contractor, or cause the State Controller to pay Contractor, for the amount due.
- j. Each Local Authorized User will promptly process the invoice and pay by either: (i) Contractor debiting such Local Authorized User's designated debit (payment) account, with the Local Authorized User's prior approval, or (ii) initiating ACH payment to the Contractor's demand deposit account.
- k. Contractor shall indicate Chargebacks and adjustments (including Credits) to Authorized Users in statements and reports as required pursuant to Section 4.b.4 of Exhibit A.
- l. The State does not accept liability of Local Authorized Users (cities, counties, local governments, political subdivisions etc.).

2. BUDGET CONTINGENCY CLAUSE:

- a. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under the Authorized User's Subscription Agreement does not appropriate sufficient funds for the program contemplated thereunder, the Authorized User's Subscription Agreement shall be of no further force and effect after the Authorized User provides written notice to Contractor. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other consideration under the Subscription Agreement.
- b. For State Authorized Users, if funding for any fiscal year is reduced or deleted by the Budget Act for purposes of the Authorized User's programs, the Authorized Users shall have the option to either (i) cancel Authorized User's Subscription

Amendment 1 of Exhibit B – Budget Detail and Payment Provisions

Agreement with no liability occurring to the State by providing Contractor immediate written notice or (ii) offer an agreement amendment to Contractor to reflect the reduced amount.

- c. In the event an Authorized User's Subscription Agreement is terminated pursuant to this Section 2, such Authorized User shall be responsible for payment of all amounts owed to Contractor related to transactions processed up until the effective date of termination.

3. REPORTING REQUIREMENTS:

Contractor shall maintain an accounting system using generally accepted accounting principles that will provide information for reports to the State and Authorized Users. Some of the reporting requirements include, but are not limited to, providing the DGS Contract Manager with usage and fiscal activities documentation on a quarterly basis. This quarterly activity report (See Exhibit B Attachment I) will summarize the Contractor's MSA contract activity by payment category for each Authorized User and will contain the following information:

- Authorized User Name (department, agency, etc.)
- Authorized User's Merchant Number
- Dollar Volume by card type (*Amex, Discover, Visa, MC, Debit*) and/or payment solution
- Number of transactions by card type and/or payment solution
- Average Ticket by card type and/or payment solution
- Fees paid by payment solution and type (interchange, processor, convenience fees, other)

The contractor to send reports electronically using Email and Microsoft Excel or compatible. Send to MaryAnne.DeKoning@dgs.ca.gov and Masters@dgs.ca.gov

Contractor shall provide equipment and software reporting information upon request.

4. PROMPT PAYMENT CLAUSE:

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

5. CONTRACTOR OVERPAYMENTS:

If the Authorized User determines that an overpayment has been made to the Contractor, the Authorized User will seek recovery immediately upon discovery of the overpayment by: (a) calling the contractor service center to request a refund of the overpayment amount; or (b) offsetting subsequent Contractor payments by the amount of the overpayment if Contractor repayment is not received within thirty (30) days from the date of notice. If Contractor discovers they have received an overpayment, contractor must notify the Authorized user and refund the overpayment immediately.

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**Exhibit C – General Terms and Conditions
(GTC 307 As Modified)**

1. APPROVAL:

This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.

2. AMENDMENT:

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. ASSIGNMENT:

Unless otherwise provided in this Agreement, this Agreement is not assignable by the other party, either in whole or in part, without the consent of the other party in the form of a formal written amendment, provided, however, Contractor can assign any or all of its rights or delegate any or all of its obligations to an affiliate or an entity acquiring all or substantially all of the assets of Contractor.

4. AUDIT:

Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the Agreement, at the State's own expense, provided that the state gives contractor advance written notice of the audit, which will be subject to Elavon's security procedures (including appropriate identification of the State's designated representatives, escorted access, and other policies as mandated by applicable laws and Payment Network Regulations). Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. To the extent any waivers of confidentiality are required with respect to any such audit, the entity conducting the audit shall obtain such waivers at its sole expense. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract solely related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

**Exhibit C – General Terms and Conditions
(GTC 307 As Modified)**

5. INDEMNIFICATION:

Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any third party claims arising out of or in connection with Contractor's (its affiliates, employees, agents or representatives) (i) gross negligence or willful misconduct; (ii) breach of this Agreement; or (iii) actual infringement of any patent, copyright, trademark, service mark, trade secret or other proprietary right of a third party by the Contractor System or services, except to the extent such claim is caused by, relates to or arises out of (a) State's failure to use the Contractor System or services as permitted under this Agreement; or (b) State's use, assembly, configuration, operation, or combination of all or any part of the Contractor System, the services, or any element, step, component, process, system, or portion of the Contractor System or the services with all or any part of other software, equipment, services, processes, elements, steps, components, or systems not provided by Contractor. Contractor will not indemnify State for claims arising from any errors or omissions in any or non-compliance of information, scripts, recipient lists, data or instructions State provides to Contractor for use in connection with the Contractor System or services. For purposes of this paragraph the term State includes Authorized User.

6. DISPUTES:

Contractor and the State shall continue with the responsibilities under this Agreement during any dispute.

7. TERMINATION FOR CAUSE: (Stricken in its entirety—See Exhibit D.11)

8. INDEPENDENT CONTRACTOR:

Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: (Stricken in its entirety)

10. NON-DISCRIMINATION CLAUSE:

During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin,

**Exhibit C – General Terms and Conditions
(GTC 307 As Modified)**

physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all prospective subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES:

The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS:

Time is of the essence in this Agreement.

13. COMPENSATION:

The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW:

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS:

**Exhibit C – General Terms and Conditions
(GTC 307 As Modified)**

The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

- a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1). "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2). "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
- b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
- c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
- d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT:

"For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

**Exhibit C – General Terms and Conditions
(GTC 307 As Modified)**

- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."

17. UNENFORCEABLE PROVISION:

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18 PRIORITY HIRING CONSIDERATIONS:

If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

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CCC-307 (As Modified)

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i> ELAVON, INC.		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i> 		
<i>Printed Name and Title of Person Signing</i> TIMOTHY J. MILLER, SENIOR VICE PRESIDENT		
<i>Date Executed</i> 9/27/12	<i>Executed in the County of</i> KNOX, TN	

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

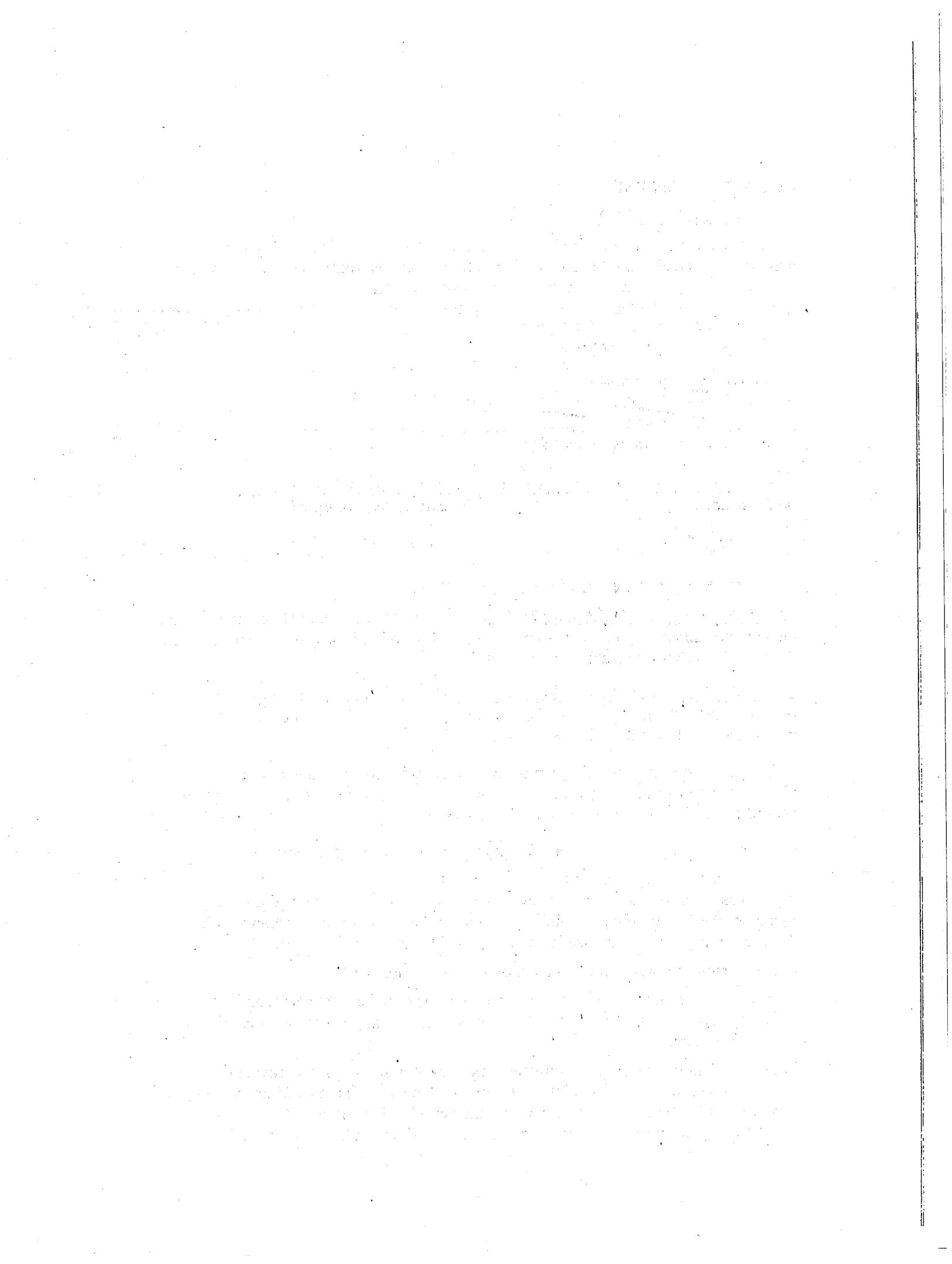
b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the



1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: (Stricken in its entirety)

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

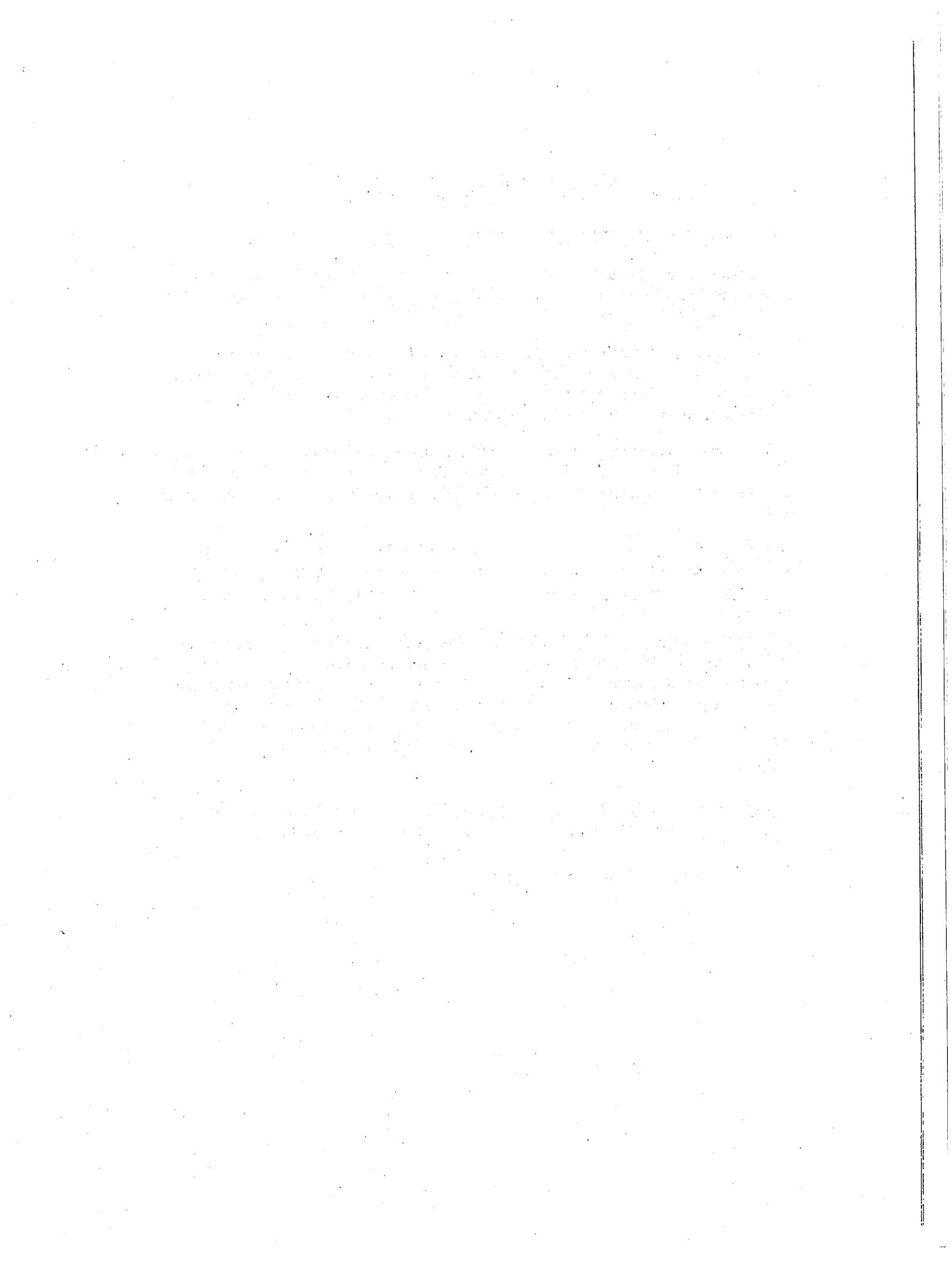
c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

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Amendment 1 of Exhibit D – Special Terms and Conditions

1. AUTHORIZED USERS:

- a. 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"). State and Local entities are further defined in Section 1.b below.
- b. Pursuant to Government Code §11000, State of California government entities include every state office, officer, department, division, bureau, board, and commission. Pursuant to Public Contract Code §10298, and for purposes of this agreement, a Local government entity is any city, county, district, or other local governmental body or corporation empowered to expend public funds for the acquisition of goods, information technology, or services. Further, for purposes of this agreement, reference to Local government entities will also include the California State Universities (CSU) and University of California (UC) systems, school districts and community colleges.
- c. This Master Services Agreement (MSA) is designated as mandatory for State of California government entities that seek to acquire credit card payment acceptance services. Each entity is required to adhere to Department of General Services (DGS) contract and procurement policy and procedures. See the following link for the State of California Agency List (exclude any local government agencies described above): <http://www.ca.gov/About/Government/agencyindex.html>
- d. Local government use of this MSA is optional. Local government entities may execute a contract under this MSA using (i) the standard form Std. 213 or appropriate equivalent contract form, and (ii) Selected Services Signature Page, Exhibit D Attachment III. Upon execution of the contract form they shall become Authorized Users and the provision of services by the Contractor to such Authorized Users will be governed by the terms of this MSA.
- e. However, the Contractor has authorization to negotiate with Local Authorized Users the specific provisions cited below.
 - Invoicing and Payment Provisions (Exhibit B, Section 1.a-c):
 - Reporting Requirements (Exhibit B, Section 3)
 - Governing Law, Jurisdiction (Exhibit C, Section 14)
 - Local Authorized User's additional specific terms and conditions (noted in Exhibit D, Section 2)
 - Elavon's Standard Proposed Local Negotiation Language for Local Authorized Users (Appendix 1)
 - Convenience and Service Fees (Exhibit E Section 4a. last paragraph - referring only to Local Authorized User)

2. AUTHORIZATION TO RENDER SERVICES:

Unless otherwise provided in this Agreement, Contractor may not decline a State of California government entity's or a local government entity's request to utilize

Amendment 1 of Exhibit D – Special Terms and Conditions

services offered under this Agreement unless Authorized User is unable to meet all applicable system requirements, PCI compliance, product certification, or compliance with Association Rules.

Prior to rendering services, Contractor and a State of California government entity or a local government entity (as applicable) must execute a separate subscription agreement that incorporates all of the terms of this MSA by reference and may contain additional agency specific terms and conditions, none of which may alter, rescind, or be in conflict with the terms and conditions of this MSA. The duly executed Std. 213, or the appropriate equivalent contract form for Local Authorized Users, in combination with the Selected Services Signature Page, Exhibit D Attachment II are herein referred to as the "Subscription Agreement".

The Subscription Agreement shall describe the particular requirements of the Authorized User, usually reflected in detailed scope of work and payment provisions. State Authorized User's Subscription Agreements shall be processed in accordance with State contracting laws, policy, and procedures. The duly executed Std. 213, or the appropriate equivalent contract form for Local Authorized Users, in combination with the Selected Services Signature Page, Exhibit D Attachment II (State Authorized Users) or Attachment III (Local Authorized Users) are herein referred to as the "Subscription Agreement".

3. ENTIRE AGREEMENT & AMENDMENTS:

This MSA Agreement includes the Std 213 form, Exhibits A-K and its attachments; documents incorporated by reference, and mutually approved amendments. This MSA constitutes and contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior oral or written agreements. Each party acknowledges and agrees that the other has not made any representations, warranties or agreements of any kind or nature, except as expressly set forth herein. This Agreement may not be modified or amended, including by custom, usage of trade, or course of dealing, except by an instrument in writing signed by duly authorized officers of both parties hereto.

4. ORDER OF PRECEDENCE:

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

- a. All federal, state, local laws and regulations
- b. Exhibit C Terms & Conditions
- c. Exhibit A Scope of Services
- d. Exhibit B Budget and Payment Provisions

Amendment 1 of Exhibit D – Special Terms and Conditions

- e. Exhibit D Special Terms & Conditions
- f. State of California MSA Standard Agreement (STD 213)
- g. Exhibit E Fees and Costs
- h. Exhibit F Equipment
- i. Exhibit G Agreement For Merchant Processing Services
- j. Exhibit H-K (as applicable)
- k. Association Rules.

5. SECURITY, PRIVACY, DISCLOSURE, & HIPAA COMPLIANCE:

The parties acknowledge that this Agreement is subject to the California Public Records Act (Govt. Code section 6250 et seq.), California Government Code sections 6164 and 11019.9; and California Civil Code Section 1798 et seq; and the applicable provisions of the Health Insurance Portability and Accountability Act of 1996 (Code of Federal Regulations (CFR), Title 45, Sections 164.501 et seq. and HIPAA requirements posted on the California Office of HIPAA Implementation (CalOHI) webpage at: <http://www.hipaa.com/legislation/45CFR-164.501.html>.

Authorized Users agree not to disclose Cardholder account numbers and/or Card Identification Numbers ("CIDs") unless required by law or other legal process, or for internal State purposes.

Contractor agrees it will not use the names, addresses, and any other personally identifying information of State, city, county, school, or other public employees for any purpose not directly related to this Agreement.

6. REGULATORY AUTHORITIES (Industry Related Rules and Regulations):

Contractor warrants and certifies that prior to, and in the performance of this Agreement, it will acquire, maintain, and remain in compliance with all mandatory regulatory approvals with respect to its performance under this Agreement required by any applicable governmental agency having jurisdiction over Contractor. If such regulatory approvals are not obtained by Contractor prior to the performance of this Agreement, this Agreement shall be of no force or effect.

7. LICENSES AND PERMITS:

Contractor shall be responsible for obtaining and maintaining at its expense all applicable licenses, registrations, permits, and certifications applicable to its performance under this Agreement during the entire term of this Agreement required

Amendment 1 of Exhibit D – Special Terms and Conditions

by federal law, the State of California, and local jurisdictions in California.

8. INSURANCE & BONDING:

Contractor agrees that the liability insurance herein provided for and employee fidelity bond insurance policies covering all employees engaged in the performance of this Agreement shall be in effect at all times during the term of this Agreement. If insurance or bonding coverage expires at any time during the term of this Agreement and those Subscription Agreements executed directly with the Authorized Users, Contractor agrees to provide to the Authorized Users, upon expiration of coverage, a new certificate of insurance evidencing the renewal of such insurance coverage as provided for herein. New certificates of insurance are subject to the approval of the Department of General Services, such approval not to be unreasonably withheld.

The Contractor agrees to maintain commercial general liability, and employee fidelity bond insurance policies of not less than \$1,000,000 per occurrence and \$3,000,000 in aggregate and worker's compensation insurance in accordance with applicable statutory requirements.

Upon request, the Contractor shall furnish to the State and/or Authorized Users certificates of insurance stating each type and amount of insurance, as set forth above, is presently in effect for Contractor.

9. SUBCONTRACTORS:

Each party (Contractor or Authorized User) is responsible, without recourse to the other party, for the settlement and satisfaction of its own contractual and administrative obligations arising out of each party's respective subcontracts to render (in the case of Contractor) or receive (in the case of Authorized Users) the services outlined in this Agreement.

The State and Authorized User acknowledge that for purposes of Exhibit K, "Contractor" refers to Official Payments Corporation for all aspects of transaction processing except the provision of settlement services, for which "Contractor" refers to Elavon, Inc. In performing Exhibit K services, Official Payments Corporation is not acting as a subcontractor of Elavon, Inc.

10. SEVERABILITY:

To be effective, the waiver by either party of a breach of any provision contained herein shall be in writing and shall in no way be construed as a waiver of any subsequent breach of such provision or the waiver of the provision itself. If any provision of this Agreement shall be held illegal, invalid or unenforceable, that

Amendment 1 of Exhibit D – Special Terms and Conditions

provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect.

11. TERMINATION (By State or Authorized User, Contractor Termination Provisions in Other Exhibits):

- a. The State may terminate the MSA and any Authorized User may terminate its respective Subscription Agreement for cause upon a reasonable and good faith determination that the Contractor failed to perform the material requirements of this Agreement at the time and in the manner herein provided.

In addition to the termination rights specified in the preceding paragraph, in the event of a breach, the State or Authorized User may elect to send the Contractor a notice specifying the breach and providing the Contractor 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, the State or Authorized User has the right to terminate the Agreement by notice to the Contractor.

However, Authorized Users will provide a Cure Period, rather than immediate termination, if a breach involves meeting a service level agreement identified in Exhibit A section 4.b-c. Nonetheless, the State and Authorized Users reserve the right to terminate for cause without providing additional Cure Periods if a service level issue for which a Cure Period has previously been provided recurs.

- b. The State may terminate the MSA without cause upon sixty (60) days advance written notice to the Contractor. Authorized Users may terminate their respective Subscription Agreements without cause upon thirty (30) days advance written notice to the contractor. In the event of a termination without cause, Contractor shall not be responsible for any costs to the State or an Authorized User associated with such termination and any sum due the Contractor under this Agreement (which sum due to the Contractor shall include, but not be limited to, the fees as set forth in this Agreement for Charges up to the date of a termination for which Authorized User receives payment from Contractor) shall be paid to the Contractor within thirty (30) days of termination, excluding any Chargebacks, fees, fines or penalties owed by the State or Authorized User that are presented after termination, which shall be paid within thirty (30) days of presentment.
- c. After receipt of a notice of termination by the State or an Authorized User, and except as otherwise directed by the State or Authorized User, Contractor shall:
 - (i) Stop work as specified in the notice of termination.
 - (ii) Place no further subcontracts for materials, services, or facilities, except as necessary to complete the continuing portion of the Agreement.
 - (iii) Terminate all subcontracts to the extent they relate to the work terminated.

Amendment 1 of Exhibit D – Special Terms and Conditions

- (iv) After receipt of a notice of termination and prior to the contract termination effective date, Contractor agrees to diligently proceed without interruption in the performance of this Agreement. Contractor's failure to diligently proceed in accordance with this Agreement shall be considered a material breach of this Agreement.

12. PHASE IN & PHASE OUT TRANSITION SERVICES:

Prior to the end of this Agreement's contract term, or if this Agreement is terminated by the State, Contractor agrees to reasonably assist in transitioning the services provided under this Agreement within a period of time, not to exceed one hundred eighty (180) day calendar period. Contractor shall cooperate with any new contractor(s) and State staff in effectuating an orderly transition.

13. 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 Agreement, the parties will attempt in good faith to resolve the dispute.

14. FINANCIAL AND OTHER INFORMATION

Authorized User must provide to Contractor promptly, upon request, information about Authorized User's finances and operations. However, with respect to State Authorized Users, the posting of such financial information at the <http://www.ebudget.ca.gov> website (or any successor website thereto) shall be deemed to fulfill this requirement.

15. WARRANTIES; EXCLUSION OF CONSEQUENTIAL DAMAGES; LIMITATION ON LIABILITY

15.1 Disclaimer of Warranties. THIS MSA AND ANY AMENDMENTS IS AN AGREEMENT FOR SERVICES AND EXCEPT AS EXPRESSLY PROVIDED IN THIS MSA AND ANY AMENDMENTS, CONTRACTOR AND ITS AFFILIATES DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO AUTHORIZED USER OR ANY OTHER PERSON, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE 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 AGREEMENT.

15.2 Exclusion of Consequential Damages. NOTWITHSTANDING ANYTHING IN THIS MSA AND ANY AMENDMENTS TO THE CONTRARY, IN NO EVENT

Amendment 1 of Exhibit D – Special Terms and Conditions

SHALL EITHER PARTY OR ITS AFFILIATES BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, OR OTHER LEGAL THEORY FOR LOST PROFITS, LOST REVENUES, LOST BUSINESS OPPORTUNITIES, SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT 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.

16. NOTICES:

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if delivered (a) personally, (b) via facsimile, electronic mail or overnight express service or (c) by certified or registered mail, postage prepaid, return receipt requested, in each case, to the addresses, facsimile numbers and/or electronic mail addresses set forth below. The parties hereto may change their street addresses, facsimile numbers and electronic mail addresses for purposes of this Agreement by notifying the other party in the manner specified in this section.

The notice address for Elavon shall be: 7200 Chapman Highway, Knoxville, TN, 37920, Attention: Tim Miller Senior Vice President Operations, with a copy to Attention: General Counsel's Office at One Concourse Parkway, Suite 300, Atlanta, GA 30328,

The notice address for Bank shall be: Attn: President, U.S. Bank, N.A., U.S. Bancorp Center, 500 Nicollet Mall, Minneapolis, MN 55402, with a copy to Attn: General Counsel at the same address.

Notwithstanding the foregoing, in the event notice is given for termination or Cure Periods as provided in this Agreement, then such notice may not be given via electronic mail.

17. PROPRIETARY RIGHTS AND PERMITTED USES

- a. Neither party may issue any press release about this Agreement or the State without the other party's prior written consent.
- b. An Authorized User may use and display the Associations' marks, and shall display such Marks in accordance with the standards for use established by the Associations. The Authorized User's right to use all such Marks will terminate upon termination of the Agreement or upon notice by an Association to discontinue such use, and the Authorized User must thereafter promptly return any materials displaying the Marks. The Authorized User's use of promotional materials provided by the Associations will not indicate, directly or indirectly, that such Associations

Amendment 1 of Exhibit D – Special Terms and Conditions

endorse any goods or services other than their own and the Authorized User may not refer to any Associations in stating eligibility for its products or services.

- c. Neither the State nor any Authorized User has any interest whatsoever, including, without limitation, copyright interests, franchise interests, license interests, patent rights, property rights, or other interest in any services, software, or hardware provided by Contractor, unless specifically agreed to in a separate license or use agreement between the parties. Nothing in the Agreement shall be construed as granting the State or any Authorized User any patent rights or patent license in any patent which Contractor may obtain with respect to Contractor's services, software, or equipment. The State and Authorized Users will make no attempt to duplicate or otherwise ascertain the components, circuit diagrams, logic diagrams, flow charts, source and object code, schematics or operation of, or otherwise attempt to reverse engineer any of Contractor's services, equipment, or software.

18. INTERPRETATION

In construing this Agreement, unless the context requires otherwise: (i) the singular includes the plural and vice versa; (ii) the term "or" is not exclusive; (iii) the term "including" means "including, but not limited to;" (iv) the term "day" means "calendar day"; (v) any reference to any agreement (including this Agreement), instrument, contract, policy, procedure, or other document refers to it as amended, supplemented, modified, suspended, replaced, restated, or novated from time to time; and (vi) all captions, headings, and similar terms are for reference only. Capitalized terms used in this Agreement and not defined in the same Exhibit may be defined in other Exhibits hereto or in the Operating Procedures, as applicable.

Elavon / U.S. Bank / OPC Authorized User Participation - Set Up Form

Selected Services

Merchant Selected Services

- MSA Category 1 - Credit and Debit Card Processing
- MSA Category 3 - Electronic Check Conversion Services
- Elavon' Convenience Fee Program
- Elavon's Enterprise Billing Solution Services

Example

Location 1

Location 2

Agency/Department Name

Reference Name

Department of General Svcs.

Location (DBA) Business Information

Location Name (DBA) (would reflect on your client statement):

"DGS Field Office 6652"

Authorized Contact

Lindsey White

Street Address 1 (Do not use P.O. Boxes)

123 Main Street

Street Address 2 (Do not use P.O. Boxes)

Suite 1234

City

San Rafael

State

CA

Zip

94903

Telephone

415-555-1234

Cell Phone

415-666-1234

Fax

415-555-4321

Customer Service Telephone

E-mail Address

lindsey.white@dgs.ca.gov

Website Address

www.testaccount.com

Customer Service Website Address

www.customerservice.com

Type of Business

Government, Education

Government

Fed Tax ID - if not on file, please provide MPA or Schedule B when submitting request

12-3456789

Headquarter Information

Headquarter Merchant Name

Department of General Svcs.

Headquarter Authorized Signer

Lindsey White

Headquarter Street Address 1

456 Example Street

Headquarter Street Address 2

Headquarter City

Example City

Headquarter State

CA

Headquarter Zip

94621

Headquarter Telephone

555-666-6547

Headquarter Cell Phone

Headquarter Fax

555-555-6545

Billing/Shipping Information (List which address it needs to go to, e.g. Headquarter, DBA, or Special)

Mail Statements to - Headquarter or DBA

Corp

Shipping - Headquarter or DBA

ZBA

Retrievals - Headquarter or DBA

Headquarter

Chargebacks - Headquarter or DBA

Headquarter

Copy Request - Headquarter or DBA

Headquarter

AUTO FAX number if set up to fax chargebacks

555-555-6545

Payment Method

State Authorized Users - Must be Invoiced

Locals Authorized Users Only - Select Preferred Method

Direct Debit

Monthly Net Settlement

Invoiced

Bank Account Information - NOTE: ALL ACCOUNTS MUST BE CHECKING ACCOUNTS

Deposit Account

Deposit Settlement Name (List ZBA or Legal)

Example Location

ABA/Routing #

1234567

Account #

123456782

Bank Name

Union Bank of CA

Bank Address

1234 Bank Way

City

Bank City

State

CA

Zip

99970

Bank Telephone

999-555-9874

Billing Account (LOCAL AUTHORIZED USERS ONLY)

Note: Billing and Chargeback sections do not have to be completed if same as Deposit Account. Please put DEPOSIT in Deposit Settlement Name section

Deposit Settlement Name (List DBA or Legal)

ABA/Routing #

Account #

Bank Name

Bank Address

City

State

Zip

Bank Telephone

Chargeback Account (LOCAL AUTHORIZED USERS ONLY)

Deposit Settlement Name (List DBA or Legal)

ABA/Routing #

Account #

Bank Name

Bank Address

City

State

Zip

Bank Telephone

Authorized User Information

Payment Method

Bank Account Information

Elavon / U.S. Bank / OPC Authorized User Participation - Set Up Form	Example	Location 1	Location 2
Card Acceptance Information			
Select Cards to Accept	Visa MC AMEX DISC <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Visa MC AMEX DISC <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Visa MC AMEX DISC <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Credit Cards (Visa, MasterCard, American Express, Discover)			
Debit Cards - Signature, Pin-Based, Pin less (Internet Only) Check all that apply	Government 0% 50% 100%		
Description of products or services offered			
Percent Card Present (Swiped)	0%		
Percent Card Not Present (Key Entered)	50%		
Mall Order	0%		
Telephone Order	100%		
Internet	100%		
Total Percentage (Must equal 100%)	100%		
Do you accept orders by Mail/Telephone? (If yes, put applicable percentage)	100%		
Do you accept orders by Internet? (If yes, put applicable percentage) - Internet accounts should be 100% Internet	no		
If Internet processing, list WEBSITE/URL			
Yearly Volume	\$ 12,000,000.00		
Monthly Volume	\$ 1,000,000.00		
Average Ticket	\$ 1,000.00		
Largest Ticket			
# of Transactions per Month	1,000		
Percentage of ACH payments			
Percentage of Credit Card payments			
T&E Card Information			
Amex SE#			
Discover SE#			
Electronic Check Service (ECS) Information. Requires: POS with Image			
Select Specific Service	POP ARC BOC	POP ARC BOC	POP ARC BOC
Point of Sale, Accounts Receivable Conversion, Back Office Conversion	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Conversion only	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conversion w/ Verification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conversion w/ Guarantee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience and Service Fee (Select 1, 2, or 3)			
1. Convenience Fee Program (Local Authorized Users Only)			
Elavon or Merchant Managed Program	Elavon Merchant	Elavon Merchant	Elavon Merchant
Credit Cards (Visa, MasterCard, American Express, Discover)	Visa MC AMEX DISC <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Visa MC AMEX DISC <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Visa MC AMEX DISC <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Debit Cards - Signature, Pin-Based, Pin less (Internet Bill Pay Only) Check all that apply	Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ACH - (Verification, Conversion Only) - Using Enterprise Billing Solution	Verification Conversion <input type="checkbox"/> <input type="checkbox"/>	Verification Conversion <input type="checkbox"/> <input type="checkbox"/>	Verification Conversion <input type="checkbox"/> <input type="checkbox"/>
Elavon Product Supporting Program (Enterprise Billing Solutions or Convenience Fee Terminal) NOTE: Convenience Fee Terminal does not support Visa	EBS Terminal <input type="checkbox"/> <input type="checkbox"/>	EBS Terminal <input type="checkbox"/> <input type="checkbox"/>	EBS Terminal <input type="checkbox"/> <input type="checkbox"/>
Mutually Agreed Upon Convenience Fees: Rate (\$ or %): _____ Visa Consumer Debit (tax only) \$ _____ ACH Processing (via Electronic Check Services) \$ _____ Minimum Annual Fees (if applicable) \$ _____ Implementation Fee \$ _____ Customer Authentication Record Research Fee \$ _____			
2. Service Fee Program (State and Local Users)			
Government/Public Institution Service Fee "GPSIF" Program			
Elavon Managed Program (State and Local Authorized Users)	Elavon Merchant	Elavon Merchant	Elavon Merchant
Merchant Managed Program (Local Authorized Users Only)	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
MasterCard - Education and Government Merchants (Only for MCCs 8211, 8220, 9211, 9311, and 9399) (No Visa)	Fee Rate (\$ or %): _____	Fee Rate (\$ or %): _____	Fee Rate (\$ or %): _____
Visa Payment Program (Only for MCC 8220, 9222, 9211, 9399) - (Allows for MC/Amex/Discover governed by Visa Rules)	Debit Fee \$: _____ CC: Fee \$: _____	Debit Fee \$: _____ CC: Fee \$: _____	Debit Fee \$: _____ CC: Fee \$: _____
Visa Tax Payment Program (Only for MCC 9311)	Debit Fee \$: _____ CC: Fee %: _____	Debit Fee \$: _____ CC: Fee %: _____	Debit Fee \$: _____ CC: Fee %: _____
Credit Cards (Visa, MasterCard, American Express, Discover)	Visa MC AMEX DISC <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	Visa MC AMEX DISC <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Visa MC AMEX DISC <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Debit Cards - Signature, Pin-Based, Pin less (Internet Bill Pay Only) Check all that apply	Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Sign Pin Pin-less <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Elavon Product Supporting GPSIF (Enterprise Billing Solutions or Service Fee Terminal)	EBS Terminal <input checked="" type="checkbox"/> <input type="checkbox"/>	EBS Terminal <input type="checkbox"/> <input type="checkbox"/>	EBS Terminal <input type="checkbox"/> <input type="checkbox"/>
3. Third Party Convenience Fee Provider (State and Local Users)			
(List Provider's Name)	OPC	(Name)	(Name)
Convenience Fee Collection:	WEB IVR Both <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	WEB IVR Both <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	WEB IVR Both <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Merchant Services

Additional Services

Elavon / U.S. Bank / OPC Authorized User Participation - Set Up Form

MasterCard - Education and Government Merchants
(Only for MCCs 8211, 8220, 9211, 9311, and 9399) (No Visa)

Visa Payment Program (Only for MCC 8220, 9222, 9211, 9399)-
(Allows for MC/Amex/Discover Processing governed by Visa Rules)

Visa Tax Payment Program (Only for MCC 9311)

Credit Cards (Visa, MasterCard, American Express, Discover)

Debit Cards - Signature, Pin-Based, Pin less (Internet Bill Pay Only)
Check all that apply

Enterprise Billing Solution (EBS) Choices

Consumer Single Payments (Web Un-Enrolled, Web Enrolled, IVR)

CSR Initiated Single Payments via Admin application (Un-Enrolled, Web Enrolled)

Consumer Billing Data and Customer Authentication:
Real-Time Secure Hand off (Consumer Web)
Batch file (Required for enrollment payments, IVR, and CSR payments,
optional for Consumer web un-enrolled payments)

Consumer Payment Data (Remittance Data)
(real-time post back, downloaded report, standard A/R file format, customer A/R file
format)

Miscellaneous

Phone System Information
Dialing Access Number (e.g. 0, 9, 1, etc.)
What type of line do you have? (Choose: Dedicated line (preferred), Tone, Pulse (Rotary), Shared Line
with Fax, Switchboard)

Training
Will training be necessary? (yes/no)
Training Contact Name
Training Contact Telephone

Equipment Information

Equipment/Product Descrip. (1) (if applicable)
Quantity
Ownership (please choose: Merchant Owns, Lease, Rental, Exchange, Purchase)
Additional Notes - If software list name of software
OS (Windows XP, 2000, Linux, etc.)

Equipment/Product Descrip. (2) (if applicable)
Quantity
Ownership (please choose: Merchant Owns, Lease, Rental, Exchange, Purchase)
Additional Note - Please list OS (Windows XP, 2000, 98, etc.)

Equipment/Product Descrip. (3) (if applicable)
Quantity
Ownership (please choose: Merchant Owns, Lease, Rental, Exchange, Purchase)
Additional Note - Please list OS (Windows XP, 2000, 98, etc.)

Equipment/Product Descrip. (4) (if applicable)
Quantity
Ownership (please choose: Merchant Owns, Lease, Rental, Exchange, Purchase)
Additional Note - Please list OS (Windows XP, 2000, 98, etc.)

Special Instructions/Notes

State and Local Authorized User's Designated Signer (required)

Signature:
Print Name:
Title:
Dated:

FOR CONTRACTOR USE ONLY

MCC/SIC Code
Pricing Program Number
Auth Program Number
CG & Chain Number
Parent Entity
Rep Code if needed
Network to be used
Rate Type (Tiered, Fixed, Surcharge, Association, Bank Defined)
ICA Rates if ICA
Tiered, Fixed, Surcharge Rates
Qual

Example

Fee Rate: %
\$

Debit Fee \$:
CC: Fee \$:

Debit Fee \$:
CC: Fee %:

Visa MC AMEX DISC
Sign Pin Pin-less

WEB-U WEB-E IVR
Un-Enrolled Enrolled
Real-Time Batch

Real-time Down Std Cust

9
Switchboard
yes
Lindsey White
1-800-725-1111 x1111

Terminal or Software Type
1
Purchase
Need license for 50 users
Windows 98
Terminal or Software Type
10
Merchant Owns

Location 1

Fee Rate: %
\$

Debit Fee \$:
CC: Fee \$:

Debit Fee \$:
CC: Fee %:

Visa MC AMEX DISC
Sign Pin Pin-less

WEB-U WEB-E IVR
Un-Enrolled Enrolled
Real-Time Batch

Real-time Down Std Cust

Location 2

Fee Rate: %
\$

Debit Fee \$:
CC: Fee \$:

Debit Fee \$:
CC: Fee %:

Visa MC AMEX DISC
Sign Pin Pin-less

WEB-U WEB-E IVR
Un-Enrolled Enrolled
Real-Time Batch

Real-time Down Std Cust

Additional User (Continued)

Equipment / Software (if applicable)

Elavon / U.S. Bank / OPC Authorized User Participation - Set Up Form	Example	Location 1	Location 2
Rewards			
Partial			
CommNQ			
Non Qual			
Standard			
Chargeback Fee (waived for this contract)			
Statement Fee (waived for this contract)			
Minimum Bill Fee			
T&E Auth Fees (pursuant to Exhibit E - Attachment I)			
Visa/MC Auth Fees (pursuant to Exhibit E - Attachment I)			
EXISTING MID TO USE AS EXAMPLE			
Elavon's Managed Convenience Fee Program Specifications			

Amendment 1 of Exhibit D Attachment II
Selected Services Signature Page
(State Authorized Users Only)

Exhibits A - G and I (Elavon Convenience Fee Services)

("Authorized User")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Elavon _____
("Contractor")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Exhibits A - J (Enterprise Billing Solutions)

("Authorized User")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Elavon _____
("Contractor")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Exhibits A - G and K (Official Payments Corporation Convenience Fee Services)

("Authorized User")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Official Payments Corporation _____
("Exhibit K Services Contractor")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Elavon _____
("Primary MSA Contractor")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Amendment 1 of Exhibit D Attachment II
Selected Services Signature Page
(State Authorized Users Only)

The undersigned each agree to be bound by the terms and conditions of the **MSA 5-10-99-02** exhibits selected and signed for below. These selected exhibits are by this reference made part of this Subscription Agreement.

Exhibits A - G (Merchant Services)(Category 1)

_____	<u>Elavon</u> _____
("Authorized User")	("Contractor")
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Dated: _____	Dated: _____
	<u>U.S. Bank</u> _____
	(Bank)
	Signature: _____
	Print Name: _____
	Title: _____
	Dated: _____

Exhibits A - H (Electronic Check Services) (Category 3)

_____	<u>Elavon</u> _____
("Authorized User")	("Contractor")
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Dated: _____	Dated: _____
	<u>U.S. Bank</u> _____
	(Bank)
	Signature: _____
	Print Name: _____
	Title: _____
	Dated: _____

**Amendment 1 of Exhibit D Attachment III
Selected Services Signature Page**

(Local Authorized Users Only)

The undersigned each agree to be bound by the terms and conditions of the **MSA 5-10-99-02** exhibits selected and signed for below. These selected exhibits are by this reference made part of this Subscription Agreement # (insert Local Authorized User's Contract number).

Exhibits A - G (Merchant Services) (Category 1)

("Authorized User")

Elavon _____
("Contractor")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Signature: _____
Print Name: _____
Title: _____
Dated: _____

U.S. Bank _____
(Bank)
Signature: _____
Print Name: _____
Title: _____
Dated: _____

Exhibits A - H (Electronic Check Services) (Category 3)

("Authorized User")

Elavon _____
("Contractor")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Signature: _____
Print Name: _____
Title: _____
Dated: _____

U.S. Bank _____
(Bank)
Signature: _____
Print Name: _____
Title: _____
Dated: _____

Amendment 1 of Exhibit D Attachment III
Selected Services Signature Page
(Local Authorized Users Only)

Exhibits A - G and I (Convenience Fee Services)

("Authorized User")

Elavon _____
("Contractor")

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

Exhibits A - J (Enterprise Billing Solutions)

("Authorized User")

Elavon _____
("Contractor")

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

Exhibits A - G and K (Official Payments Corporation Convenience Fee Services)

("Authorized User")

Official Payments Corporation _____
("Exhibit K Services Contractor")

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

Elavon _____
("Primary MSA Contractor")

Signature: _____

Print Name: _____

Title: _____

Dated: _____

Amendment 1 of Exhibit D Attachment III
Selected Services Signature Page
(Local Authorized Users Only)

Exhibit L --Elavon and Local Authorized Users Negotiated Language
Pursuant to Exhibit D.1.e – (if applicable)

This Exhibit L supplements, is made a part of, and is subject to the terms and conditions of the Agreement.

("Local Authorized User")

Elavon _____
("Contractor")

Signature: _____
Print Name: _____
Title: _____
Dated: _____

Signature: _____
Print Name: _____
Title: _____
Dated: _____

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to ensure the validity of the results.

3. The third part of the document describes the different types of data that are collected and how they are used to inform decision-making. It notes that a combination of quantitative and qualitative data is often used to provide a comprehensive view of the organization's performance.

4. The fourth part of the document discusses the challenges associated with data collection and analysis. It identifies common issues such as data quality, consistency, and availability, and offers strategies to address these challenges.

5. The fifth part of the document provides a summary of the key findings and conclusions. It reiterates the importance of data-driven decision-making and the need for ongoing monitoring and evaluation to ensure the organization's success.

6. The final part of the document includes a list of references and a conclusion. It acknowledges the contributions of various sources and provides a final statement on the overall findings and implications of the study.

Amendment 1 of Exhibit E – Fees and Costs

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:

Contractor will provide equipment and software pricing and specification sheets on an annual basis. After the initial price negotiations are completed, the Contractor will provide proposed price and specification sheets 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) by June 30th of each year during the term of the MSA. 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 AND SERVICE FEES:

- a. Authorized Users, at their discretion, may elect to have the Contractor/Third Party Service/Convenience Provider charge a fee to the cardholder (paying parties) for an added convenience to the Cardholder for the use of a Card in a transaction. This fee is commonly known as a convenience fee.

Amendment 1 of Exhibit E – Fees and Costs

Convenience fees are subject to the constraints of the Associations and card companies and, in some instances, by State regulations and/or laws. Because of these constraints and for the purposes of this MSA, these fees will be classified as follows:

Service Fee:

- Constitutes a **State or Local Agency's** elected fee charged to the Cardholder for an added convenience to the Cardholder for the use of a Card in a transaction.
- May only be charged by Authorized Users in certain fee programs based on Association Rules, Merchant Category Code (MCC) and the business requirements of Authorized Users.
- Must be paid to and managed by the Contractor/Third Party Service/Convenience Provider. Service fee and underlying transaction must be submitted and processed as two separate transactions.

Convenience Fee

- Constitutes a **Local Agency's (only)** elected fee charged to the Cardholder for an added convenience to the Cardholder for the use of a Card in a transaction.
 - May be paid to or managed by the Authorized User or Contractor/Third Party Service/Convenience Provider.
 - May be combined into a single transaction.
- b. Contractor (if Contractor is providing convenience fee services under Exhibit I) or Third Party Service/Convenience Provider (if providing convenience fee services under Exhibit K), as applicable, agrees to all of the following:
- (i) Provide flexibility to assess or not assess a service/convenience fee and support fee policies and variations in service/convenience fees at the individual Authorized User level while remaining in compliance with credit and debit card industry regulations.
 - (ii) Support service/convenience fee assessment by type of payment channel (internet, IVR, etc.) within each Authorized User's agency.
 - (iii) Must not co-mingle service fees with other charges.
 - (iv) Arrange for a unique line merchant description for the Authorized User payment that references the name of Authorized User and a separate unique line merchant description for the Service Fee that references Third Party Service/Convenience Provider and the nature of the fee so that the amounts can be posted on Cardholder Statements and Invoice¹ as separate line items. (Service Fee policy only, and only to the extent consistent with the Association or Payment Network Rules)
- c. Authorized User will:
- (i) Address use of Convenience/Services fees in their individual Subscription Agreement.
 - (ii) Remain in compliance with credit and debit card industry regulations.
 - (iii) Not accept convenience fees directly from cardholder and in turn pay the Contractor.

¹ Fee information will only be provided on invoice statements when the agency is absorbing a partial portion of the service fee. Authorized Users are not allowed to absorb entire service/convenience fee amounts under this MSA.

Amendment 1 of Exhibit E – Fees and Costs

- (iv) Not absorb entire service/convenience fee amounts. To absorb **partial** convenience fee, Authorized Users must notify and obtain approval from DGS Contract Administrator.
- (v) Not disadvantage card payments, and specific card brands at the point-of-sale relative to other payment.
- (vi) Agree to further terms and conditions in Exhibit I, when Authorized User designates to assess fees using Elavon's service/convenience fee program. In addition, Authorized User must select services on the Authorized Users Participation Form and the Selected Services Signature Page (see Exhibit D Attachments I and II/III respectively) and execute with signature;

OR

Agree to further terms and conditions in Exhibit K, when Authorized User designates to assess fees using OPC's service/convenience fee program. In addition, Authorized User must select services on the Authorized Users Participation Form and the Selected Services Signature Page (see Exhibit D Attachments I and II/III respectively) and execute with signature.

d. Service and Convenience Fee Pricing/Rates:

- (i) Elavon (only) will establish proposed Convenience and Service fees (for Elavon services described in Exhibit I) on a case by case basis, depending upon each Authorized User's processing requirements and transaction elements (cards accepted, transaction type, volume, average ticket, etc.) and mutually agree upon such with each Authorized User utilizing Exhibit I services.
- (ii) OPC Convenience and Service Fee rate has already been negotiated for Exhibit K services as described in Exhibit K, Supplement 1.

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Category 1: Credit & Debit Merchant Card Processing ^{1/} & Debit Card (Signature and Pin-based) Fees

Services	Unit	Tier 1 # of Transactions Range: <9 Million	Tier 2 # of Transactions Range: >9 to 15 Million	Tier 3 # of Transactions Range: >15 to 20 Million	Tier 4 # of Transactions Range: >20 Million
Implementation Fee	Per Account	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Maintenance Fee	Per Account	\$0.00	\$0.00	\$0.00	\$0.00
Standard Reports	Each	\$0.00	\$0.00	\$0.00	\$0.00
Customized Development	Per Hour	\$0.00	\$0.00	\$0.00	\$0.00
Chargeback Fee	Per Transaction	\$0.00	\$0.00	\$0.00	\$0.00
Processing Fee ^{2/3/}	Per Transaction	\$0.0450	\$0.0400	\$0.0350	\$0.0250
AMEX Authorization Processing Fee ^{2/3/}	(Pass Through Cost Per Transaction)	\$0.0450	\$0.0400	\$0.0350	\$0.0250

^{1/} Elavon pricing applies to all card types (present or not present)

Tiered pricing qualification methodology described in pricing disclosure (Attachment I - 3)

^{2/} Processing Fee (per transaction in excess of the Card Association Interchange & Assessment Rates)

Association Rate Links

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

Debit Network Fee Chart effective June 1, 2010

^{3/} Foreign network fee applies when not connecting directly to Elavon and can range from .02 to .04 depending on the network.

Current Tier Pricing as of 7/1/2010

Elavon Category 3 Electronic Check Conversion		Tier #1 # of Transactions Range: 0-5 Million	Tier #2 # of Transaction Range: >5 - 10 Million	Tier #3 # of Transaction Range: >10 - 25 Million	Tier #4 # of Transaction Range: >25 Million
Implementation Fee ^{1/}	Per Account	\$	\$	\$	\$
Standard Reports	Each	\$	\$	\$	\$
Customized Development	Per Hour	75.00	75.00	75.00	75.00
Check Conversion Authorization					
Check Conversion POP ^{2/}	Per Transaction	\$0.126	\$0.126	\$0.106	\$0.106
Check Conversion ARC ^{3/}	Per Transaction	\$0.126	\$0.126	\$0.106	\$0.106
Check Conversion BOC ^{4/}	Per Transaction	\$0.126	\$0.126	\$0.106	\$0.106
Check Conversion Check 21 Image ^{5/}	Per Transaction	\$0.126	\$0.126	\$0.106	\$0.106
Guarantee Services ^{6/}	Per Transaction	.62% of check value	.60% of check value	.58% of check value	.58% of check value
Returned Item Fee - Image	Per Transaction	\$1 auth or \$0 for gty	\$1 auth or \$0 for gty	\$1 auth or \$0 for gty	\$1 auth or \$0 for gty
Re-resentation Fee	Per Transaction	match auth fee above or \$0 for gty	match auth fee above or \$0 for gty	match auth fee above or \$0 for gty	match auth fee above or \$0 for gty
Monthly Maintenance Fee	Per Account	\$10/mo per MID	\$10/mo per MID	\$10/mo per MID	\$10/mo per MID

Current Prices 6/2010
 Tiered pricing qualification methodology described in pricing disclosure (Attachment 1 - 3)
 Guarantee Services Price is in addition to Check Conversion Authorization Fee (Example: .126 per item, plus .62% of check face value.)
^{1/} **Implementation:** Elavon Merchant Implementation Group will initiate a call to determine the scope of implementation. Equipment implementations usually are completed within a few days.
^{2/} **POP - Authorization and Conversion:** Consumer present/Check Present at time of transactions. A check is authorized through VISA POS and database for negative/closed accounts and converted - Merchant retains risk.
^{3/} **ARC - Conversion Only:** Accounts Receivable Conversion - Check present/Consumer Absent at time of transactions - these transactions are for checks dropped in "box" or mailed in.
^{4/} **BOC - Conversion:** Elavon uses BOC rules - Check 21 rules to process some checks.
^{5/} **Check 21:** Elavon utilizes Check 21 to clear a small percentage of checks. This method is used on all level of services. There is no additional cost as you can see all methods are priced the same.
^{6/} **Guarantee Service includes:** Once the check is approved and all due diligence provided by the State i.e., Name, Address, Phone# and DL# on check, the transactions are guaranteed funding. Authorized user releases Risk to Elavon.



Elavon's pricing is dependent upon interchange and other fees imposed on all credit card processors by Visa, MasterCard and other third parties. Elavon will pass through to the merchant all such increases imposed by third parties, upon written notice to to the merchant of the increased fee.

Credit and Debit Card Tier Pricing (Based on Transaction Counts) - 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-1 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.

Amex and Discover counts are not included in determining the tiers, however, their pricing will be adjusted and mirror that of the Visa, MasterCard and PIN debit pricing.

Electronic Check Service (ECS) Tier Pricing (Based on Transaction Counts) - Beginning on the Agreement Effective Date, all Authorized Users collectively under the MSA will be assigned to one of the tiers identified on Exhibit E Attachment I-2 based on the anticipated annual Transaction count and ECS options selected for all Authorized Users. The Transactions included in the Transaction count are the aggregate annual number of ECS 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.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support effective decision-making.

3. The third part of the document focuses on the role of technology in data management and analysis. It discusses how modern software solutions can streamline data collection, storage, and reporting, thereby improving efficiency and accuracy.

4. The fourth part of the document addresses the challenges associated with data management, such as data quality, security, and privacy. It provides strategies to mitigate these risks and ensure that data is used responsibly and ethically.

5. The fifth part of the document discusses the importance of data governance and the role of leadership in establishing a strong data culture. It emphasizes that clear policies and standards are necessary to ensure data is managed consistently across the organization.

6. The sixth part of the document explores the future of data management, including emerging trends like artificial intelligence and big data. It suggests that organizations should stay updated on these developments to leverage new opportunities for growth and innovation.

7. The seventh part of the document provides a summary of the key points discussed and offers recommendations for implementing a robust data management strategy. It encourages organizations to take a holistic approach to data management, considering both technical and organizational aspects.

8. The eighth part of the document concludes by reiterating the significance of data in driving organizational success. It states that data-driven insights are crucial for identifying trends, understanding customer needs, and making informed strategic decisions.

9. The ninth part of the document includes a list of references and resources for further reading. It provides links to relevant articles, books, and industry reports that offer additional insights into data management best practices.

10. The tenth part of the document is a call to action, urging organizations to take immediate steps to improve their data management practices. It encourages a proactive approach to data management, ensuring that data is always up-to-date, accurate, and secure.

2010 EQUIPMENT & SOFTWARE PRICING

Last Updated: (August 2009)

Elavon Incorporated

Exhibit E- A/ nent II

** Additional price deductions may be negotiated on a case by case basis depending on various factors, i.e. volume, services being provided, quantity.

TERMINALS (AND ASSOCIATED ITEMS)		Purchase Price		Monthly Rent/Lease Rates				
Item Code	Description	Single Unit	**Bulk (5 - 49):	12	24	36	48	60
NFLET	Hypercom Fleet (modified T7Plus and S9)	\$699	\$630	\$70	\$42	\$33	\$28	\$26
03730L	Verifone Omni 3730LE (vx510)	\$312	\$281	\$41	\$27	\$18	\$14	\$12
VX570IP	Verifone VX570 IP with Dial	\$467	\$420	\$48	\$35	\$26	\$22	\$21
VX570	Verifone VX570 Dial Only	\$493	\$444	\$56	\$40	\$31	\$26	\$24
T-4210	Hypercom T4210 Dial Only	\$338	\$299	\$42	\$28	\$19	\$15	\$13
T-4220	Hypercom T4220 IP	\$440	\$396	\$47	\$33	\$24	\$21	\$19
SYNE2	Synergy II Terminal	\$621	\$559	\$60	\$44	\$34	\$29	\$27
VX610	Verifone Vx 610CDMA- Wireless	\$809	\$727	\$91	\$54	\$45	\$40	\$37
TBD	Vx 610 Battery Charger	\$99	\$94	N/A	N/A	N/A	N/A	N/A
TBD	Vx 610 Additional Battery	\$79	\$75	N/A	N/A	N/A	N/A	N/A
TBD	Vx 610 Car Power Supply (Cigarette Lighter Charger)	\$129	\$123	N/A	N/A	N/A	N/A	N/A
TBD	Vx 610 Carrying Case	\$79	\$75	N/A	N/A	N/A	N/A	N/A
TBD	Vx 610 Replacement Antenna	\$19	\$18	N/A	N/A	N/A	N/A	N/A
VIV4	Verifone VIVOpay 4000 Reader	\$159	\$151	N/A	N/A	N/A	N/A	N/A

CHECK READERS/IMAGERS (AND ASSOCIATED ITEMS)		Purchase Price		Monthly Rent/Lease Rates				
Item Code	Description	*Single Unit	**Bulk (5 - 49):	12	24	36	48	60
RDM60	RDM Check Reader 6014F	\$379	\$360	\$43	\$28	\$16	\$13	\$12
MT05	MagTek MICR Imager w/MSR	\$449	\$427	\$43	\$28	\$19	\$15	\$13
C600	Verifone Check Reader 600	\$199	\$189	\$22	\$17	\$13	\$10	\$8
RDM71	RDM Check Reader 7111F	\$509	\$484	\$49	\$31	\$22	\$18	\$16
RDM61	RDM Check Reader 6111F	\$399	\$379	\$43	\$28	\$16	\$13	\$12

2010 EQUIPMENT & SOFTWARE PRICING
 Last Updated: (August 2009)

Elavon Incorporated

Exhibit E-A ment II

PIN PADS (AND ASSOCIATED ITEMS)		Purchase Price		Monthly Rent/Lease Rates					
Item Code	Description	*Single Unit	**Bulk (5 - 49)	**Bulk (50 +)	12	24	36	48	60
PPSE/PP3D	VeriFone 1000SE/10003D	\$89	\$85	\$80	\$14	\$9	\$7	\$6	\$5
PPS9	Hypercom S9	\$149	\$142	\$134	\$17	\$12	\$8	\$7	\$6
P1300	Hypercom 1300	\$89	\$85	\$80	\$14	\$9	\$7	\$6	\$5

PRINTERS (AND ASSOCIATED ITEMS)		Purchase Price		Monthly Rent/Lease Rates					
Item Code	Description	*Single Unit	**Bulk (5 - 49)	**Bulk (50 +)	12	24	36	48	60
P900	Printer VeriFone 900	\$269	\$242	\$206	\$242	\$19	\$15	\$13	\$11

WEDGES/IMPRINTERS (AND ASSOCIATED ITEMS)		Purchase Price		Monthly Rent/Lease Rates					
Item Code	Description	*Single Unit	**Bulk (5 - 49)	**Bulk (50 +)	12	24	36	48	60
MT09	Mini Wedge USB	\$79	\$75	\$71	\$14	\$9	\$6	\$5	\$4
MT03	Mini Wedge PS2/AT	\$79	\$75	\$71	\$14	\$9	\$6	\$5	\$4
IMPR	Imprinter	\$22	\$21	\$20	N/A	N/A	N/A	N/A	N/A
IMPM	Portable Imprinter	\$29	\$28	\$26	N/A	N/A	N/A	N/A	N/A

SOFTWARE PRICING		Purchase Price		Monthly Fee
Code	SOFTWARE - Description	Single Unit	Bulk (-)	Fee
WAR1	viaVarp (1-50 USERS)	\$149	N/A	\$10
WAR3	viaVarp Deluxe (1-150 USERS)	\$399	N/A	\$10
VRMCH	Virtual Merchant - unlimited USERS and Merchant I.D's	\$149	N/A	\$10
SPQT	Smart Payments Plug-In for quickbooks/Microsoft RMS	\$99	N/A	\$0

Monthly Fee
\$10
\$10
\$10
\$0

Monthly Rent/Lease Rates	
\$10	\$10
\$10	\$10
\$10	\$10
\$0	\$0

Factor:

Last Update:

TERMINAL SPECIFICATIONS

Brand/Model Number:	Payment Channel:	Description:	Connectivity:	Processor:	Memory:	Display:	Magnetic Card Reader:	Smart Card (Optional):	SAM Card Reader (Optional):	Keypad:	I/O Modules:	Peripheral Ports:
	Card Payment	Processes debit and credit transactions	Dial (w/ one ethernet port option)	200 MHz ARM9 32-bit RISC Microprocessor	3 MB ddr only	128 x 64 pixel graphical LCD with backlighting. Supports 8 lines x 21 characters	Triple track (tracks 1, 2, 3). High capacity, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and one IrDA port supporting peripherals including PIN pads and check readers	Two RS-232 port and one IrDA port supporting peripherals including PIN pads and check readers
	Card Payment	Supports acceptance of all payment types through a single terminal	Dial-up or Broadband	200 MHz ARM9 32-bit RISC Microprocessor	6 MB (4 MB of Flash, 2 MB of SRAM) Optional 12 MB (8 MB of Flash, 4 MB of SRAM)	128 x 64 pixel graphical LCD with backlighting. Supports 8 lines x 21 characters	Triple track (tracks 1, 2, 3). High capacity, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers
	Card Payment with Wireless Flexibility	Processes credit and debit transactions anywhere, anytime	Wireless or Dial	200 MHz ARM9 32-bit RISC Microprocessor	6 MB (4 MB of Flash, 2 MB of SRAM)	128 x 64 pixel graphical LCD with backlighting. Supports 8 lines x 21 characters	Triple track (tracks 1, 2, 3). High capacity, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers
	Card and Check Payment	All-in-one POS payment solution including Electronic Check Conversion (ECC) and Check 21 transactions, as well as credit, debit, EBT and loyalty cards.	Ethernet and dial connections.	200 MHz ARM9 32-bit RISC processor operating at 200MHz with performance of 250 MIPS	Flash: 8MB SRAM: 18MB SRAM: 512KB (non-volatile) SRAM backup: 5-year battery	128 x 64 graphics Backlit LCD display with up to a line of text, 21 characters per line	Three tracks, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers
	Card Payment	Accepts PIN-swiped and signature debit cards, credit cards (including American Express, Discover and Diners Club), gift cards, and checks	Ethernet and dial connections.	32-bit ARM9	Flash: 2MB Flash: 8MB SRAM: 10MB SRAM (non-volatile): 512K SRAM Backup: 5-year battery	128 x 64 graphics Backlit LCD display with up to a line of text, 21 characters per line	Three tracks, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers
	Card Payment	Supports magnetic stripe /chip card transactions and debit with or without an external PIN pad Also accepts value added applications.	Dial	32-bit ARM9	Flash: 2MB Flash: 8MB SRAM: 10MB SRAM (non-volatile): 512K SRAM Backup: 5-year battery	128 x 64 graphics Backlit LCD display with up to a line of text, 21 characters per line	Three tracks, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers
	Card Payment	Ethernet (IP based) credit card processing and includes a built-in thermal printer, and internal PIN pad for PIN debit transactions.	Internal Dial Backup	32-bit ARM9	Flash: 2MB Flash: 8MB SRAM: 10MB SRAM (non-volatile): 512K SRAM Backup: 5-year battery	128 x 64 graphics Backlit LCD display with up to a line of text, 21 characters per line	Three tracks, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers
	Card Payment	POS terminal accepting all magnetic stripe cards	Dial-up or Broadband	300 MHz DSP and 50 MHz PowerPC with integrated memory management unit and communications	RAM: 512KB (standard); 1MB (optional) RAM backup: 5-year battery EPTROM: 62KB	128 x 64 pixel graphical LCD with backlighting; supports 9 lines x 21 characters	Three tracks, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers
	Card Payment	Check and Card Payment The SYNERGY all-in-one terminal combines a mag-stripe reader with a check imager, allowing you to process electronic checks on the same device used for credit and debit cards. Supports PIN Pad for debit transactions.	Ethernet and dial connections.	300 MHz DSP and 50 MHz PowerPC with integrated memory management unit and communications	Multiple flash memory options for 1MB (optional) RAM backup: 5-year battery EPTROM: 62KB	128 x 64 pixel graphical LCD with backlighting; supports 9 lines x 21 characters	Three tracks, bi-directional	ISO 7816, 1.8V, 3V, 5V or asynchronous cards; EMV Level 1 and 2 Type approved	1 or 3 Security Access Modules (SAMs)	14.4k modem module; Ethernet and 11.4k modem combination module	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers	One RS-232 port and 1 IrDA port supporting peripherals including PIN pads and check readers

TERMINAL SPECIFICATIONS

Brand/Model Number:	Omni Vx810LE	VeriFone® Vx 570	VeriFone® Vx 610	RDM Synergy	Hypercom®	Hypercom®	Hypercom®	Hypercom®	RDM Synergy II	
Printer:	Integrated thermal with graphics capabilities, 18 lines per second, 24 or 32 columns; standard counter-top paper roll 58 mm (2.25 in.) x 25M, single ply	Integrated thermal with graphics capabilities, 18 lines per second, 24 or 32 columns; standard counter-top paper roll 58 mm (2.25 in.) x 25M, single ply	Integrated thermal with graphics capabilities, 18 lines per second, 24 or 32 columns; standard counter-top paper roll 58 mm (2.25 in.) x 25M, single ply	Thermal printer, 4 characters per line, graphics capability, multi-font	Standard 40mm diameter thermal technology, 384 dots per line, 15 lines per second, including graphics	Standard 40mm diameter thermal technology, 384 dots per line, 15 lines per second	Standard 40mm diameter thermal technology, 384 dots per line, 15 lines per second	Standard 40mm diameter thermal technology, 384 dots per line, 15 lines per second	Standard 40mm diameter thermal technology, 384 dots per line, 15 lines per second	Thermal printer, 4 characters per line, graphics capability, multi-font
Modem:	Standard 14.4k bps modem supporting Bell 103/212a, V.22/V.22M/22bis/V.32M/3.2M/2300/2400/9600/14400 bps and HFC Fax. Connect for 1200 bps.	Standard 14.4k bps modem supporting Bell 103/212a, V.22/V.22M/22bis/V.32M/3.2M/2300/2400/9600/14400 bps and HFC Fax. Connect for 1200 bps.	Standard 14.4k bps modem supporting Bell 103/212a, V.22/V.22M/22bis/V.32M/3.2M/2300/2400/9600/14400 bps and HFC Fax. Connect for 1200 bps.	Modem, 33.6kba internal modem with data compression, error correction, line fit and synchronization	56K/56.0 synchronous (S.DLC) and asynchronous	V.34/33.6k bps	V.34/33.6k bps	V.34/33.6k bps	2400bps (standard), 56K (optional), synchronous (S.DLC) and asynchronous	Modem, 33.6kba internal modem with data compression, error correction, line fit and line intrusion detection
Wireless Modem:			Supports Wide Area Wireless GSM/GPRS on 800/1900 MHz; CDMA2000 1X on 800/1900, and Local Area Wireless W-CDMA/HSPA							
Protocols:	Application specific between asynchronous protocols (Vesa 1, Vesa 2, and others) and synchronous protocols (including ISO 8539/S.DLC)	Application specific between asynchronous protocols (Vesa 1, Vesa 2, and others) and synchronous protocols (including ISO 8539/S.DLC)	Application specific between asynchronous protocols (Vesa 1, Vesa 2, and others) and synchronous protocols (including ISO 8539/S.DLC)							
Security:	SSL v3.0, 3DES encryption, Master/Session and DUKEFT key management, FCI/PEB approval, VAS/SHIELD authentication	SSL v3.0, 3DES encryption, Master/Session and DUKEFT key management, VAS/SHIELD authentication	PCI PED approved, 3DES encryption, Master/Session and DUKEFT key management, VAS/SHIELD authentication	Class A & B Certified DUKEFT, VISA PED Approved	Public Key Infrastructure (PKI) security system developed with RSA, Inc. Triple Data Encryption Standard (TDES)	DES, Vesa PED approved; PIN-ANSI X9.8, MAC-ANSI X9.9 Part 1, ANSI X9.24 Triple DES, ANSI X9.32 key management, DUKEFT and master/session keys	DES, Vesa PED approved; PIN-ANSI X9.8, MAC-ANSI X9.9 Part 1, ANSI X9.24 Triple DES, ANSI X9.32 key management, DUKEFT and master/session keys	DES, Vesa PED approved; PIN-ANSI X9.8, MAC-ANSI X9.9 Part 1, ANSI X9.24 Triple DES, ANSI X9.32 key management, DUKEFT and master/session keys	Physical intrusion detection (optional), synchronous (S.DLC) and asynchronous (S.DLC)	Class A & B Certified DUKEFT, VISA PED Approved, Physical intrusion lockouts
Communications:	Two RS-232 ports and 1 tele port support peripherals	One USB 1.1 port supports (high memory devices), two RS-232 ports support peripherals including PIN pads and check readers; One tele port and one Ethernet (with Ethernet/14.4k Modem) support	One USB 1.1 port supports wireless communications (high band gen TM 850-1900)	Wireless communications dual band gen TM 850-1900	Dual RS-232 ports (standard with use of Ethernet (standard); PIN pad port 4-wire, RS-422)	Primary: One RS-232 for peripheral; PIN pad for external PIN pad	Primary: One RS-232 for peripheral; PIN pad for external PIN pad	Primary: One RS-232 for peripheral; PIN pad for external PIN pad	Modem, 2400bps (standard), 56K (optional), synchronous (S.DLC) and asynchronous (S.DLC) and Ethernet, Optional, without SSL	Class A & B Certified DUKEFT, VISA PED Approved, Physical intrusion lockouts
Physical:	Length: 209 mm (8.1 in.) Width: 102 mm (4.1 in.) Height: 72 mm (2.8 in.) Weight: Terminal/500 g (1.10 lbs.), Full shipping/1,350 g (2.94 lbs.)	Length: 209 mm (8.1 in.) Width: 102 mm (4.1 in.) Height: 70 mm (2.8 in.) Weight: Terminal/500 g (1.10 lbs.), Full shipping/1,377 g (3.03 lbs.)	Length: 209 mm (8.1 in.) Width: 102 mm (4.1 in.) Height: 70 mm (2.8 in.) Weight: Terminal/500 g (1.10 lbs.) Full shipping/1,377 g (3.03 lbs.)	8.75" L x 5.9" W x 5.3" H	8.94 in x 5.91 in x 2.52 in / 22.7 cm x 15.0 cm x 6.4 cm Weight: 1.9 lbs/860 kg	6.1 in (W) x 8.1 in (H) x 2.3 in (D) 8.14 in (W) x 8.1 in (H) x 2.3 in (D) 81.44 mm (W) x 205.74 (H) mm x 58.42 mm (D) Weight: 1.09 lbs/0.48 kg	3.6 in (W) x 8.1 in (H) x 2.3 in (D) 81.44 mm (W) x 205.74 mm (H) x 58.42 mm (D) Weight: 1.09 lbs/0.48 kg	10.0 in x 5.18 in x 2.5 in (W x H x D) 255.4 mm x 132.2 mm x 63.5 mm Weight: 1.5 lbs/680 kg	8.75" L x 5.9" W x 5.3" H Weight: 2.5 lbs	

Factor:

Last Update:

TERMINAL SPECIFICATIONS

Picture:	Brand/Model Number:	Environment:	Voltage:	PCI:	Software:	Additional Options/Info:
	Omni Vx510LE	0 to 40 C (32 to 104 F) operating temperature, 5% to 90% relative humidity, non-condensing	AC Input: 100 - 240 VAC; 50/60 Hz; DC Output: 6.0 - 8.4 VDC, 4.0 Amp	<ul style="list-style-type: none"> • Latest security protections include advanced 3DES encryption, KeySession Key and Debit Update Key Per Transaction (DUKPT) key management, and sophisticated VeriShield file authentication plus tamper resistance • PCI PED approved for debit and credit and other PIN-based transactions; • EMV Level 1 and Level 2 Type approved; future modified 		
	VeriFone Vx 570	0 to 40 C (32 to 104 F) operating temperature, 5% to 90% relative humidity, non-condensing	AC Input: 100 - 240 VAC; 50/60 Hz; DC Output: 6.0 - 8.4 VDC, 4.0 Amp	<ul style="list-style-type: none"> • PCI approved for debit and credit and other PIN-based transactions; EMV Level 1 and Level 2 Type approved • Most recent Approval - Meet recent security, including end-to-end SSL encryption and sophisticated VeriShield file authentication 		Supports Value added services
	VeriFone Vx 610	0 to 40 C (32 to 104 F) operating temperature, 5% to 90% relative humidity, non-condensing	AC Input: 100 - 240 VAC; 50/60 Hz; DC Output: 6.0 - 8.4 VDC, 4.0 Amp	<ul style="list-style-type: none"> • Latest security protections include advanced 3DES encryption, KeySession Key and Debit Update Key Per Transaction (DUKPT) key management, and sophisticated VeriShield file authentication plus tamper resistance • PCI PED approved for debit and credit and other PIN-based transactions; • EMV Level 1 and Level 2 Type approved; future modified 	Proven, Veri-based platform provides seamless fit with merchant's existing VeriFone counterlop devices; Designed for optimal performance with IP-based transactions	
	RDM Synergy		Input: 100-240V-50-60Hz Output V1: 6.5V DC 3A V2: 24V DC 0.5A	Class A & B Certified DUKPT, VISA PED Approved	Class A & B Certified PA-DSS Compliant	Check Franking Device; Under application control a franked text message is stamped on the face of the check; OCR Font: Alphametric OCR A and B; recognition;
	Hypercom Optimum T4100	Temperature: 0-45°C/32-115°F Humidity: Max 85%, non-condensing ESD: 12,000 volts	AC: 100-240 V, 50/60 Hz DC: 12 V, 2A	MasterCard PTSP Approved PCI PED Certified EMV Approved		
	Hypercom Optimum T4210	Temperature: 0-45°C/32-115°F Humidity: Max 85%, non-condensing ESD: 12,000 volts	AC: 100-240V, 50/60 Hz DC: 7.5V, 2.0A	PCI PED Approved EMV Level 1 & 2 Certified PTSP Approved		
	Hypercom Optimum T4220 IP	Temperature: 0-45°C/32-115°F Humidity: Max 85%, non-condensing ESD: 12,000 volts	AC: 100-240V, 50/60 Hz DC: 7.5V, 2.0A	PCI PED Approved EMV Level 1 & 2 Certified PTSP Approved Intrac Certified RoHS & China RoHS Compliant		Check imagers, PIN pads and contactless check readers can be connected using the peripheral port to provide more payment choices
	Hypercom T7 Plus modified	Temperature: 0-45°C/32-115°F Humidity: max 85%, non-condensing ESD: 12,000 volts	AC: 100-240V, 50/60 Hz DC: 12V, 1mA	PCI PED Certified EMV approved PA Major Certifications		
	RDM Synergy II	Temperature: 0-50°C/32-113°F Humidity: max 85%, non-condensing ESD: 0 - 10 VDC	Input: 100-240V-50-60Hz 1.5A Output V1: 6.5V DC 3A V2: 24V DC 0.5A	Class A & B Certified PA-DSS Compliant		Check Franking Device; Under application control a franked text message is stamped on the face of the check; OCR Font: Alphametric OCR A and B; recognition;

CONTRACTOR'S PIN PAD EQUIPMENT SPECIFICATIONS

Exhibit E-- Attachment III - 2

Contractor:



Last Update:

8/25/2009

PIN PAD SPECIFICATIONS

Picture			
Brand/Model Number	Verifone 1000 SE	Hypercom® PIN Pad P1300	Hypercom® PIN Pad S9
Item	Pinpad	Pinpad	Pinpad
Description	Offers PIN input for debit, electronic benefit transfer, and other PIN-based transactions	Debit, EBT, and other PIN-based transactions	Customer hand held credit/debit card reader and pin pad that reads both Smart and Magnetic Stripe Cards
Display	8-character, liquid crystal display shows up to 16 characters through automatic scrolling	2 x 16 characters	LCD: 2 x 16 characters Backlight: 25,000 (calculated)
Magnetic Card Reader			Magnetic stripe: (optional); Tracks 1, 2; 400,00 reads (calculated)
Smart Card (Optional)			Chip card: (optional); EMV approved; ISO 7816;
SAM Card Reader (Optional)			non-captive; 3V and 5V cards; two SAM sockets
Keypad	16 large, hard-rubber keys	Elastomeric; 16 keys, water splash-resistant, hard keycaps	Elastomeric; 16 keys
Security	Encryption-Supports emerging 3DES standard; Key-management Methods- Allows choice of Master/Session and Derived unique kkey per transaction (DUKPT) methods; PED compliant	Physical: PCI-PED approved; intrusion detection Encryption DES: PIN-ANSI X9.8, MAC-ANSI X9.9 Triple DES: ANSI X9.52 Key management: DUKPT, ANSI X9.24 Part 1	Physical: PCI PED approved; intrusion detection, secure cryptographic module DES: Visa PED-approved; PIN-ANSI X9.8, MAC-ANSI X9.9 Part 1-ANSI X9.24 Triple DES: ANSI X9.52 Key management: DUKPT or 12 master/session keys
Communications		RS-422 PIN pad port (standard) RS-232 or USB client (optional)	PIN pad port: RS-422 PIN (standard), RS-232 3-wire (optional)
Physical	Height 1.46 in (37mm); width 2.68 in (68 mm); Depth 5.9+0 in (150mm); Shipping Weight .15 lb (0.33kg)	3.31 in x 6.02 in x 1.30 in / 84.0 cm x 153.0 cm x 33.0 cm Weight 0.40 lbs/0.18 kg	3.54 in x 6.73 in x 2.09 in / 9.0 cm x 17.1 cm x 5.3 cm 0.5 - .6 lbs/.22 - .27 kg (depending on the configuration)
Environment	Temperature 32° to 104° F; Humidity 15% to 90%, non condensing	Temperature: 0-45°C/32-115°F Humidity: Max 85%, non-condensing ESD: 12,000 volts	Temperature: 0-45°C/32-115°F Humidity: Max 85%, non-condensing ESD: 12,000 volts
Voltage	6-14 VDC, maximum power 0.3W	5v @ 240mA - 12v @ 100mA (standard)	7.5 - 14 VDC, 100mA (standard)
PCI		Meets new PCI security guidelines	Physical: PCI PED approved; intrusion detection
Software			secure cryptographic module
Additional Options/Info		Reliability 100,000 hours (MTBF calculated)	Reliability 100,000 hours (MTBF calculated)

CONTRACTOR'S CHECK READER/IMAGER EQUIPMENT SPECIFICATIONS

Exhibit E-- Attachment III - 3

Contractor:



Last Update:

8/25/2009

CHECK READER /
IMAGER SPECIFICATIONS

Picture:	 Insert picture		
Brand/Model Number:	RDM check reader series	MagTek MICR Imager w/MSR	VeriFone Check Reader 600
Description:	The EC6000i Gen2 series scanners feature a standard USB port, in addition to a wide variety of optional features such as Franking Acknowledgment printer, internal alphanumeric OCR A and B character recognition, OCR E13B MICR Assist, 3-track bi-directional Magnetic Stripe Reader (MSR), and 10BaseT Ethernet connectivity, positioning it as one of the most versatile and reliable products in the marketplace.	The MICRImage Check Reader is both a MICR Reader (Magnetic Ink Character Recognition) and a check-imaging device. The MICRImage reads the MICR character set at the bottom of a check, and the Imager produces a digitized image of the entire check. The characters and the image can be transmitted to a Host device. The Host device then uses a specific authorization or verification process to validate a business transaction. The MICRImage Reader improves accuracy and speed because there is no manual data entry; therefore there are no keying errors or unwanted delays.	Combines full programmability, remote downloading, self-diagnostic and universal connectivity in one unit. This leads to improve productivity and reduces check fraud at the point of sale. CR600's fast and accurate check-reading capabilities make check transactions as easy as credit card purchases.
Processor:	Renesas (hitachi) Sh-3 32 bit Risc 133mhz	Serial RS-232C / Ethernet	
MICR formats:			E13B CMC7
Images:	CCITT Group 4 Compression, bi-level image, high quality binary (b&w) 200 dpi nominal		
Memory:	Standard memory 250 images, optional 650 images based on 10kb size		
Communication Ports:	mini-din 4 pin USB: Type A connector (v1.1) Tel/ethernet RJ11.	1 x Serial - RS-232, 1 x Network - Ethernet 10Base-	1 RS-232/RS-485 host port auxiliary RS-232 ports
Modem:	33.6kb Internal Modem		
Size:		W 3inch by 9 inch, h 6inch	3.5 in (86.6 mm), 14.1 (105.1mm) 6.2 in (157.8mm)
Magnetic Read:	E1138 MICR character set		
Bi-directional Check Drive:	3 track bi-directional		
Software:			
Physical Dimensions:	MSR model 8.75 lx 6.1 W x5.25 H	W 3inch by 9 inch, h 6inch	3.5 in (86.6 mm), 14.1 (105.1mm) 6.2 in (157.8mm)
Power:	Separate wall adapter 24 DC 5a, power consumption : .12W	power adapter	Power can be supplied by terminal or ECR, delivering a minimum 12 VDC, 650mA or 10 VAC, 1A
Environment:	32 to 104 degrees F	-32° to 122° F , humidity 10% to 90% non-condensing	-32° to 104° F (0° to 40° C) , humidity 10% to 90% non-condensing

Contractor:



Last Update:

8/26/2009

WEDGE SPECIFICATIONS

Picture:		
Brand/Model Number:	Mini Wedge USB	Mini Wedge PS2/AT
Description:	<p>The Mini Wedge Reader looks transparent to both the keyboard and the PC until a card is read. Power is supplied via the keyboard port from the PC. When a card is read, the Reader disables the keyboard and sends card data using the same scan codes used by the keyboard. The PC cannot distinguish between data from the keyboard and data from the Reader. In addition to reading the standard credit card and driver license formats, these readers will read custom formats such as 7-bit encoding on all 3 tracks.</p>	<p>The Mini Wedge Reader looks transparent to both the keyboard and the PC until a card is read. Power is supplied via the keyboard port from the PC. When a card is read, the Reader disables the keyboard and sends card data using the same scan codes used by the keyboard. The PC cannot distinguish between data from the keyboard and data from the Reader. In addition to reading the standard credit card and driver license formats, these readers will read custom formats such as 7-bit encoding on all 3 tracks.</p>
Color:	white and black	white and black
Dimensions:	6.15 in.	6.15 in.
Weight:	5.8 oz.	5.8 oz.
Connector:	Can be connected to PC flatboard or PC surface. USB Port	Can be connected to PC flatboard or PC surface. PS2 connection
Cable Length:	6 foot	6 foot
Card Type:	VISA, MasterCard, JCB, Diners, Discover, Amex, Gift Card	VISA, MasterCard, JCB, Diners, Discover, Amex, Gift Card
Environment:	32f to 131F, humidity 10% to 90% non-condensing	32f to 131F, humidity 10% to 90% non-condensing

CONTRACTOR'S PRINTER EQUIPMENT SPECIFICATIONS

Exhibit E-- Attachment III - 5

Contractor:



Last Update:

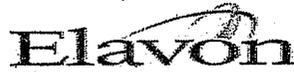
8/25/2009

POS PRINTER SPECIFICATIONS

Picture:		
Brand/Model Number:	Addressograph Bartizan Portable credit card imprinter	Verifone
Description:	imprinter	Printer
Physical:	Dimensions: 4.6"L x 4.25"W x 1.6"H	H: 3.51 in (94.5 mm); W: 6.08 in (156.0 mm); D: 9.2 in (238.0 mm); Weight: 5.75 lbs (2.60 kg);
Environmental:	N/A	Environmental Operating Temperature - 0° to 40° C (32° to 104° F). Humidity same
Printing:	N/A	
Method	N/A	8 pin serial impact
Speed	N/A	3.7 lines per second
Characters	N/A	11 sets: US, UK, French, German, Danish I, Danish II, Swedish, Norwegian graphics printing capability
Buffer	N/A	3 line
Print Head Life Expectancy	N/A	100 Million characters
Mechanism Reliability	N/A	2.5 million lines MCBF (Mean Cycles Between Failures)
Ribbon:		
Type	N/A	Cartridge
Color	N/A	Dual color (Red/back)
Life Expectancy	N/A	2 million characters
Paper:	N/A	
Size	N/A	Paper - Size: 3.0 in (76 mm) wide standard roll; Format: 42-column, portrait
Format	N/A	Format: 42-column, portrait
Interface:	N/A	
Serial	N/A	RS-232C Compatible
Baud Rate	N/A	Switch selectable 1200,2400,4800 & 9600
Power:	N/A	
Voltage	N/A	220 VAC (180-274) 50

CONTRACTOR'S SOFTWARE FEATURES

Exhibit E-- Attachment III - 6



Contractor:

Last Update:

8/26/2009

SOFTWARE FEATURES

Brand/ID Number:	Virtual Merchant Software	ViaWarp Deluxe
	https://www.myvirtualmerchant.com/VirtualMerchant/	

EXHIBIT F – Equipment and Software

1. EQUIPMENT & SOFTWARE

Each Authorized User is responsible for defining its equipment and software needs, desired operating objectives, and desired operating environment under this MSA. Authorized Users will work with their designated Contractor to determine the appropriate equipment and software needs to meet their specific business and system requirements. Authorized Users should complete a cost analysis to determine which acquisition method is appropriate for their needs (purchase, lease, or rent). State Authorized Users should incorporate these requirements and decisions in the Scope of Work section of their individual Subscription Agreement (STD 213).

When purchasing, leasing, renting, or disposing of equipment, State Authorized Users must adhere to all applicable state laws, regulations, policies, best practices, and purchasing authority requirements, California Codes, Code of Regulations, State Administrative Manual, Management Memos, State Contracting Manual and Purchasing Authority Manual.

2. GENERAL STATEMENT OF WORK:

Contractor shall provide all Point of Sale (POS) equipment and software¹ as needed to implement new or upgrade current system in terms of functionality and technical architecture using the latest technology that best suits the needs of the Authorized User. The latest models and versions of all components, and the latest software upgrades must be available to users.

a. Newly Manufactured Goods

All purchased equipment, including components and accessories, under this MSA shall be newly manufactured equipment. Used or reconditioned equipment is prohibited except as a replacement and only after the one-year warranty period has expired.

b. POS Equipment Implementation Plans

Contractor will provide guidance and recommendations to Authorized Users with regards to Contractor's equipment and/or software offering based on the Authorized User's processing environment requirements. This includes programming and deployment of chosen equipment/software. Installation and training of that equipment and/or software will be provided by telephone with Contractor's training staff. Contractor shall coordinate with Authorized Users to develop a mutually agreed upon implementation schedule. Contractor shall coordinate with Authorized Users to develop an implementation schedule to determine that Authorized Users have all the appropriate supplies, space, and time required for the discovery, installation, training, and testing.

¹ All references to software herein are to software provided by Contractor hereunder, and not to third party software acquired or used by an Authorized User.

EXHIBIT F – Equipment and Software

c. Service Provider Back-end System Software

Contractor must successfully integrate the POS equipment between Authorized User's internal system and their affected locations.

d. POS System Architecture Software Requirements

Contractor shall make necessary modifications, adjustments, and repairs to keep the software operating without abnormal interruptions² to correct latent deficiencies with respect to the software specifications, and in compliance with applicable federal laws and regulations.

- ◆ Contractor shall provide software modifications for operation with the infrastructure, for the term of the contract.
- ◆ Contractor shall provide new versions of the software to keep the Authorized User abreast of the Contractor's current software product. Complete documentation of all system enhancements or revisions will be provided with new releases of software. Documentation must describe, in a user-friendly manner, what the Authorized User needs to know to understand each level on which the software operates.
- ◆ Contractor shall provide modifications and enhancements that (1) will be delivered installed or installable, on the Authorized User's system, (2) must operate without abnormal program interruptions and (3) must provide the functions as required by the specifications and as described by documentation supplied by the Contractor.
- ◆ Contractor shall, at no additional cost to the Authorized User, ensure that any new versions or upgrades of Software shall contain all modifications and enhancements that were developed for the Authorized User.

e. Statistics, Reports and Other Outputs

The POS device's transaction information is available through Elavon's Merchant Connect Reporting, which is an online financial management reporting solution.

f. POS Equipment Authentication Software

The Contractor shall provide the Software necessary for authentication and initialization so that the device is recognized by the Authorized User's system. The software must be pre-loaded to the device, allowing the device to initialize to the back end.

² Abnormal ending or termination of a computer program resulting from a computer program error or a machine malfunction.

EXHIBIT F – Equipment and Software

g. Integrated Front-end POS System Work Stations

- ♦ The Contractor shall develop an Integrated Front-end POS System Work Stations and Peripherals plan that documents interchangeability, re-configuration of latest revisions, and delivery requirements for spares.
- ♦ All software and equipment shall be configured to the latest revision during the warranty period.
- ♦ All equipment and software shall be interchangeable with their corresponding device.

h. POS Replacement Plan

The cost of replacement after the equipment meets the minimum service life shall be borne by the Authorized User under a scheduled replacement plan. The cost of unscheduled replacement of devices during the one-year warranty period shall be borne by the Contractor.

Under the scheduled replacement plan, the Authorized User shall have the option of replacing equipment with an identical unit at the lower of the market price at time of replacement or with a compatible yet more capable unit at the current market price, if such a unit exists.

- ♦ The Contractor shall develop a Scheduled Replacement Plan that documents what equipment gets replaced, when it gets replaced, the logistics of removal and installation, and the required testing.

i. Maintenance and Repair Support

The Contractor must provide maintenance and repair support 24 hours a day, 7 days a week to assist the Authorized User in optimizing its POS equipment. The Contractor shall provide a wide range of services from telephone to on-site support, equipment exchange according to the Authorized User's equipment type, and enable efficient problem resolution with experienced on-site and remote technical support. On-site technical support is dependent upon the situation and implementation criteria and will be mutually agreed upon by the parties.

The Contractor shall be responsible for all maintenance support activities (repair, replace or preventive maintenance) required for all POS equipment. The contractor shall upgrade any or all POS equipment during the life of the contract as new technology becomes available as requested by the Authorized User and at the Authorized User's expense.

The Contractor shall have repair policies and procedures in place to prevent illegal activity during the repair process. All parts, equipment, and firmware must be up-to-date and readily available. In addition, only authorized components may be used for the repair.

EXHIBIT F – Equipment and Software

j. Exchange Services

The contractor will provide exchange support Monday through Friday from 8:00 a.m. through 5:00 p.m. Contractor will ship replacement the same day support call is received and schedule next day delivery to the Authorized User. If call is received after 3:00 p.m. PST, replacement is shipped the following business day.

3. SECURITY STANDARDS:

All equipment and software must meet the following security standards as applicable: PCI Compliance, POS Compliance Security, POS Physical Security, POS Decommissioning Security, and POS Deployment, Repair and Tracking Security.

a. POS Compliance Security

The Contractor shall adhere to best practices procedures to ensure the following:

- ♦ The POS device has been tested and it is an approved Tamper-Resistant Security Module (TRSM) (approved as a TRSM by the network or PCI standards company).
- ♦ The device has been inspected for tampering before the encryption keys are injected.
- ♦ At a minimum a DUKPT or Triple DES key that was created under the principles of dual control and split knowledge has been injected into the device before Personal Identification Numbers (PINs) are entered. (Dual Control means that at least two authorized individuals are required to work in partnership to carry out an activity, such as generating, storing, or loading the clear text components of a key. Split Knowledge means that no single individual knows, or has access to, a whole entity, be it all the clear-text components of a key, or the combination of a safe where key components are stored.) Asymmetric cryptography is recommended.
- ♦ Each device will have unique keys.

b. POS Physical Security

Contractors shall adhere to security measures to ensure that the POS machine is properly installed, managed, and protected in a way that addresses and manages risks of attacks against it. These security measures manage and protect against theft and illegal modification. These measures shall also protect the cardholder's PIN entry privacy. POS devices should be inventoried and placed in secured, locked and monitored areas during storage, servicing and shipping.

EXHIBIT F – Equipment and Software

c. POS Deployment, Repair and Tracking Security

The Contractor shall ensure that best practices will cover terminal inventory and tracking controls during all phases of its lifecycle:

- ♦ the manufacturing phase; while in transit and testing; the key injection process and the installation commissioning process; operation (Authorized User phase); and
- ♦ when offline - storage, repair or inactivity periods.

d. POS Decommissioning Security

Both the Contractor and Authorized Users shall have policies and procedures in place to ensure that POS devices due for decommissioning have their cryptographic keys safely removed when the terminal is de-installed and that the device is then "zeroized". "Zeroized" devices have no remaining encryption keys or data within them. Procedures shall exist and be followed during the physical removal and transportation of the de-installed device to ensure that it cannot be stolen, intercepted or otherwise acquired by fraudsters or criminals.

4. OTHER PROVISIONS:

a. Warranty

The Contractor (not the manufacturer) shall provide a one-year warranty for all equipment/software newly purchased from the Contractor. The Contractor's sole obligation shall be to repair or replace the defective product during the warranty period at no charge to the Authorized User. Such repair or replacement will be rendered by the Contractor or by one of its authorized repair depots. Cost for shipment of said products to the Contractor shall be paid by the Contractor. The Contractor will then ship the repaired/replaced product to the Authorized User. The Contractor may not at its sole discretion replace the defective product (or any part thereof) with any reconditioned product that the Contractor reasonably determines is substantially equivalent (or superior) in all material respects to the defective product, until the one-year warranty period has expired and such action has been approved by the Authorized User. Repaired or replacement products will be warranted for the remainder of the original one-year warranty period from the date of original retail purchase.

b. Buy Back Program

The Contractor may offer to Authorized Users a large-scale buyback and upgrade program, providing for the return of Elavon supplied marketable equipment for purchase or upgrade to newer technology, on a case by case basis.

EXHIBIT F – Equipment and Software

c. Recycling

Contractor will issue call tags for returned and/or swapped equipment for the State. Equipment will be returned to Elavon's Knoxville Tennessee facility and will be processed pursuant to that state's recycle/disposal laws.

d. Equipment Recall

Contractor will notify Authorized Users if a purchased item is affected by a product recall. Contractor will provide instructions on how to return or replace the equipment.

e. Substitutions

Substitution of deliverables may not be tendered without advance written consent of the Authorized User.

f. Inspection

All deliverables may be subject to final inspection, test and acceptance by the Authorized User at destination, notwithstanding any payment or inspection at source.

g. Damaged and Defective Items

Contractor will provide credit and/or replacement for freight-damaged or defective items at no charge within 48 hours after the Authorized User notification. This also includes incorrect products shipped or an order entry error by the Contractor's customer service representative. The Contractor cannot require the Authorized User to deal directly with the manufacturer. Additionally, the Contractor shall provide the Authorized User with a prepaid and self addressed label for the return of the item.

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.

Exhibit G--Agreement For Merchant Processing Services

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.

Exhibit G--Agreement For Merchant Processing Services

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.

Exhibit G--Agreement For Merchant Processing Services

- 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

Exhibit G--Agreement For Merchant Processing Services

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

Exhibit G--Agreement For Merchant Processing Services

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,

Exhibit G--Agreement For Merchant Processing Services

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

Exhibit G--Agreement For Merchant Processing Services

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.

Exhibit G--Agreement For Merchant Processing Services

- 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

Exhibit G--Agreement For Merchant Processing Services

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

Exhibit G--Agreement For Merchant Processing Services

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

Exhibit G--Agreement For Merchant Processing Services

(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.

Exhibit G--Agreement For Merchant Processing Services

- (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

Exhibit G--Agreement For Merchant Processing Services

"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

Exhibit G--Agreement For Merchant Processing Services

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.

Exhibit G--Agreement For Merchant Processing Services

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.

Exhibit H – Electronic Check Services

This Exhibit H is between You (“Merchant”) and Contractor (“Elavon”) and supplements, is made a part of and is subject to the terms and conditions of the Agreement.

Merchant elects and agrees to the Electronic Check Services selected on the Authorized User Participation – Set Up Form as part of Contractor’s Services, as such Electronic Check Services are described in this Exhibit H and in the Electronic Check Services Merchant Operating Guide (the “ECS MOG”):

Capitalized terms used and not otherwise defined in this Exhibit shall have the meanings ascribed to them in the Agreement or the ECS Rules (including in the ECS MOG and the ECS Primer).

1. Electronic Check Services General Requirements

In the course of its acceptance and use of ECS, Merchant represents, warrants and covenants the following:

- 1) Merchant shall comply with and be bound by (a) the ECS Rules, including the ACH Rules, the ECS MOG and the ECS Primer, and (b) Laws, including, but not limited to, the Check Clearing for the 21st Century Act and Regulation CC, Article 3 and Article 4 of the Uniform Commercial Code as in effect in the applicable state(s), the Electronic Fund Transfer Act and Regulation E, and the Fair Credit Reporting Act as amended by the Fair and Accurate Credit Transactions Act. The current version of the ECS MOG is located at our website <https://www.merchantconnect.com/CWRWeb/ElectronicCheckService.do>.
- 2) Merchant shall pay the fees for ECS as set forth in Exhibit E, Attachment I-2 to the Agreement.
- 3) In the event Merchant accepts for ECS any payment that is ineligible for ECS as specified in the ECS MOG for any reason, such Transaction is subject to Chargeback. Merchant may be liable for the amount of the Transaction and any actual damages related to or arising out of processing a Transaction that has been charged back.
- 4) Merchant shall cause a Check Reader/Imager to be readily available for use at all Merchant locations at which Merchant accepts Paper Checks for ECS processing.
- 5) Merchant must use commercially reasonable procedures to verify the identity of each Customer that presents a Paper Check or Customer ABA Routing Number and account information for ECS processing.
- 6) Merchant shall be solely responsible for providing Customers with notifications and disclosures in connection with ECS, including, but not limited to, posting all point of sale signage and distributing all Customer takeaways and all notices and disclosures required to be provided under the ECS Rules and Laws.
- 7) Merchant may use the ECS only in connection with the presentment and acceptance of a Paper Check or Customer ABA Routing Number and account information for ECS processing in payment for goods or services sold by Merchant, or in payment for an obligation owed to Merchant, and only in compliance with the ECS Rules. Merchant shall be the sole user of the ECS, and Merchant may not resell or otherwise transfer any portion of ECS (or any associated information) in whole or in part to any other Person.
- 8) Merchant represents and warrants, with respect to all ECS Transactions submitted for processing by Elavon, that (i) the Customer has duly authorized the debiting or crediting of the Customer’s account for the amount of the ECS Transaction in accordance with Laws, (ii)

Exhibit H – Electronic Check Services

the Transaction represents an obligation or right of the person who is tendering the Paper Check or submitting the Customer ABA Routing Number and account information for ECS processing, and (iii) the ECS Transaction is for merchandise actually sold or rented, for services actually rendered, or for the actual amount due and owing from the Customer to Merchant or from the Merchant to the Customer, in each case for the actual price of such merchandise or services (including tax) or for the actual amount due and owing to Merchant or the Customer, as applicable. Merchant represents and warrants that no portion of any ECS Transaction involves any element of Merchant's extension of credit.

- 9) Merchant is responsible to Elavon for any Transaction charged back by Elavon or its agent in accordance with the Agreement, including the ECS MOG, and for any fines, penalties and assessments of the Payment Networks incurred as a result of Merchant's non-compliance with Laws or the ECS Rules. Merchant agrees to immediately pay to Elavon or its agent an amount equal to the amount of any ECS Transaction that is stopped, not settled, or charged back, as well as any related fees and charges.
- 10) Merchant must fully cooperate with all parties in the resolution of Customer disputes, as well as Chargebacks, returns, adjustments, representations, and errors in accordance with the ECS Rules and Laws.
- 11) All of the representations and warranties made to Visa as a Merchant pursuant to the Visa POS Check Service Operating Regulations and all of the representations and warranties an Originating Depository Financial Institution or a Third Party Sender is deemed to make on behalf of an Originator pursuant to the ACH Rules shall be deemed representations and warranties Merchant makes to Elavon and Member upon Merchant's submission of an Item or a Transaction for ECS processing.
 - a) Merchant acknowledges Visa's right to terminate or limit its relationship with Member or to terminate the Visa POS Check Service at any time. Merchant further acknowledges that Visa may permanently prohibit Merchant's participation in the Visa POS Check Service in the event of (A) fraudulent activity, (B) presenting a Transaction that was not the result of an act between Merchant and a Customer, (C) presenting a Transaction as a Customer-present Transaction where the Customer was not present at the point of sale or Merchant accepts previously voided Paper Checks, (D) repeated violations of the Visa POS Check Service Operating Regulations, or (E) any other activity that may result in undue economic hardship or damages to the goodwill of the Visa POS Check Service.
 - b) Merchant has satisfied all of the Merchant standards and obligations set forth in the Visa POS Check Service Operating Regulations and the Originator standards and obligations set forth in the ACH Rules as of the Effective Date of the Agreement and shall continue to satisfy such standards and obligations during the Initial Term and any Renewal Term, as applicable.
- 12) Merchant is responsible for and will ensure that all information, including MICR data and payment amounts, are accurately captured from a Paper Check in accordance with the applicable ECS Rules, and that all such information and Customer ABA Routing Number and account information for ECS processing are accurately reflected in the related Item Merchant sends to Elavon for processing through ECS. Merchant will not submit for clearing or settlement any physical Paper Check unless and until Elavon and Member have processed and settled a Chargeback to Merchant with respect to any Items created from such Paper Check.
- 13) Merchant will not disclose to third parties any information derived from ECS Transactions including, but not limited to, Customer ABA Routing Number and account information, driver's license number, telephone number, or social security number except as specified in

Exhibit H – Electronic Check Services

- the Agreement, including the ECS MOG. Merchant shall keep all such information confidential and secure, in accordance with the Agreement and Laws.
- 14) Merchant does not have the right to use ECS data for any purpose other than to support the ECS itself.
 - 15) Merchant's Agreement and use of the ECS may be terminated immediately by Elavon for failure to comply with the terms of this Exhibit H, the Agreement or Laws.

2. Glossary

- 16) **ABA Routing Number:** The ABA number that uniquely identifies the bank that holds the Customer account to be debited or credited through ECS.
- 17) **Authorization:** A process where a Drawee Bank, processor, or Authorizing Agent approves a Transaction, including as specified in the Visa POS Check Service Operating Regulations.
- 18) **Authorizing Agent:** A third party designated by Elavon to provide approvals and declines for Transactions.
- 19) **Batch:** The total of the Transactions processed since a Merchant's last settlement.
- 20) **Chargeback:** For purposes of this Exhibit, "Chargeback" means (i) a sales Transaction disputed by a Customer or an Item not in compliance with Conversion with Guarantee warranty provisions or ECS Rules; (ii) for all Service Levels other than Conversion with Guarantee, the face amount of any Item that is returned by the Drawee Bank or an ECS Association to Elavon unpaid and that is ineligible for resubmission to the Drawee Bank or the ECS Association, including any Item returned for non-sufficient or uncollected funds after the third presentment; and (iii) for all Service Levels, an Item that is not in compliance with Merchant's obligations, representations and warranties under the Agreement or this Exhibit H.
- 21) **Check Reader/Imager:** A device certified by Elavon that electronically captures the MICR line and/or an image of the Paper Check.
- 22) **Check Replacement Document:** A Demand Draft, Photo-In-Lieu, or Substitute Check.
- 23) **Customer:** A client of Merchant who elects to conduct a payment Transaction with Merchant through presentation of a Payment Device.
- 24) **Demand Draft:** A negotiable instrument drawn on the Customer's checking account that is created from transaction data included in an Item and that does not bear the Customer's signature but that is authorized by the Customer and is able to be processed via standard check processing methods.
- 25) **Drawee Bank:** The financial institution where a Customer maintains a checking or other deposit account (i) on which a Paper Check that serves as the source document for an Item is drawn, or (ii) as to which a Customer provides the ABA Routing Number and account information for use in generating an Item.
- 26) **ECS Primer:** The detailed information relating to ECS processes and implementation provided by Elavon to Merchant, which must be used by Merchant in conjunction with the technical specifications and certification requirements provided by Elavon to promote integrated point of sale system connectivity and integration between Merchant and Elavon.
- 27) **ECS Rules:** Means (a) all Association Rules applicable to the ECS Associations, (b) the ECS MOG, and (c) the ECS Primer, in each case including without limitation, and all amendments agreed upon pursuant to Exhibit G(3).
- 28) **Item:** An electronic file or entry representing a Transaction that is created from (i) the information captured by Merchant from a Paper Check using a Check Reader/Imager, or (ii) Customer inputs of ABA Routing Number and account information, that is forwarded by Merchant to Elavon or Member in accordance with the Agreement.

Exhibit H – Electronic Check Services

- 29) **Laws.** All applicable local, state and federal statutes, regulations, ordinances, rules and other binding law in effect from time to time.
- 30) **MICR:** The magnetic ink character read line encoded on a Paper Check that contains information about the Customer's checking account, including the ABA Routing Number and checking account number.
- 31) **Paper Check:** A Customer's paper check presented to Merchant for payment to the Merchant, which check will serve as the source document for Items.
- 32) **Participant:** An organization that agrees to comply with the Visa POS Check Service Operating Regulations, completes comprehensive certification testing with Visa, participates in one or more of the service levels, and performs functions and activities appropriate to participating in the Visa POS Check Service.
- 33) **Photo-In-Lieu:** A photocopy of a Paper Check, other than a Substitute Check.
- 34) **Substitute Check:** A draft that includes images of the front and back of the original Paper Check and that may meet the requirements for a "Substitute Check" under the Check Clearing for the 21st Century Act and related regulations.
- 35) **Visa POS Check Service:** Visa's proprietary check clearing product which utilizes the VisaNet network to offer direct checking account access to authorize, clear and settle consumer checks drawn on banks participating in this service.
- 36) **Visa POS Check Service Operating Regulations:** A set of specifications, guidelines, and principles defined by Visa that govern the operation and flow of information for transactions participating in the Visa POS Check Service.

Exhibit I – Convenience and Service Fee Services

This Exhibit I is between You (“Merchant”) and Contractor (“Elavon”) and supplements, is made a part of and is subject to the terms and conditions of the Agreement.

Merchant elects and agrees to the Convenience or Service Fee Services selected on the Authorized User Participation – Set Up Form as part of Contractor’s Services, as such Convenience Fee or Service Fee Services are described in this Exhibit I and in the Operating Procedures.

Capitalized terms used and not otherwise defined in this Exhibit shall have the meanings ascribed to them in the Agreement or the Operating Procedures.

For the Assessment of Convenience Fees, such terms and conditions are set forth in Appendix I, which Convenience Fees may only be assessed by Local Authorized Users.

For Government/Public Institution Service Fees (“GPISF”), the Terms and Conditions (“T&C”s) for the assessment of GPISF are set forth below and may be assessed by State and Local Authorized Users.

TERMS AND CONDITIONS FOR ASSESSMENT OF GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES

1) APPLICABILITY OF AGREEMENT. If Merchant has requested authority to have Elavon charge a GPISF to its Customers for Eligible Transactions, the following provisions apply to such Eligible Transactions and the related GPISF charged. Any other Transaction amounts charged to a Cardholder, including Convenience Fees, are governed by the standard provisions set forth in the Agreement. Merchant agrees to the following provisions, in addition to the terms and conditions of the Agreement.

2) RULES OF CONSTRUCTION. These T&Cs are intended to complement and are subject to your Agreement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement or the Operating Procedures. In the event of a conflict between these T&Cs and other terms of the Agreement or the Operating Procedures, the terms of the Agreement shall prevail.

3) DEFINITIONS.

a) Government/Public Institution Service Fee means the fee charged by Elavon or Merchant, at Merchant’s election, to Customers conducting Eligible Transactions (as described herein, as applicable) at Merchants operating in certain designated merchant category codes (“MCCs”). For the avoidance of doubt, fees referred to as a “service fee” or “convenience fee” (in the context of the MCCs described herein) as used in the applicable rules of the Credit Card Associations, where the fee is processed as a separate Transaction from the underlying purchase or payment Transaction, are included within the definition of, and are referred to herein, as a “Government/Public Institution Service Fee.”

b) Third Party Provider means any entity that stores, processes, transmits or accesses Card data or Transaction data on behalf of Merchant or that provides software to Merchant for transaction processing, storage, or transmission, except to the extent such services are performed by the entity in its capacity as an agent of Contractor performing Contractor’s obligations under the Agreement.

4) GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE SERVICES.

a) GPISF Services. At Merchant’s election, Merchant may choose to have Elavon charge a Government/Public Institution Service Fee (an Elavon-managed GPISF) to its Customers for

Exhibit I – Convenience and Service Fee Services

Eligible Transactions, provided that Merchant is in compliance with the Payment Network Regulations and Laws, including the Electronic Fund Transfer Act and Regulation E. If Merchant elects an Elavon-managed GPISF, Merchant agrees that any GPISF collected in connection with an Eligible Transaction will be retained by Elavon and Member and that such amount constitutes Elavon's and Member's property, and Merchant has no right, title or interest in such amounts. Further, if Merchant elects an Elavon-managed GPISF, Merchant agrees that Elavon may adjust the GPISF amount, as mutually agreed upon, from time to time as necessary or appropriate to accommodate changes in Payment Network fees (including Interchange fees), material changes in average ticket size and/or monthly Transaction volume, Interchange classification or downgrades, changes in Chargeback rates, or changes in Payment Devices accepted and/or payment channels offered by Merchant. Additionally, Elavon may immediately terminate the Processing Services for GPISF if Merchant's Chargeback rates materially exceed industry averages. Merchants wishing to institute a convenience or service fee program must meet volume thresholds that cover Elavon's cost of implementing and administering the program in order for Elavon to offer or continue the program.

b) Conflict of Laws. To the extent Merchant's state or other governing body has passed legislation that requires assessment of GPISFs by government agencies as a component of card acceptance, such laws may conflict with Payment Network Regulations. Merchant bears all responsibility and liability associated therewith, including all assessments, fees, fines and penalties levied by the Payment Networks.

5) REQUIREMENTS FOR GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES. Elavon may update or revise the provisions of this Section 5 in accordance with Exhibit G Section 3.

a) Merchants Accepting Visa Cards for Eligible Transactions. The following requirements apply to Merchants accepting Visa Credit Cards and/or Visa signature Debit Cards that desire to charge or to have Elavon charge a GPISF on certain Transactions. If Merchant also accepts and wishes to charge or to have Elavon charge a GPISF on certain Transactions paid by MasterCard and/or Discover Network cards, the requirements of this Section (5)(a) also apply to Merchant in connection with the assessment of GPISFs on Transactions involving those Payment Devices.

i) Eligible Merchants. Merchants operating in MCC 9311 (Taxes) are eligible to charge or to have Elavon charge a GPISF to Customers in connection with Eligible Transactions listed in Section (5)(a)(ii) below.

ii) Eligible Transactions. Eligible Merchants may have Elavon charge a GPISF only in connection with the following "Eligible Transactions":

- 1) Federal personal income taxes;
- 2) State personal income taxes;
- 3) Real estate and other property taxes;
- 4) Federal business income taxes;
- 5) State business income taxes;
- 6) Federal payroll/unemployment taxes;
- 7) State payroll/unemployment taxes; or
- 8) Sales and use taxes.

iii) Transaction Requirements. The following requirements apply to Eligible Transactions under this Section (5)(a).

1) Merchant must provide Elavon with the necessary documentation to facilitate Elavon's registration of Merchant in the "Visa Tax Payment Program," the "MasterCard Convenience (Service) Fee for Eligible Government and Education Payments" program and/or the convenience/service fee program of Discover Network, in each case to the extent applicable and required.

Exhibit I – Convenience and Service Fee Services

- 2) The GPISF must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the GPISF.
- 3) The GPISF must apply in the same amount regardless of the Credit Card type or signature Debit Card type (with the exception of Visa Consumer Signature Debit) accepted for payment of a given Eligible Transaction within a particular payment channel. This requirement does not apply to payments made by ACH, cash, check or PIN-based Debit Card.
- 4) The GPISF must not be advertised or otherwise communicated as an offset to the merchant discount rate.
- 5) The GPISF cannot be charged for recurring payments. The GPISF is designed for one-time

6) Merchant must accept Visa as a means of payment in all channels (i.e., face-to-face, mail/telephone, and Internet environments, as applicable).

7) Merchant must feature the opportunity to pay with Visa at least as prominently as all other payment methods.

b) Merchants Not Accepting Visa Cards for Eligible Transactions. The following requirements apply to Merchants accepting Credit Cards and/or signature Debit Cards other than Visa (i.e., Merchants accepting MasterCard cards and/or Discover Network cards but not accepting Visa cards) that desire to charge or to have Elavon charge GPISFs on Eligible Transactions.

i) Eligible Merchants. Merchants operating in MCCs 8211 (Elementary Schools), 8220 (Colleges/Universities), 9211 (Courts), 9222 (Fines), 9311 (Taxes) and 9399 (Miscellaneous Government Services) are eligible to charge or to have Elavon charge a GPISF to Customers in connection with Eligible Transactions listed in Section (5)(b)(ii) below.

ii) Eligible Transactions. Eligible Merchants may have Elavon charge a GPISF only in connection with the following “Eligible Transactions”:

- 1) Payments to elementary and secondary schools for tuition and related fees, and school-maintained room and board;
- 2) Payments to colleges, universities, professional schools and junior colleges for tuition and related fees, and school-maintained room and board;
- 3) Payments to federal courts of law that administer and process court fees, alimony and child support payments;
- 4) Payments to government entities that administer and process local, state and federal fines;
- 5) Payments to local, state and federal entities that engage in financial administration and taxation; or
- 6) Payments to Merchants that provide general support services for the government.

iii) Transaction Requirements. The following requirements apply to Eligible Transactions under this Section (5)(b).

- 1) Merchant must provide Elavon with the necessary documentation to facilitate Elavon's registration of Merchant in the “MasterCard Convenience (Service) Fee for Eligible Government and Education Payments” program and/or the convenience/service fee program of Discover Network, in each case to the extent applicable and required.
- 2) The GPISF must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the Government/Public Institution Service Fee.
- 3) The GPISF must apply in the same amount regardless of the Credit Card or signature Debit Card type accepted for payment of a given Eligible Transaction within a particular payment channel. This requirement does not apply to payments made by ACH, cash, check or PIN-based Debit Card.

Exhibit I – Convenience and Service Fee Services

4) The GPISF must not be advertised or otherwise communicated as an offset to the merchant discount rate.

c) Additional Requirements for Merchants Utilizing Proprietary Solutions or Third Party Providers.

i) **POS Devices.** Merchant is responsible for ensuring that its software, POS Devices and card acceptance procedures fully comply with Elavon's instructions, including with respect to programming of software and POS Devices to handle Eligible Transactions to ensure proper assessment of Government/Public Institution Service Fees. If the GPISF is Elavon-managed, Merchant is further responsible for complying with all mutually agreed upon requirements as provided by Elavon from time to time to appropriately process the Eligible Transactions to qualify for optimal Interchange rates within five (5) days of Elavon's communication to Merchant of the same. If Merchant fails to make changes to its POS Devices or card acceptance procedures requested by Elavon within five (5) days of the request, Elavon may, in its discretion, discontinue the program or suspend a certain payment type. Further, if Merchant fails to make such changes and the GPISF is Elavon-managed, Elavon may adjust the GPISF amount, bill the Merchant for charges in excess of the GPISF to recover losses related to Transactions that did not qualify for optimal Interchange rates or for applicable Credit Card Associations' reimbursement programs, including, but not limited to, losses related to Merchant's failure to distinguish between pricing of Visa signature Debit Cards and all other card types for transactions processed within the Visa Tax Payment Program.

ii) **Approval Required to Charge or Adjust Government/Public Institution Service Fee.** Merchant may not charge or adjust GPISFs unless Merchant has disclosed such fees to Elavon previously in writing and Merchant has been approved by Elavon to charge or adjust such GPISFs. If Merchant charges or adjusts a GPISF without having disclosed such fee or adjustment previously in writing and obtained Elavon's consent, Merchant will be in breach of the Agreement and Elavon may immediately terminate the Agreement in addition to pursuing any other remedies available under the Agreement, Laws and Payment Network Regulations.

iii) **Third Party Provider.** Merchants accepting Visa cards for Eligible Transactions who utilize proprietary solutions or Third Party Providers to manage a GPISF must comply with Attachment 1, attached hereto.

6) ADDITIONAL PROCESSING REQUIREMENTS. If Merchant voids an underlying Eligible Transaction, the associated GPISF must be voided as well. If Merchant processes a refund for an underlying Eligible Transaction, Merchant must disclose to Customers that GPISFs are non-refundable. Merchants that desire to charge or to have Elavon charge GPISFs will be assigned separate MIDs for use in connection with Eligible Transactions and related GPISFs. MIDs assigned for use with Eligible Transactions and/or GPISFs may not be used to process Transactions that are not Eligible Transactions.

7) PAYMENT AND TRANSACTION TYPES SUPPORTED. GPISF capability for Credit Cards and/or signature Debit Cards depends on the Merchant's MCC, as described above, and the Payment Network Regulations of the applicable Credit Card Association. GPISF capability is supported only through Elavon products specified on the Authorized User Participation – Set Up Form (Exhibit D, Attachment I). Not all payment and transaction types are supported for all products. Additionally, Merchant proprietary software, POS Devices, or Third Party Providers may be certified to process Elavon-managed GPISF Transactions. Closed network prepaid cards, electronic benefits transfer, and dynamic currency conversion are not supported for GPISF processing.

Exhibit I – Convenience and Service Fee Services

**EXHIBIT I ATTACHMENT 1
GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE PROCESSING
REQUIREMENTS FOR MERCHANTS USING PROPRIETARY SOLUTIONS OR A
THIRD PARTY PROVIDER**

I. Underlying Eligible Transactions

The following data must be inserted in the listed fields when creating the authorization and clearing requests for the underlying Eligible Transaction (the tax liability payment).

FIELD NAME	VALUE
Merchant Category Code	9311 – Tax Payments
Merchant Name	The following lists the format and information for each type of tax collected for this field: <ul style="list-style-type: none"> ▪ Federal tax payments, you must use “US Treasury Tax Payment” ▪ State Income Tax: NN – State Income Tax, where NN represents the state, for example, CA – State Income Tax ▪ For all other taxes: Taxing Authority – Tax Type, for example: <ul style="list-style-type: none"> ✓ Sales Tax: NN Franchise Tax Board – Sales Tax ✓ Business Income Tax: NN Franchise Tax Board – Business Income ✓ Property Tax: NN Funds E-Pay – Real Estate
Merchant City	Merchant customer service phone number.
Merchant State	Merchant state two letter acronym (NN), for example, CA; (not the state of the provider).
ECl Indicator	<ul style="list-style-type: none"> ▪ Use 1 or 4 for phone-initiated (MOTO) payments. ▪ Use 5, 6, 7, 8 or 9 for Internet-initiated payments.
Merchant Verification Value	This value is used for large <u>federal</u> tax payment requests only. If appropriate, Visa will assign and notify you of your unique MVV value.
Local Tax	In the Sales Draft Record (TC05), Transaction Record 6 (TCR6), positions 5-16 (“Local Tax”), insert the value of “0” = “0%” tax rate.
Local Tax Included	In the TC05, TCR6, position 17 (“Local Tax Included”), insert a value of “2” = Transaction is not subject to tax.

II. Government/Public Institution Service Fee Transactions

The following data must be inserted in the listed fields when creating the authorization and clearing requests for the Government/Public Institution Service Fee.

FIELD NAME	VALUE
Merchant Category Code	9311 – Tax Payments
Merchant Name	The following lists the format and information for each type of tax collected: <ul style="list-style-type: none"> ▪ Federal tax payments, you must use “US Treasury Tax Payment Service Fee” ▪ State Income Tax: NN – State Income Tax Service Fee, for example, CA – State Income Tax Service Fee

Exhibit I – Convenience and Service Fee Services

	<ul style="list-style-type: none"> ▪ For all other taxes: Taxing Authority – Tax Type Service Fee, for example: <ul style="list-style-type: none"> ✓ Sales Tax: NN Franchise Tax Board – Sales Tax Service Fee ✓ Business Income Tax: NN Franchise Tax Board – Business Income Service Fee ✓ Property Tax: NN Funds E-Pay – Real Estate Service Fee
Merchant City	Merchant service phone number.
Merchant State	Merchant state two letter acronym (NN), for example, CA; (not the state of the provider).
ECI Indicator	<ul style="list-style-type: none"> ▪ Use 1 or 4 for phone-initiated (MOTO) payments. ▪ Use 5, 6, 7, 8 or 9 for Internet-initiated payments.
Local Tax	In the Sales Draft Record (TC05), Transaction Record 6 (TCR6), positions 5-16 (“Local Tax”), insert the value of “0” = “0%” tax rate.
Local Tax Included	In the TC05, TCR6, position 17 (“Local Tax Included”), insert a value of “2” = Transaction is not subject to tax.

Exhibit J – Enterprise Billing Solutions (EBS)

This Exhibit J is between You (“Merchant”) and Contractor (“Elavon”) and supplements, is made a part of and is subject to the terms and conditions of the Agreement.

Merchant elects and agrees to the Enterprise Billing Solutions (“EBS”) Services selected on the Authorized User Participation – Set Up form as a part of the Contractor’s Services, as such EBS Services are described in this Exhibit J.

Capitalized terms used and not otherwise defined in this Exhibit J shall have the meanings ascribed to them in the Agreement or the Operating Regulations.

TERMS OF SERVICE

Section A - General Provisions Applicable to EBS Services

- 1) **ACCEPTANCE OF PAYMENT DEVICES.** In connection with its sale of goods or services or its receipt of bill payments, Merchant desires to accept Payment Devices in an online, telephone or Integrated Point of Sale environment through the Elavon-sponsored Enterprise Billing Solution. Merchant has selected its desired EBS Services, including the desired fee funding model, if applicable, on the Authorized User Participation – Set Up form. The terms and conditions for Merchant’s use of the EBS Services are set forth in this Exhibit J, the Agreement, including the Attachments attached to the Agreement, and in the Merchant Operating Guide (“MOG”), and the Electronic Check Service Operating Guide (“ECS MOG”), as mutually agreed upon and amended from time to time. The current version of the MOG is available at https://www.merchantconnect.com/CWRWeb/tech_support.do and the current version of the ECS MOG is available at <https://www.merchantconnect.com/CWRWeb/ElectronicCheckService.do>. The MOG and the ECS MOG, as applicable, are incorporated herein by this reference.
- 2) **TRANSACTIONS.**
 - a) **Merchant Compliance.** Merchant must comply with all requirements under Laws (including, without limitation, the Electronic Signatures in Global and National Commerce Act), Payment Network Regulations and the Agreement in connection with the EBS Services. Merchant must also comply with the applicable procedures set forth in the MOG, and the ECS MOG (as applicable) and any other guides, manuals, or rules provided in writing by Elavon in accordance with Exhibit G Section 3. For purposes of the EBS Services only, Merchant will not receive Payment Device Transaction information and therefore Merchant is not obligated to comply with the requirements governing Merchant receipt and handling of payment information from Customers; provided that this exception shall not apply to Integrated Point of Sale EBS services.
 - b) **Transaction Requirements.** Before Elavon and Member will process a Transaction on Merchant’s behalf, the Customer must affirmatively agree to engage in the Transaction through the EBS Services web site, via the telephone or in an Integrated Point of Sale environment, as applicable.

Exhibit J – Enterprise Billing Solutions (EBS)

- i) **Customer Authentication.** In addition to satisfying the applicable requirements set forth in the Agreement, the MOG, the ECS MOG (as applicable) and any other guides, manuals or materials provided to Merchant by Elavon or Member, Merchant must provide to Elavon and Member such Customer information as may reasonably be required for Elavon and Member to perform their obligations under the Agreement and this Exhibit J. If Merchant has selected Secure Handoff as the means of Customer authentication for the EBS Services, Merchant will authenticate the identity of each Customer prior to allowing such Customer to access the EBS Services for purposes of initiating a payment to Merchant. Merchant agrees that Elavon and Member are entitled to rely on such authentication and the accuracy of the Customer information provided by Merchant to Elavon. Elavon and Member shall have no responsibility for authenticating the Customer or for any Transaction (whether or not the result of fraud or other unauthorized access) processed with respect to a Customer that accesses the EBS Services after a Merchant Secure Handoff. If Merchant has selected Billing Account Master File as the means of Customer authentication for the EBS Services, Elavon and Member will authenticate the identity of each Customer, on Merchant's behalf, based solely on the Customer information provided by Merchant to Elavon and using the authentication criteria as directed by Merchant. Merchant agrees that Elavon and Member are entitled to rely on the accuracy of the Customer information provided by Merchant and that Elavon and Member shall only be responsible for authenticating each Customer as and to the extent directed by Merchant in writing. Merchant shall be responsible for any losses that may result from: (a) errors in the authentication of a Customer or in the processing of Transactions that result from incorrect Customer information provided to Elavon or Member; and (b) inaccurate or incomplete authentication of a Customer that does not result from Elavon or Member's errors or omissions. Merchant grants Elavon and Member and their designated agents access to and use of Customer information and such other data as is reasonably necessary for Elavon and Member to perform their obligations under the Agreement. Merchant's provision of such Customer information to Elavon and Member will not breach any agreement to which Merchant is a party or violate Laws.
- ii) **Transaction Risk.** Elavon and Member will attempt to collect from each Customer the payment-related information necessary for Elavon and Member to process a payment Transaction from the Customer to Merchant in connection with the EBS Services. Merchant acknowledges that Elavon and Member are not responsible for incomplete or inaccurate payment information that may be provided by any Customer in connection with the EBS Services. Merchant further acknowledges that additional Transaction verification and fraud prevention data elements and processes may be available through a particular Payment Network, including address verification, to reduce Transaction risk and that Elavon and Member shall only be responsible for implementing any such Transaction risk controls as are specifically requested in writing by Merchant. The use of such Transaction risk controls does not

Exhibit J – Enterprise Billing Solutions (EBS)

constitute a guarantee of payment or prevent a Transaction from being disputed or subject to Chargeback. Regardless of any additional Transaction risk mitigation options elected by Merchant, Merchant shall remain responsible for monitoring Customer account activity for suspicious or fraudulent activity, as more fully described in Section (A)(4) hereof.

- c) **Transaction Controls.** Merchant will notify Elavon of any material change or anticipated material change in daily dollar activity or type of Transaction processing in connection with the EBS Services, and Merchant will obtain Elavon's approval to any such change. Elavon and Member are not responsible for any losses or expenses incurred by Elavon, Member or Merchant arising out of any material change or anticipated material change in Transaction activity that is not promptly reported to Elavon and Member by Merchant.
- d) **Processing Limits.** Elavon or Member may impose a cap on the aggregate dollar amount or individual dollar amount of Transactions that it will process for Merchant as established by Elavon and Member and may be adjusted from time to time upon mutual agreement of the parties. If Merchant exceeds the established limit, Elavon may suspend the processing of Transactions on a temporary basis until a determination is made and an applicable remedy implemented.
- e) **Recurring Transactions.** For recurring Transactions (e.g., recurring or preauthorized payment of insurance premiums or subscriptions), the Customer must consent to the initiation of the recurring charges using the Customer's designated Payment Device. Recurring Transactions will not be processed by Elavon after Elavon receives: (i) a cancellation notice from the Customer provided through the EBS Services interface; (ii) a notice from Merchant through the EBS Services interface that authority to accept recurring Transactions has been revoked; or (iii) a response from the issuer of a Payment Device that the Payment Device is not to be honored. Merchant must immediately notify Elavon if any Customer advises Merchant that the Customer wishes to revoke its recurring payments authorization by cancelling the recurring payment instruction through the EBS Services interface. Any such notices described in this paragraph processed that are not fully processed through the EBS Services interface prior to 5:00 p.m. Eastern time one (1) business day before the day a Transaction is scheduled to be processed will not affect such Transaction but will be effective for subsequent Transactions.
- f) **Retrieval Requests and Chargebacks.** Merchant is fully responsible for all Retrieval Requests and Chargebacks under the Payment Network Requirements in connection with Transactions processed using the EBS Services. Upon receipt of a Retrieval Request or documentation related to a Chargeback from a Credit Card Association, an ECS Association or an EFT Network, as applicable, Elavon and Member will forward such request or documentation to Merchant. Merchant is responsible for responding, as appropriate, to each Retrieval Request or Chargeback, including by retrieving a copy of the relevant Transaction Receipt from the EBS Services interface. In addition, Merchant will cooperate with Elavon and Member in complying with the Payment Network Requirements regarding Retrieval Requests and Chargebacks.

Exhibit J – Enterprise Billing Solutions (EBS)

- 3) **EBS SERVICES; FEES; OTHER AMOUNTS OWED; TAXES.** Elavon and Member will provide Merchant with the EBS Services in accordance with this Exhibit J. If Merchant elects an Elavon-managed EBS service fee program, Elavon will establish and retain the service fee in lieu of Merchant's obligation to pay the per transaction fees as set forth in Exhibit E, Attachments 1 and 2. Merchants wishing to institute a convenience or service fee program must meet volume thresholds that cover Elavon's cost of implementing and administering the program in order for Elavon to offer or continue the program.
- 4) **FRAUD CONTROLS AND RESPONSIBILITY FOR FRAUD.** Elavon undertakes monitoring of certain Transactions on a systematic basis utilizing fraud and risk parameters in order to minimize Elavon's own financial exposure and such monitoring may result in a financial benefit for Merchant. Elavon may suspend processing of Transactions or decline to process one or more individual Transactions if, based upon fraud detection and prevention controls or other security or Transaction verification or validation procedures, Elavon reasonably believes that such Transactions submitted to Elavon are the result of fraud or error. Merchant agrees that Elavon may, within its sole discretion, suspend the disbursement of funds related to any Transaction for any reasonable period of time required to investigate suspicious or unusual Transaction or deposit activity and that Elavon and Member will have no liability for any losses Merchant may attribute to any suspension of funds disbursement. Notwithstanding the foregoing, Merchant shall be responsible for all fraudulent Transactions unless such fraud results from Elavon's failure to authenticate a purported Customer as required under the Agreement using information provided to Elavon by Merchant under Section (A)(2)(b). Perpetrators of fraudulent Transactions may be referred to law enforcement officials.
- 5) **SUSPENSION OF EBS SERVICES.** Elavon reserves the right to suspend Merchant's or a Customer's access to the EBS Services or to temporarily restrict any use thereof, in whole or in part, if, in Elavon's sole judgment, there is a security, credit or legal risk that may interfere with the continued provision of such EBS Services. Elavon also reserves the right to permanently terminate a Customer's access to the EBS Services upon notice to Merchant if, in Elavon's reasonable discretion, such Customer is misusing the EBS Services or is engaged in suspicious or possible illegal activity. Elavon reserves the right to refuse any Transaction where Elavon believes, in its reasonable discretion, that the Transaction involves a material probability of fraud, credit, or legal risk. Merchant shall cooperate in resolving any claims or errors alleged by a Customer and in investigating any claims of fraud consistent with Laws and Payment Network Regulations.
- 6) **AMENDMENTS.** Elavon is entitled to adjust any convenience or service fees, when mutually agreed upon by both parties, from time to time as necessary or appropriate to accommodate changes in Payment Network fees (including interchange fees), material changes in average ticket size and/or monthly Transaction volume, Interchange classification or downgrades, changes in Chargeback rates, changes in Payment Devices accepted and/or payment channels offered by Merchant, or changes in fees imposed by any other third party vendor used by Elavon or Member to provide the EBS Services.

Exhibit J – Enterprise Billing Solutions (EBS)

Section B – Payment Card Services Provisions

- 1) **GENERAL DESCRIPTION.** This Section B sets forth additional terms and conditions of the EBS Services applicable to the processing of Transactions conducted using Payment Cards, as more fully described below. Elavon and Member will process Payment Card Transactions only if Merchant has elected Processing Services with respect to Payment Cards (Credit Cards, Debit Card (Signature Debit), Debit Card – Bill Payment (Pinless Debit) and/or Debit Card (Pin Debit) Services) on the Authorized User Participation – Set Up form and subject to the terms and conditions set forth in Section A above and this Section B.
- 2) **AUTHORIZATION.**
 - a) **Transaction Authorization.** Elavon will attempt to obtain an Authorization Code before completing a Transaction. Elavon will only process Transactions that receive a positive Authorization.
 - b) **Effect.** An Authorization Code does not: (i) guarantee Merchant final payment for a Transaction; (ii) guarantee that the Transaction will not be disputed later by the Cardholder as all Transactions are subject to Chargeback; or (iii) protect Merchant in the event of a Chargeback regarding unauthorized Transactions or disputes involving the quality of goods or services. Authorization Codes will not waive any provision of the Agreement or otherwise validate a fraudulent Transaction.
- 3) **CREDITS.**
 - a) **Credits.**
 - i) **Credit Transaction Receipt.** If Merchant agrees to grant a Cardholder a refund of a Payment Card Transaction processed by Elavon and Member, Merchant must request a Credit Transaction Receipt through the EBS Services interface and must issue the Credit using the Credit Transaction Receipt. Merchant may not issue cash or a check as a refund for any previous Transactions processed on a Payment Card. Elavon and Member will debit the DDA for the total face amount of each Credit Transaction Receipt processed by Elavon. Elavon and Member will not process a Credit Transaction Receipt relating to any Transaction Receipt not originally processed by Elavon, and Elavon and Member will not process a Credit Transaction Receipt that exceeds the amount of the original Transaction Receipt.
- 4) **INTERCHANGE.** Elavon and Member bear no responsibility for the Interchange category or pricing, including discount rate, fees and surcharges, applied by the Credit Card Associations, EFT Networks or otherwise owed by Merchant with respect to any Transaction processed using the EBS Services, except to the extent that Merchant is obligated to pay greater Interchange with respect to a Transaction solely on account of Elavon's failure to comply with the Transaction processing requirements agreed to between Merchant and Elavon.

Exhibit J – Enterprise Billing Solutions (EBS)

Section C – Electronic Check Services Provisions

For Local Authorized Users who select ECS, see Appendix 1.

Section D - Glossary

- 1) **Authorization Code:** The code sent by the issuer of a Payment Card in response to an Authorization request, which indicates whether the Transaction is approved by the issuer.
- 2) **Billing Account Master File:** A file of data in an EBS Services-specified format that is provided by Merchant to Elavon via data transmission or upload to the EBS Services platform on a regularly scheduled basis. The data passed to the EBS Services platform will include information used to identify the Customer, amount due, and other data relevant to the effective processing of the Transaction.
- 3) **EBS Services:** The services offered by Elavon described in this Exhibit J pursuant to which Transactions are presented for authorization, clearing and settlement in accordance with this Exhibit J and the Agreement.
- 4) **Integrated Point of Sale:** A Merchant-operated Point of Sale environment that is integrated with Elavon's EBS offering.
- 5) **Payment Card:** A Credit Card, Debit Card or Prepaid Card, as the context requires.
- 6) **Prepaid Card:** A card having available funds paid for in advance by the Cardholder.
- 7) **Secure Handoff:** A data string in an EBS Services-specified format that is passed securely to the EBS Services platform after the Merchant's authentication of a Customer on the Merchant's website. The data passed to the EBS Services platform includes information used to identify the payer, amount due, and other data relevant to the effective processing of the Transaction.

Exhibit K – Official Payments Corporation Convenience Fee Services

This Exhibit K is between You (“Authorized User”) and Official Payments Corporation (“OPC”) and is made a part of and is subject to the terms and conditions of the Master Services Agreement (“Agreement”). Capitalized terms used and not otherwise defined in this Exhibit K shall have the meanings ascribed to them in the Agreement or the Association or Payment Network’s Rules.

Authorized User elects and agrees to the Official Payments Corporation (“OPC”) Convenience Fee Services selected on the Authorized User Participation – Set Up form in addition to the Contractor’s Services, as such Convenience Fee Services are described in this Exhibit K.

1. DEFINITIONS. As used in this Exhibit K, the following capitalized terms have the following meanings:

Convenience fees are subject to the constraints of the Associations and card companies and, in some instances, by State regulations and/or laws. Because of these constraints and for the purposes of this MSA, these fees will be classified as follows:

Service Fee:

- Constitutes a **State or Local Agency’s** elected fee charged to the Cardholder for an added convenience to the Cardholder for the use of a Card in a transaction.
- May only be charged by Authorized Users in certain fee programs based on Association Rules, Merchant Category Code (MCC) and the business requirements of Authorized Users.
- Must be paid to and managed by OPC. Service fee and underlying transaction must be submitted and processed as two separate transactions.

Convenience Fee

- Constitutes a **Local Agency’s (only)** elected fee charged to the Cardholder for an added convenience to the Cardholder for the use of a Card in a transaction.
- May be paid to or managed by the **Local Authorized User** or OPC.
- May be combined into a single transaction.

“Agency” means an Authorized User who uses OPC. In the context of this Exhibit K, “Agency” represents each particular Authorized User as if the text stated “each Agency, respectively” or as if this Exhibit K were referring to only one specific Agency.

“Agency Designated Account” means the direct deposit account(s) established and maintained by Agency at an Automated Clearing House (“ACH”) receiving depository institution reasonably acceptable to OPC for payment of Citizen obligations. Agency Designated Account is further described in Section 4.2.

“Agency Payment” means any payment that is owed by a Citizen to Agency and paid through a Payment Transaction.

“Card Services” means the services provided by OPC and its Suppliers relating to credit card and/or PIN-less debit card services provided in accordance with this Exhibit K and as detailed in Section 2 of this Exhibit K inclusive of payment and electronic funds transfer, which enable Payment Transactions to be processed.

“Chargeback” means the reversal of a Payment Transaction previously credited to an Agency Designated Account.

Exhibit K – Official Payments Corporation Convenience Fee Services

“*Citizen*” means the person, business or entity that initiates and makes payment of the Agency Payment and Service/Convenience Fee through a Payment Transaction.

“*Co-Brand*” means an electronic transaction containing payment and identification data which is initiated by the Citizen on the Agency website, then transferred to an OPC web page where the Citizen completes the transaction and is provided with a confirmation of the Payment Transaction.

“*Co-Brand Plus*” means an electronic transaction containing payment and identification data which is initiated by the Citizen on the Agency website, then transferred to an OPC web page where the Citizen completes the transaction. The Citizen is subsequently transferred back to the Agency web site along with confirmation of the Payment Transaction.

“*OPC Designated Account*” means the direct deposit account(s) set up by OPC to receive payment of Service/Convenience Fees and any other fees owed to OPC.

“*OPC Authorized User*” means an Authorized User (under the CA MSA) that has requested OPC's Card Services, has agreed upon Service/Convenience Fees for such Card Services, and has provided to OPC the information necessary for OPC to implement the Card Services.

“*OPC System*” means OPC's and its Suppliers' electronic payment processing system, including but not limited to, its technology, hardware, software and equipment.

“*Payment Transaction*” means an electronic payment transaction initiated by a Citizen by credit/debit card as provided below, at the OPC or Agency website or IVR, as applicable, and processed by OPC and/or its Suppliers under this Exhibit K.

“*Service/Convenience Fee*” means the fee charged to a Citizen by OPC for the convenience of Citizen making Agency Payments by use of the Card Services.

“*Services*” means the Card Services provided by OPC and its Suppliers pursuant to this Exhibit K.

“*Suppliers*” means OPC authorized vendors including, but not limited to, ACH processor(s).

2. OPC OBLIGATIONS AND PROVISION OF CARD SERVICES. As part of the Card Services, OPC shall provide Payment Processing Services as shown on Exhibit K, Supplement 2, Figure 1 and as further described below:

- 2.1 **Credit/Debit Card Services.** OPC shall provide Citizens the opportunity to make Agency Payments by credit card and PIN-less debit card through both an interactive telephone voice response system (“IVR”) and Internet interface.
- 2.2 OPC shall, on behalf of Agency, collect and process Agency Payments from Citizens using the American Express® Card, MasterCard®, VISA®, and Discover® Card or such of them as are agreed upon by Agency and OPC (each, a “Card”).
- 2.3 OPC shall begin providing the Card Services to Citizens on a date to be mutually agreed upon by OPC and Agency.
- 2.4 OPC shall forward Agency Payment Transactions to the appropriate Card organizations through Elavon and Elavon shall settle the Agency Payment to the Agency Designated Account. Elavon shall provide Payment Settlement Services as shown on Exhibit K, Supplement 2, Figure 2 and to the extent such settlement services are further described in Exhibit A - Scope of Services and Exhibit G – Merchant Services. OPC, and not Elavon, will be responsible for all services beyond settlement, including but not limited to chargebacks, reversals, authorization, and compliance.
- 2.5 OPC shall retain all Service/Convenience Fees collected by it hereunder after paying all fees owed in connection with payment transactions to the appropriate parties.

**Exhibit K – Official Payments Corporation
Convenience Fee Services**

- 2.6 OPC will confirm the dollar amount of all a Citizens' Agency Payments and the corresponding Service/Convenience fees to be charged to Citizens' Cards and obtain the Citizens' approvals (electronic or otherwise) of such charges prior to initiating credit authorizations.
- 2.7 OPC will provide Citizens with electronic confirmation of Card transactions.
- 2.8 For authorization purposes, OPC will electronically transmit all Card transactions to the appropriate Card-processing center, in real time as the transactions occur.
- 2.9 OPC will retain Card authorization logs and transaction records for such period of time as required by applicable law and the regulations of the respective Card organizations.

the name of Agency and arrange for a separate unique line merchant description for the Service/Convenience Fee that references OPC and the nature of the fee.

- 2.11 OPC will provide Agency with logos, graphics, and other appropriate marketing materials for Agency's optional use in its communications with Citizens.
- 2.12 OPC will provide Department of General Services (DGS)/Agency with reports summarizing use of the Card Services and fees by Citizens for a given reporting period (at minimum on a quarterly basis) as described in Exhibit B, Section 3 and in the format set forth in Exhibit B, Attachment I. In addition, OPC will provide DGS' Contract Administrator by March 30th the prior calendar year's annual interchange transaction data in the format set forth in Exhibit K, Attachment II.

3. AGENCY CREDIT/DEBIT CARD OBLIGATIONS. Agency obligations include the following:

- 3.1 If Agency is using Co-Brand, Co-Brand Plus, or application; Agency shall take all reasonable security precautions within its system, hardware and software to prevent unauthorized or fraudulent use of the OPC System by Agency, Agency employees and agents, and Citizens. OPC may, but shall not be required to, assign to Agency one or more identification numbers or passwords for Agency's use in obtaining the Card Services. Once such identification number(s) or password(s) have been delivered to Agency by OPC, the use and confidentiality of such numbers and/or passwords shall be the sole responsibility of Agency.
- 3.4 Other than permitting OPC to charge the Service/Convenience Fees in accordance with the Card Services, Agency will not impose any surcharge or penalty on transactions made by Citizens using the Card Services.
- 3.5 If Agency requests a customized reporting format, Agency shall provide OPC with its desired reporting format sufficiently in advance of the requested report delivery date.
- 3.6 Agency will not require, as a condition to making an Agency Payment, that a Citizen agree in any way to waive such person's rights to dispute the transaction with their banking institution for legitimate reasons.
- 3.7 Subject to the restrictions of the section entitled "Intellectual Property", Agency may actively promote the Card Services to its Citizens at its own expense. These promotions may include publishing the relevant URL for the OPC 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. Agency will obtain OPC's consent prior to publishing any materials that reference the Card Services or OPC.

Exhibit K – Official Payments Corporation Convenience Fee Services

- 3.8 Agency 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 OPC System.
- 3.9 Agency shall execute and deliver to OPC an Authorized Users Participation Form (see Exhibit D Attachment I) to authorize electronic payments to the Agency Designated Account, and any other certificates, instruments or documents as required by applicable laws and regulations in order to consummate the transactions intended under this Exhibit K. Agency will maintain and comply with applicable NACHA rules and regulations on behalf of itself, its employees, agents and Citizens.
- 3.10 Agency shall (i) collect and verify all identification information as required by law or government regulation, and (ii) make such identifying information available to OPC if requested by a regulator, law enforcement officials, or judicial process.
- 3.11 If required by the credit card organizations, Agency will enter into all applicable merchant Card agreements and fully adhere to the rules, regulations and operating procedures of the various Card organizations, including without limitation, with respect to the use of specific Card logos and marks.
- 3.12 Agency will provide to OPC all necessary documents and correspondence in connection with Chargeback transactions or other similar refund transactions.
- 3.13 Agency will establish a reasonable adjustment policy to accommodate adjustments that are required in the normal course of Agency's daily operations.

4. FEES, TAXES, AND PAYMENTS.

- 4.1 Credit/Debit Card Fees. The maximum Service/Convenience fee rate to be charged Citizens for transactions processed is specified on Exhibit K, Supplement I. Lower rates/lower fees may be mutually agreed upon by OPC and Agency. Likewise any amendment to the rate/fee must be mutually agreed upon by OPC, Agency, and DGS Administrator. OPC shall not charge Agency a fee in consideration for OPC providing the Card Services to Citizens except where the Agency has agreed to absorb partial portion of the Service/Convenience fee. Any Agency wanting to partially absorb Service/Convenience fees must notify and obtain approval from DGS Contract Administrator.
- 4.2 Agency Designated Account. Prior to any Payment Transaction, Agency will establish an Agency Designated Account and will provide OPC with the electronic record specifications necessary for funds settlement and the posting of Agency Payment data related to payments. Agency shall maintain such account during the period OPC provides Agency with the Card Services. OPC will invoice Agency for all chargebacks and applicable fees.

5. **ACCOUNT MONITORING; SECURITY.** OPC and its Suppliers may monitor the use of Card Services or Payment Transaction activity and investigate unusual or suspicious activity to the extent it is with reasonable discretion and in compliance with applicable laws and government regulations, provided that in no event does OPC assume any responsibility to discover any possible breach of Agency's security or misuse of the Card Services. Agency and OPC shall immediately notify the other if either discovers any breach of security. Agency and OPC shall each be responsible for its own failure to use reasonable security precautions in connection with the use of the Card Services.

6. **INTELLECTUAL PROPERTY.** Notwithstanding Exhibit D, Section 17 -Proprietary Rights And Permitted Uses, in order that Agency may promote the Card Services and OPC's role in

**Exhibit K – Official Payments Corporation
Convenience Fee Services**

providing the Card Services, OPC grants to Agency a revocable, non-exclusive, non transferable, royalty-free license to use OPC's logo, trademarks and other service marks (the "OPC Marks") for such purpose only, in a form as approved by OPC.

7. GENERAL PROVISIONS.

7.1 Agency shall provide to OPC the User Participation Set Up Form (See Exhibit D Attachment I) for electronic check transactions and deposit instruction form for Card transactions. In doing so, Agency represents to OPC that all information provided in such form is current, correct and complete. Agency agrees to notify OPC with written notice with the updated information as

7.2 Force Majeure. None of the parties shall be held responsible for any delays in or failure or suspension of service caused, directly or indirectly, or any the nonperformance, delay or error of any third party or other causes reasonably beyond the control of any Party.

7.3 Survival. Any Section of this Exhibit K that logically survives the expiration or termination of the Agreement or the rendering of Card Services to a particular OPC Authorized User shall survive, including Sections 1, and 4,

**Exhibit K – Official Payments Corporation
Convenience Fee Services**

**SUPPLEMENT I
CONVENIENCE FEES.**

Convenience Fee Rate:

Convenience Fees charged to each Citizen making a State Government Agency Payment shall be no higher than 2.30% of the Transaction Amount, but with a minimum of \$1.00 and for Local Government Agency Payment shall be no higher than 2.38% of the Transaction Amount, but with a minimum of \$2.50.

Convenience Fee Price Rate Adjustments:

All convenience fee price rates shall be firm fixed for the contract term, including any optional year extensions, unless a price rate adjustment is granted.

A. Frequency/Guidelines:

Convenience fee price rate adjustments will only be considered in accordance with the following guidelines:

1. Convenience fee price rate adjustments will not be granted during the first year of the contract.
2. Convenience fee price rate adjustments after the first year may be requested no more than once within a 12 month period.
3. After approval of a convenience fee price rate adjustment, price rate adjustments will not be accepted for a period of 12 months from the last approved price rate adjustment effective date.
4. Convenience fee price rate adjustments may only be requested when the Assessment % Rate of one or more of the *Published Visa, MasterCard, Discover Interchange Assessment % (PVMD-IA) index* has increased more than 1 basis point.
5. Convenience fee price rate adjustment increase/decrease (basis points) will be determined separately for State and Local Government. Determination will be based on a pro-rated portion of the specific Association Card(s) Assessment % rate change when applied to the associated prior 12 month Elavon/Official Payments Corporation (OPC) MSA applicable State and Local Government transaction data (individually). See Exhibit K, Attachment I - Convenience Fee Price Rate Change Determination worksheet.
6. The convenience fee price rate adjustment will only be approved when the total pro-rated Assessment % Rate change equals one or more full basis point(s).
7. The MSA convenience fee price rate adjustment may not increase more than 3 basis points in any given 12 month adjustment period regardless of the *PVMD-IA* or pro-rated Assessment % Rate change.
8. No convenience fee price rate increase shall apply to transactions under the contract prior to the effective date of the convenience fee price rate adjustment. No retroactive contract convenience fee price rate adjustment increase will be allowed.
9. Approved convenience fee price rate adjustments shall be for a minimum period of 12 months from the approved convenience fee price rate adjustment effective date.

**Exhibit K – Official Payments Corporation
Convenience Fee Services**

10. Convenience Fee Price Rate Declines: The contractor (OPC) shall immediately notify the State Contract Administrator if any Card Association Assessment % rate decreases, and the State shall receive full benefit of such decreases (to the extent the total pro-rated Assessment % Rate decrease equals one or more full basis point(s), effective on the date of the Card Association public announcement. The State reserves the right to decrease Convenience Fee Price Rates using the same methodology used to determine Convenience Fee Price Rate increase adjustments.

B. Request Process:

Convenience Fee Price Rate adjustment requests will be processed as follows:

1. Any convenience fee price rate adjustment request must be in writing and must be received 30 calendar days prior to the requested adjustment date. If OPC fails to request a convenience fee price rate adjustment 30 calendar days prior to the requested adjustment date, the convenience fee price rate adjustment, if accepted, will be effective within 30 calendar days after the State approves the written request.
2. Convenience fee price rate adjustments requests must include:
 - a. A copy of the appropriate Card Association Interchange Assessment % (IA) Index (identified above in Section A.4) illustrating the relevant rate increase/decrease.
 - b. Completed Convenience Fee Price Rate Change Determination Form (Exhibit K, Attachment I - multi-tabbed). OPC must submit separate worksheets for both State and Local Government Agencies containing their individual data. The State reserves the right to request and receive additional relevant supporting data (ex. - Transaction Data Reports at the Authorized User/Department Level and/or Interchange Category Level) as the State deems necessary to validate OPC's price adjustment request.
3. A convenience fee price rate adjustment, if granted, will be made in accordance with the determination methodology (detailed specifically in Section C). Additional price rate adjustments within the contract term including extensions, if granted, will be made in accordance with the same methodology.
4. Upon receipt of such request, the State will verify the request and all supporting data.
 - a. Once the State validates the pro-rated Assessment % adjustment and its applicability with the *Published Visa, MasterCard, Discover Interchange Assessment % (PVMD-IA) index*, the State will accept the new convenience fee price rate at that time; or
 - b. Deny adjustment request and continue with current State contract price rates until all discrepancies are resolved and new convenience fee price rate (using contract methodology) is mutually agreed upon by all parties.

**Exhibit K – Official Payments Corporation
Convenience Fee Services**

C. Price Rate Adjustment Methodology: (Example - See Figure I below):

Step	Methodology Description	Calculation
1.	Obtain previous 12 months transaction data (Sales Volume, Number of Transactions, and Fees by Card type) and input all requested data into Convenience Fee Price Rate Change Determination Worksheet (Exhibit K, Attachment I).	Current Conv. Fee Rate: 2.30% Total Sales Volume: \$260,833,440 Total # of Transactions: 347,473 Total Fees: \$5,279,618
2.	Determine Adjusted Fees for each card type (Visa, MC, DISC, Amex): Subtract the current assessment fees (Transaction Volume x Current Assessment %Rate) from the total Fees and add new assessment fees (Transaction Volume x New Assessment % Rate). Sum each card fees (plus processor fees) to determine Adjusted Fee Total	<u>Visa Card Example:</u> \$2,037,189 – \$116,552 (\$105,956,105 x .11%) = \$1,920,637 (Fees - assess fees) \$1,920,637 + \$137,742 (\$105,956,105 x .13%) = 2,058,380 (Visa Adjusted Fees) Total Adjusted Fees: \$5,306,077
3.	Determine Adjusted Total Fee Change: Subtract Adjusted Total Fee from Total Fees	\$5,306,077 - \$5,279,618 = \$26,459
4.	Determine Pro-rated Assessment %Rate Change: Divide the Total Adjusted Total Fee Change by the Total Sales Volume	\$26,459 ÷ \$260,833,440 = 0.01%
5.	Determine new Convenience Fee Rate: If Pro-rated Assessment %Rate Change equals one or more full basis points, add to latest MSA Convenience Fee Rate	0.01% + 2.30% = 2.31%

**Exhibit K – Official Payments Corporation
Convenience Fee Services**

Figure 1

Example -- Convenience Fee Price Rate Change Determination
State Government Data for Calendar Year 2010

A		B		C		D		E		F		G		H		I		J	
(Input data)		(Input data)		(Input data)		(Input data)		(Input data)		(E + C)		(E - C) * A / (C * B)		(G + C)		(G - E)		(I + C)	
Assessment % / Rate 1/		Assessment % / Rate 1/		Sales Volume		# of Trans		Previous 12 month Actuals Fees		Card Fee Rate		Adjusted Fees		Adjusted 2/ Card Fee Rate		Pro-rated Assessment Fees		Pro-rated Assessment % Change Rate	
Current	New																		
0.11%	0.13%	\$105,956,105	194,072	\$2,037,189	1.92%	\$ 2,058,380	1.94%	\$ 21,191	0.020%										
0.11%	0.12%	\$52,680,527	93,705	\$1,018,594	1.93%	\$ 1,023,862	1.94%	\$ 5,268	0.010%										
0.10%	0.10%	\$5,701,342	7,242	\$124,859	2.19%	\$ 124,859	2.19%	\$ -	0.000%										
0.00%	0.00%	\$96,495,466	52,454	\$2,074,653	2.15%	\$ 2,074,653	2.15%	\$ -	0.000%										
0.08%	0.09%	\$260,833,440	347,473	\$ 5,279,618	2.02%	\$ 5,306,077	2.03%	\$ 26,459	0.010%										
Total																			

K		L		M		N		O		P	
(C x L)		(Latest Rate - R/1)		(C x N)		(L + J Total)		(M - K)		(N - L)	
Fees		Conv/Fee/Rate		New Fees		New Conv Fee Rate 3/		Difference in Fees		Rate Change	
\$ 5,999,169	2.30%	\$ 6,025,528	2.31%	\$ 26,459	0.010%						
Total OPC											

1/ Input from Published Visa, MasterCard, Discover Interchange Assessment % (P/MD-I/A) Index

2/ Adjusted for changed Assessment Rate %: Example - Scenario where only Visa & MC Assessment % changed

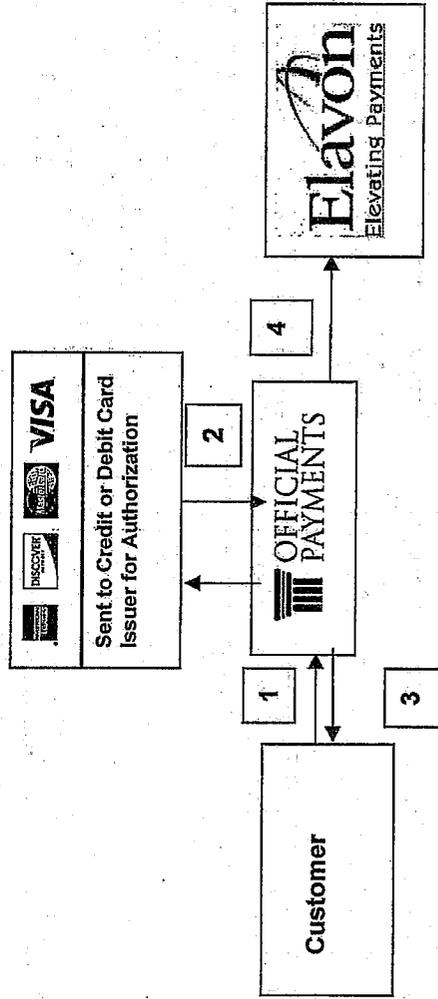
3/ Prorated Assessment % change applied to the latest contract Convenience Fee Rate only when it equals one or more full basis point(s).

4/ New Convenience Fee rate will be adopted only when the total prorated changed assessment % equals one or more full basis point(s)

Supplement 2

Official Payments and Elavon Electronic Credit Card Payment Flowchart

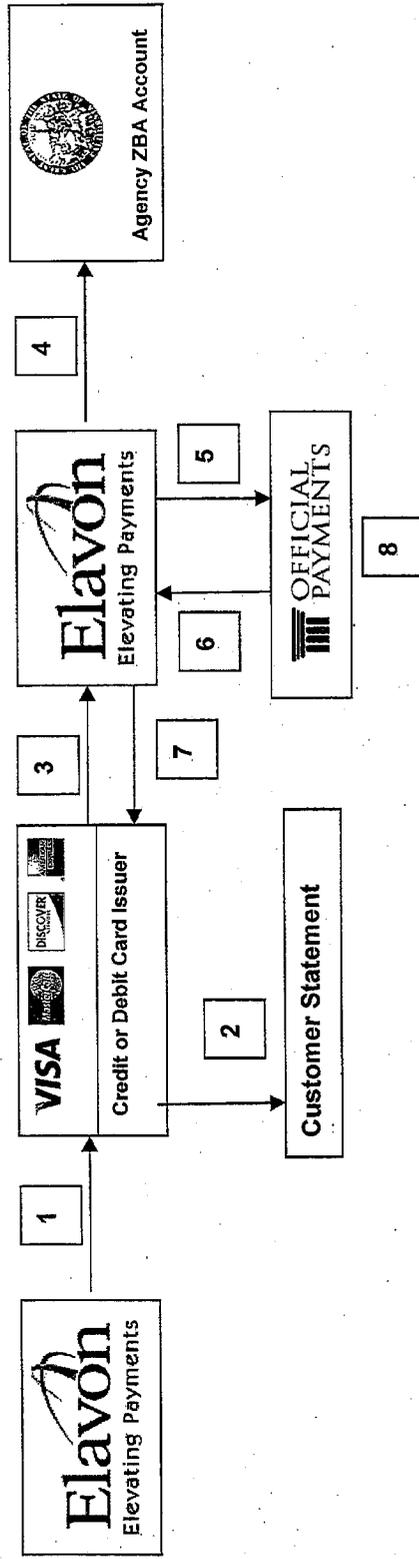
Figure 1 - Payment Process



Official Payments Process: 1) Customer makes a payment through OPC's front end system. 2) Card Issuer authorizes payment. 3) OPC provides customer with approval/decline. 4) OPC sends Payment File to Elavon for settlement processing at Agency/OPC agreed upon daily cutoff time (as long as file is sent within 24 hours of transaction).

**Exhibit K – Official Payments Corporation
Convenience Fee Services**

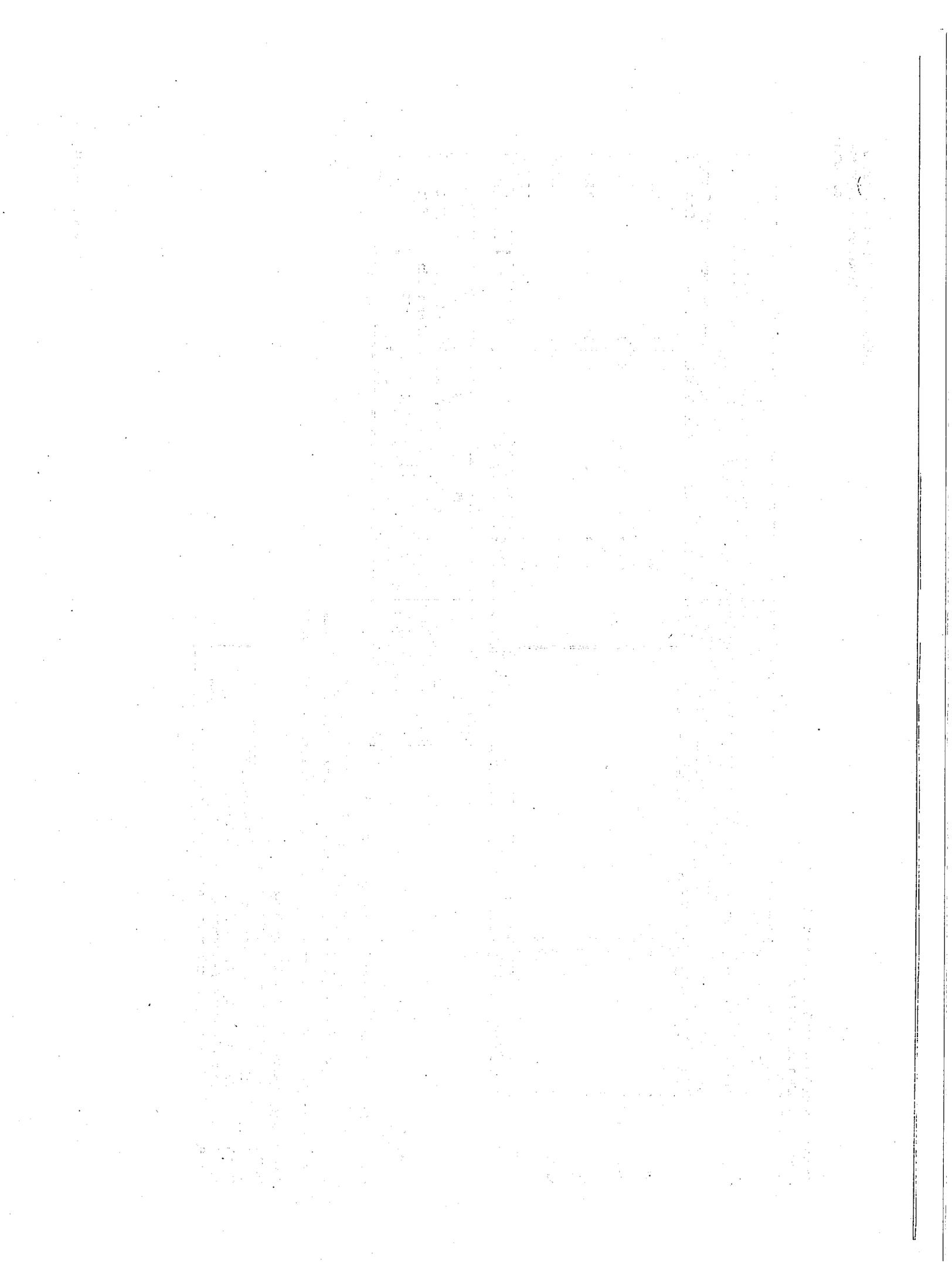
Figure 2 - Funding Process



Elavon's Settlement Process: 1) Elavon sends settlement file and authorization as received from OPC to Card Issuer for settlement. 2) Card Issuer sends customer monthly statement. 3) Card Issuers sends Elavon transaction payment and Convenience Fee to Elavon. 4) Elavon sends (by ACH) transaction payment to Agency's Account. 5) Elavon sends (by ACH) Convenience Fee to OPC. 6) Monthly, Elavon debits Elavon's Fees (as set forth in Exhibit E Attachment I) plus interchange/assessment fees from OPC. 7) OPC retains the remainder of the collected Convenience Fee once all transaction fees are paid.

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APPENDIX I
ELAVON STANDARD PROPOSED NEGOTIATION LANGUAGE (PER EXHIBIT D.1.e)
FOR LOCAL AUTHORIZED USERS

Capitalized terms used and not otherwise defined in this Appendix shall have the meanings ascribed to them in the Agreement or the Operating Procedures.

Exhibit A -- Scope of Services

Section 4(a)3

Contractor shall settle in gross daily and process chargebacks and adjustments by invoicing the State Authorized User for compensation. Local Authorized Users will have the ability to choose their method of payment pursuant to Exhibit B.1.

Exhibit B – Budget Detail and Payment Provisions

Section 1

(d) For Local Authorized Users, the User will decide which fee payment method it chooses to use on the Authorized User Participation Form, Exhibit D Attachment I.

Exhibit E – Fees and Costs

Section 4

(c) Local Authorized Users may choose Convenience Fees that are: (i) Merchant-managed, meaning that Merchant establishes the amount of the Convenience Fee (subject to the requirements of the Agreement and the Payment Network Regulations), retains the Convenience Fee, and pays Elavon the per transaction fees as set forth on Exhibit E Attachment I for all Convenience Fee Transactions; (ii) Elavon-managed, meaning that Elavon establishes the amount of the Convenience Fee and retains the Convenience Fee in lieu of Merchant's obligation to pay Elavon the per transaction fees as set forth on Exhibit E to the Agreement for Convenience Fee Transactions; or (iii) third party convenience fee vendor (certified on the Elavon network). Local Authorized Users will make their selection on the Authorized User Participation – Set Up form. Local Authorized Users selecting either of the programs stated in (i) or (ii) above, agree to the additional terms and conditions for Convenience fees in Exhibit I, below.

Exhibit G -- Agreement for Merchant Processing Services Acceptance

1. SCOPE OF THIS AGREEMENT; DEFINITIONS AND GENERAL PROVISIONS

b. Definitions:

Reserve Account means the fund established and managed by Servicers to protect against actual or contingent liability arising from Chargebacks, adjustments, fees and other charges due to or incurred by Servicers.

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 You accept Internet transactions without such approval, Servicers may, in addition to any other rights it may have under this Exhibit G, establish a 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. 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.

12. FEES; ADJUSTMENTS; COLLECTION OF AMOUNTS DUE

Notwithstanding anything in the Agreement to the contrary, Local Authorized Users may elect one of the following fee collection models:

- a. Direct Debit. If You elect the Direct Debit fee collection model on Exhibit D Attachment I, then You will pay Servicer fees in the ordinary course of business for all processing services, supplies, and equipment in accordance with Exhibit E, any amendment to Exhibit E and any additional Exhibits executed by You. Such fees will be calculated and debited from the designated account once each day or month for the previous day's or month's activity as applicable, or will be deducted from the funds due You under the Agreement.
- b. Monthly Net Settlement. If You elect the Monthly Net Settlement fee collection model on Exhibit D Attachment I, then You will pay Servicer fees in the ordinary course of business for services, supplies, and equipment in accordance with Exhibit E, any amendment to Exhibit E, and any additional Exhibits executed by You. Such fees will be calculated daily and will be offset by Servicer against amounts owed by Servicer to You: (i) on the first day of each month for the prior month's processing services, and (ii) following the first day of the month for fees and other amounts owed to Servicer pursuant to Exhibit E that are not available or reasonably calculable as of the last day of a particular month. In the event that the funds owed by Servicer to You on the first day of a calendar month are insufficient to offset amounts You owe to Servicer for processing services provided during the prior month, Servicer may offset any unpaid balance owed by You against future amounts Servicer owe or will owe to You until your financial obligations are fully satisfied.
- c. Invoice. If You elect the Invoice fee collection model on Exhibit D Attachment I, then You will pay Servicer fees in the ordinary course of business for all processing services, supplies, and equipment in accordance with Exhibit E, any amendment to Exhibit E and any additional Exhibits executed by You. Such fees will be calculated once each month for the previous month's activity. Elavon will send You an invoice reflecting the fees due, which You must pay within thirty (30) days of the invoice date. In addition to all other available remedies, Servicer may offset any outstanding or uncollected amounts that are more than ninety (90) days past due from (i) any amounts they would otherwise be obligated to deposit into your bank account and (ii) any other amounts Servicer may owe you under this Agreement or any other agreement.

17. TERMINATION.

17.2 If any of the following events shall occur (each an "Event of Default"):

- (vi) The occurrence of a material adverse change in the State or an Authorized User's financial condition, defined as a rating by Moody's, Fitch's, or Standard & Poor's below investment grade, or a downgrade of two or more positions with any such reporting service.

- (vii) You shall default in any material respect in the performance or observance of any term, covenant, condition or agreement contained in this Exhibit G, including, without limitation, the establishment or maintenance of funds in a Reserve Account, as detailed in Paragraph 18 (Reserve), or the Data Security requirements as detailed in Section 19.

23. RESERVE ACCOUNT; SECURITY INTEREST

a) Reserve Account.

- i) **Establishment.** Elavon may establish a Reserve Account in the Reserve Amount upon the occurrence of a Reserve Event for the purpose of providing security and a source of funds to pay Elavon and Member for any and all amounts that may be owed by Merchant hereunder. Elavon and Member shall have sole control of the Reserve Account.
- ii) **Reserve Amount.** The Reserve Amount is equal to the aggregate dollar value of: [(average % credits to processing volume during the same period + average % Chargebacks to processing volume during the same period) multiplied by four] multiplied by [average monthly processing volume] plus [one month's average fees] plus [# days delayed delivery multiplied by the average day's processing volume]. For purposes of this calculation, the number of days delayed delivery means the number of days between the date on which the Cardholder's Payment Device is charged and the date the Cardholder receives and is satisfied with the product or service. Further, for purposes of this calculation, Elavon will determine, in its sole reasonable discretion, the applicable period considering factors such as Merchant's Transaction volume and seasonality.
- (1) **Reserve Event.** The following will constitute Reserve Events: (a) fraudulent activity in any monthly period that equals or exceeds one percent (1%) of Merchant's average monthly volume over the preceding twelve (12) month period, (b) Chargebacks in any monthly period that equal or exceed one percent (1%) of the total dollar value of incoming items to Elavon, (c) Elavon's reasonable belief that Merchant has accepted deposits but has not delivered the goods or services, (d) the commencement of a Bankruptcy Proceeding by or against Merchant, (e) termination of the Agreement for any reason or the occurrence of an event listed in Section (A)(12)(b)(ii)(B) or (C) giving Elavon or Member the right to terminate the Agreement, (f) nonpayment of amounts owed to Elavon or Member, (g) fines imposed or reasonably expected to be imposed by the Payment Networks, (h) the occurrence of a material adverse change in Merchant's financial condition, (i) assignment of the Agreement by, or a change in control of, Merchant without Elavon's consent, and (j) revocation, termination or non-renewal of any guaranty, indemnity agreement, letter of credit or any other Alternate Security provided in connection with the Agreement, if applicable.
- iii) **Funding.** Elavon and Member may fund the Reserve Account up to the Reserve Amount by any one or more of the following means.
- (1) Elavon and Member may require Merchant to deposit funds into the Reserve Account;
- (2) Elavon and Member may debit the DDA; and/or

- (3) Elavon and Member may deposit into the Reserve Account funds they would otherwise be obligated to pay Merchant.
- iv) **Use of Funds in Reserve Account.** Elavon or Member may, without notice to Merchant, apply funds in the Reserve Account against any outstanding amounts Merchant owes under the Agreement. Also, Elavon or Member may debit the Reserve Account to exercise their rights under the Agreement including, without limitation, their rights of set-off and recoupment to collect any amounts due to Elavon or Member. Further, Merchant agrees that Elavon or Member may be required to send funds in a Reserve Account to a third party in response to a tax levy or other court order.
- v) **Termination of Reserve Account.** Funds held in the Reserve Account shall remain in the Reserve Account, and shall be used only to pay amounts due to Elavon and Member (except as otherwise provided in the Agreement), until the Merchant has paid in full all amounts owing or that could ever be owed under the Agreement, including all Chargebacks, returns, adjustments, fees, fines, penalties, and any other payments due under the Agreement. In no event shall Merchant be entitled to a return of any funds remaining in the Reserve Account before two hundred seventy (270) days following the effective date of termination of the Agreement.
- vi) **Alternate Security.** In lieu of or in addition to establishing and funding a Reserve Account, Elavon may, in its sole and absolute discretion, accept an alternative form of security ("Alternate Security") for the purpose of providing a source of funds to pay Elavon and Member for any and all amounts owed by Merchant. Elavon retains the right at any time to require that the amount held in the Reserve Account equal the Reserve Amount even if Elavon previously accepted and currently holds Alternate Security; provided that Elavon shall not require that the aggregate of the amount held in the Reserve Account and the Alternate Security taken together, exceed the Reserve Amount.
- b) **Reserve Account and Bankruptcy.** Merchant acknowledges that in the event of a Bankruptcy Proceeding, in order for Merchant to provide adequate protection under Bankruptcy Code Section 362 to Elavon and Member hereunder, Merchant must create or maintain a Reserve Account as required by Elavon and/or Member and either of them shall have the right to offset against the Reserve Account for any and all obligations Merchant may owe to Elavon and Member, without regard to whether the obligations relate to Transactions initiated or processed before or after the initiation of the Bankruptcy Proceeding.
- c) **Security Interests.** To secure Your obligations to Servicers and their affiliates under this Exhibit G and any other agreement for the provision of related equipment or related services, You grants to Servicers a lien and security interest in and to any of Your funds pertaining to the Card transactions contemplated by this Exhibit G now or hereafter in the possession of Servicers, whether now or hereafter due or to become due to You 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. 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 You at any time and from time to time, without notice or demand to You 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 Your obligations to Servicers and their affiliates under this Exhibit G 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. You agree 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 Exhibit G.

Exhibit I – Convenience and Service Fee Services

4) GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE SERVICES.

- a) **GPISF Services.** At Merchant's election, Merchant may choose to charge a GPISF (a Merchant-managed GPISF) or to have Elavon charge a GPISF (an Elavon-managed GPISF) to its Customers for Eligible Transactions, in each case provided that Merchant is in compliance with the Payment Network Regulations and Laws, including the Electronic Fund Transfer Act and Regulation E. If Merchant elects an Elavon-managed GPISF, Merchant agrees that any GPISF collected in connection with an Eligible Transaction will be retained by Elavon and Member and that such amount constitutes Elavon's and Member's property, and Merchant has no right, title or interest in such amounts. Further, if Merchant elects an Elavon-managed GPISF, Merchant agrees that Elavon may, when mutually agreed by both parties, adjust the GPISF amount from time to time as necessary or appropriate to accommodate changes in Payment Network fees (including Interchange fees), material changes in average ticket size and/or monthly Transaction volume, Interchange classification or downgrades, changes in Chargeback rates, or changes in Payment Devices accepted and/or payment channels offered by Merchant. Additionally, Elavon may immediately terminate the Processing Services for GPISF if Merchant's Chargeback rates materially exceed industry averages. If Merchant elects a Merchant-managed GPISF, Merchant will receive and retain the GPISF collected in connection with Eligible Transactions and will pay regular per transaction fees to Elavon and Member for the Processing Services provided by Elavon and Member with respect to such Transactions. Merchant agrees that the minimum annual Transaction fees (which includes any Elavon-retained GPISF) paid to Elavon and Member for Transactions processed under this Exhibit shall be at least equal to the "Minimum Annual Fees" amount identified in the Convenience and Service Fee pricing section below. For any partial period of less than a full year during the term of this Exhibit, the actual amount of fees paid by Merchant to Elavon for Transactions processed under this Exhibit shall be annualized to determine if Merchant has satisfied this obligation. At the end of each year (the first of which shall begin on the Effective Date and each successive year of which shall begin immediately upon the conclusion of the preceding year), Elavon may notify Merchant if the actual Transaction fees paid by Merchant in respect of this Exhibit is less than the Minimum Annual Fees amount. In the event that Merchant's actual Transaction processing fees under this Exhibit for any such period are less than the

Minimum Annual Fees, Merchant shall promptly pay Elavon and Member the difference.

8) Convenience Fees

a) **Merchant-Managed.** If Merchant is both eligible to charge Convenience Fees and has elected on Exhibit D – Attachment I to manage Convenience Fees, then Merchant shall comply with the standard provisions regarding Convenience Fees set forth in the Agreement and the MOG.

b) **Elavon-Managed.** If Merchant is both eligible to charge Convenience Fees and has elected on Exhibit D – Attachment I to have Elavon manage Convenience Fees, Merchant agrees to the following provisions, as and to the extent applicable, in addition to requirements regarding Convenience Fees set forth in the Agreement and the MOG.

1. **General.** At Merchant's election, Merchant may choose to have Elavon manage the Convenience Fee Merchant will charge to its Customers for eligible Transactions, provided that Merchant is in compliance with the Payment Network Regulations and Laws. In such circumstances, Elavon will communicate to Merchant the amount of the Convenience Fee Merchant is required to charge for each eligible Transaction. Merchant agrees that any Convenience Fee charged by Merchant for such Transactions will be retained by Elavon and Member and constitutes Elavon's and Member's property, and Merchant acknowledges that Merchant has no right, title or interest in such amounts. Elavon may adjust the Convenience Fee from time to time as necessary to accommodate changes in Payment Network fees (including Interchange fees), material changes in average ticket size and/or monthly Transaction volume, Interchange classification or downgrades, changes in Chargeback rates, or changes in Payment Devices accepted and/or payment channels offered by Merchant. Additionally, Elavon may immediately terminate the Processing Services for Convenience Fees if Merchant's Chargeback rates materially exceed industry averages.

2. **POS Devices and Convenience Fee Changes.** Merchant is responsible for ensuring that its software, POS Devices and Payment Device acceptance procedures fully comply with Elavon's instructions and Payment Network Regulations, including with respect to programming of software and POS Devices to handle eligible Transactions to ensure proper assessment of Convenience Fees and modifying the amount of Convenience Fees charged upon request from Elavon. Merchant is further responsible for complying with all requirements as provided by Elavon from time to time to appropriately process the eligible Transactions to qualify for optimal Interchange rates within five (5) days of Elavon's communication to Merchant of the same. If Merchant fails to make changes to its POS Devices or Payment Device acceptance procedures, or fails to adjust the amount of the Convenience Fee charged per Transaction, within five (5) days of Elavon's request therefore, Elavon may, in its discretion, discontinue the program or suspend a certain payment type, or bill the Merchant for charges in excess of the Convenience Fee to recover losses related to Transactions that did not qualify for optimal Interchange rates or did not include the Convenience Fee amount requested by Elavon.

c) **Fees.** If Merchant has elected on Exhibit D – Attachment I that Convenience Fees will be “Merchant-managed,” then Merchant will compensate Elavon and Member for the Processing Services for Convenience Fee Transactions as indicated on Exhibit E to the Agreement (i.e., Merchant will pay standard per transaction fees for Convenience Fee Transactions). If Merchant has elected on Exhibit D – Attachment I that Convenience Fees will be “Elavon-managed,” then Elavon will net from the Transaction settlement paid to Merchant the full amount of the Convenience Fee established by Elavon (as set forth in Exhibit D-Attachment I –Authorized User Participation Set Up form). Subject to the provisions above, the Convenience Fee retained by Elavon where Merchant has elected “Elavon-managed” Convenience Fees will constitute full payment to Elavon for Elavon’s processing of such Transactions.

Exhibit J – Enterprise Billing Solutions

3) EBS SERVICES; FEES; OTHER AMOUNTS OWED; TAXES. Elavon and Member will provide Merchant with the EBS Services in accordance with Exhibit J. Merchant will compensate Elavon and Member for the EBS Services as indicated on Exhibit D – Attachment I and the Convenience and Service Fee section below. If Merchant elects an Elavon-managed EBS program, Elavon will establish and retain the service or convenience fee in lieu of Merchant’s obligation to pay the per transaction fees. Should Merchant wish to institute an EBS program that does not meet a volume threshold for Elavon to offer the program, Elavon and Merchant may mutually agree to a minimum fee that will be applied to cover Elavon’s cost of implementing and administering the program, if the convenience or service fees do not cover such expenses. Merchant agrees that the minimum annual Transaction fees paid to Elavon and Member for Transactions processed using the EBS Services shall be at least equal to the “Minimum Annual Fees” amount identified below. The Minimum Annual Fees requirement becomes effective on the first day of the first month that begins following the earlier of (i) the date Elavon processes the first Transaction for Merchant using the EBS Services, or (ii) ninety (90) days from the Effective Date for the Merchant. For any partial period of less than a full calendar year during the term of this Schedule, the actual amount of fees paid by Merchant to Elavon and Member for Transactions processed using the EBS Services shall be annualized to determine if Merchant has satisfied this obligation. At the end of each year (the first of which shall begin on the effective date of the Minimum Annual Fees requirement and each successive of which shall begin immediately upon the conclusion of the preceding such year), Elavon may notify Merchant if the actual Transaction fees paid by Merchant in respect of the EBS Services is less than the Minimum Annual Fees amount. In the event that Merchant’s actual EBS Services Transaction processing fees for such period are less than the Minimum Annual Fees, Merchant shall promptly pay Elavon and Member the difference.

Section C – Electronic Check Services Provisions

1) **GENERAL DESCRIPTION.** This Section C sets forth additional terms and conditions of the EBS Services applicable to processing of Transactions originated

and presented for clearing and payment via the ACH Network in accordance with the ECS Rules, as more fully described below. Elavon and Member will process ECS Transactions only if Merchant has elected Electronic Check Services on Exhibit D – Attachment I. Processing of ECS Transactions shall be subject to the terms and conditions set forth in Section A of Exhibit J and this Section C.

- 2) **ELECTRONIC CHECK SERVICES GENERALLY.** All convenience costs and fees related to the Service Level chosen by Merchant are as provided in Exhibit D– Attachment I to the Agreement. The Customer must provide authorization to Elavon prior to Elavon initiating an ACH debit, in accordance with the ECS MOG. Elavon will make a record of the Customer's authorization for the ACH debit. Elavon will either retain the original or a duplicate record of the Customer's authorization for the period required by the applicable ECS Rules, and will make a copy of such record available to Merchant for a fee as indicated below.
- 3) **RETRIEVAL REQUESTS AND CHARGEBACKS.** Merchant is fully responsible for all Chargebacks and returns under the Payment Network Requirements. Upon receipt of a Chargeback or return from an ECS Association, Elavon and Member will forward such request or documentation to Merchant. Merchant is responsible for responding, as appropriate, to each Chargeback or return, including by retrieving a copy of the relevant Transaction Receipt from the EBS Services interface. In addition, Merchant will cooperate with Elavon and Member in complying with the Payment Network Regulations regarding Chargebacks and returns.
- 4) **ADDITIONAL REPRESENTATIONS AND WARRANTIES.** Merchant represents and warrants, with respect to all ECS Transactions accepted and processed by Elavon and Member under this Exhibit J, that (i) for PPD Entries or recurring debit entries, the Customer has duly authorized the debiting of the Customer's account in accordance with applicable law, (ii) the business transaction represents an obligation of the Customer who is initiating the ECS Transaction, and (iii) the ECS Transaction is for amounts actually owed by Customer to Merchant (including tax) and does not involve any element of credit.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text outlines the various methods used to collect and analyze data, including the use of statistical techniques and computerized systems. It also discusses the challenges associated with data collection and analysis, such as the need for standardized procedures and the potential for bias and error.

The second part of the document focuses on the application of these methods to the study of economic behavior. It describes how the data collected from various sources can be used to identify patterns and trends in economic activity. The text discusses the use of regression analysis and other statistical models to test hypotheses about the relationship between different variables. It also highlights the importance of interpreting the results of these analyses in the context of the underlying economic theory and the specific circumstances of the study.

The final part of the document provides a summary of the findings and conclusions of the study. It discusses the implications of the results for the understanding of economic behavior and for the development of public policy. The text also includes a list of references and a list of figures and tables. The overall tone of the document is academic and objective, with a focus on presenting the facts and the results of the study in a clear and concise manner.