



Exhibit F--Agreement For American Express® Card Acceptance

1. SCOPE OF THIS AGREEMENT; DEFINITIONS AND GENERAL PROVISIONS

a. **Scope:** Your acceptance of American Express® Cards in the United States is governed by this Agreement (defined below).

b. **Definitions:**

Affiliate means, with respect to us, any entity that controls, is controlled by, or is under common control with us, including our subsidiaries, and, with respect to you, your Establishments.

Agreement means the Std. 213 form and Exhibits A – F of the Master Services Agreement (MSA).

American Express Card and **Card** mean any card, account access device, or payment device bearing our or our Affiliates' Marks.

Authorized Users has the meaning set forth in Section 1 of Exhibit D.

Cardmember means the person whose name appears on the Card.

Charge means a payment or purchase made on the Card. *Card Present Charge* means a Charge for which the Card is presented at the point of purchase. *Card Not Present Charge* means a Charge for which the Card is not presented at the point of purchase (e.g., Charges by mail, telephone, fax or the Internet), is used at unattended Establishments (e.g., customer activated terminals, called CATs), or for which the transaction is key-entered. *Disputed Charge* means a Charge about which a claim, complaint, or question has been brought.

Chargeback (sometimes called "full recourse" or "Full Recourse" in our materials), when used as a verb, means our reimbursement from you for the amount of a Charge subject to such right; when used as a noun means the amount of a Charge subject to reimbursement from you.

Credit means the amount of the Charge that you refund to Cardmembers for purchases or payments made on the Card.

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" or "SE" number in our materials) 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.



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We, our, and us mean American Express Travel Related Services Company, Inc.

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

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

- 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. ACCEPTING THE CARD

- a. **Acceptance:** You must accept the Card as payment for goods and services sold at all of your Establishments where you accept charge, credit, debit, stored value or smart cards or other cards for payment of goods and services. You agree that Sections 2.a. through 2.d. are reasonable and necessary to protect the Cardmember's choice of which Card to use. Each Authorized User shall be liable for the obligations of its Establishments under this Agreement.
- b. **Communicating Payment Methods:** Whenever you communicate the payment methods you accept to customers, you must indicate your acceptance of the Card and display our Marks according to our guidelines and as prominently and in the same manner as any other charge, credit, debit, stored value or smart cards, account access devices, or other payment cards, services, or products (collectively, *Other Payment Products*).
- c. **Conduct with Cardmembers:** You must not (i) try to dissuade Cardmembers from using the Card; (ii) criticize or mischaracterize the Card or any of our services or programs; (iii) try to persuade or prompt Cardmembers to use any Other Payment Products or any other method of payment (e.g., payment by check); (iv) impose any restrictions, conditions, or disadvantages when the Card is accepted that are not imposed equally on all Other Payment Products; or (v) promote any Other Payment Products more actively than you promote the Card.
- d. **Other Conduct:** You must not (i) engage in activities that harm our business or brand or (ii) indicate or imply that you prefer, directly or indirectly, any Other Payment Products over the Card.
- e. **Prohibited Uses:** You must not accept the Card for: (i) damages, losses, penalties, or fines of any kind, except that you may accept the Card for penalties or fines that you are authorized to assess or collect under California law and are disclosed to the Cardmember as such; (ii) costs or fees over the normal price of your goods or services (plus applicable taxes and/or convenience fees, subject to Section 3.e.) or Charges that Cardmembers have not specifically approved; (iii) amounts covering returned or stop-payment checks; (iv) gambling services (including online gambling), gambling chips, or gambling credits; or lottery tickets; (v) adult digital content sold via Internet Electronic Delivery Transactions; (vi) cash; (vii) sales made by third



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parties or entities conducting business in industries other than yours; (viii) amounts that do not represent bona fide sales of goods or services at your Establishments, e.g., purchases at your Establishments by your owners (or their family members) or employees contrived for cash flow purposes; (ix) illegal business transactions; or (x) other items of which we notify you. You must not use the Card to verify your customer's age.

3. SUBMITTING CHARGES AND CREDITS TO US

- a. **Currency and Charge Submissions:** Your Establishments in the United States must submit Charges and Credits in U.S. dollars. You must submit all Charges to us within seven days of the date they are incurred, provided that you must wait to submit Charges until after you have shipped the goods or provided the services to the Cardmember.
- b. **Credit Submissions:** You must submit Credits to us within seven days of determining that a Credit is due and create a record of Credit that complies with our requirements (*Credit Record*). You must not issue a Credit when there is no corresponding Charge. You must submit all Charges and Credits under the Establishment Number of the Establishment where the Charge or Credit originated.
- c. **Credit to Card Account:** You must issue Credits to the Card account used to make the original purchase, unless it was made with a *Prepaid Card* (meaning Cards marked "prepaid" or bearing such other identifier as we may notify you) that is no longer available or unless the Credit is for a gift that is being returned by someone other than the Cardmember that made the original purchase, in which case you may apply your refund policy. Charges and Credits will be deemed accepted on a given business day if processed by us before our cut off for processing Charges and Credits for that day at the relevant location.
- d. **No Cash Refunds:** You must not give cash refunds to Cardmembers for goods or services they purchase on the Card, unless required by law. Your refund policy for purchases on the Card must be at least as favorable as your refund policy for purchases on Other Payment Products or other payment methods. You must disclose your refund policy to Cardmembers at the time of purchase and in compliance with applicable law.
- e. **Convenience Fee Policy:** The State of California and each Authorized User shall abide by the Convenience Fee Policy (Attachment 1).

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



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4. Payment for Charges

- a. **General:** Additional payment provisions are set forth in Exhibit B of this MSA.
- b. **Currency and Payment Amount:** We will pay you according to your payment plan in U.S. dollars for the face amount of Charges submitted from your Establishments in the United States.
- c. **Discount, Fees and Discount Rate:** The Discount is the amount we charge you for accepting the Card and will be a percentage (*Discount Rate*) of the face amount of Charges you submit. The parties may renegotiate a new discount rate after the initial five year fixed term in connection with an amendment to the MSA to extend its term.
- d. **Payments in Error:** If we determine at any time that we have paid you in error, we may exercise Chargeback to recover such erroneous payment. If you receive any payment from us not owed to you under this Agreement, you must immediately notify us (by calling our telephone service center) and your *Processor* (meaning your intermediary that we have certified for obtaining Authorizations from and submitting Charges and Credits to us) and return such payment to us promptly. We have no obligation to pay any party other than you under this Agreement.
- e. **Collecting from Cardmembers:** You must not bill or collect from any Cardmember for any purchase or payment made on the Card unless we have exercised Chargeback for such Charge, you have fully paid us for such Charge, and you otherwise have the right to do so.

5. CHARGEBACK

- a. **When Chargeback Applies:** We have Chargeback rights: (i) whenever Cardmembers bring Disputed Charges, as described in Schedule A, paragraph 4, or have rights under law to withhold payments; (ii) in cases of actual or alleged fraud relating to Charges; (iii) if you do not comply with this Agreement (including omitting any Transmission Data from Charge submissions) and there is a loss for us with respect to a Charge, even if we had notice when we paid you for a Charge that you did not so comply and even if you obtained Authorization for the Charge in question, or (iv) as provided elsewhere in this Agreement.
- b. **How We Chargeback:** We will settle with you net of the amount of Chargebacks or will invoice you for Chargebacks, in accordance with Exhibit B, Section 1.c. Our failure to demand payment does not waive our Chargeback rights.

6. PROTECTIVE ACTIONS

- a. **Providing Information:** You must provide to us promptly, upon request, information about your finances and operations, provided, however, that, with



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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.

7. NOTICES

a. Delivery and Receipt: Unless otherwise explicitly provided for herein, all notices hereunder must be in writing and sent by hand delivery; or by United States postal service, such as first class mail or third class mail, postage prepaid; or by expedited mail courier service; or by electronic mail (e-mail); or by facsimile transmission, to the addresses set out below. Notices will be deemed received and effective as follows: If hand-delivered; upon delivery, if sent by e-mail or facsimile transmission, upon sending; if mailed, upon the earlier of (i) receipt or, (ii) three (3) days after being deposited in the mail, if mailed by first class or ten (10) days after being deposited in the mail if mailed by third class. If the addressee provided for below rejects or otherwise refuses to accept the notice, or if the notice cannot be delivered because of a change in address for which no notice was appropriately given, then notice is effective upon the rejection, refusal or inability to deliver.

b. Our Notice Address: Unless we notify you otherwise, you will send notices to us at:

American Express Travel Related Services Company, Inc.

P.O. Box 53773

Phoenix, AZ 85072

Attn: Department 87

E-mail: American.Express.Contract.Keying@aexp.com

Fax: (602) 744-8413

Tel: (800) 528-5200

With a copy to:

American Express Travel Related Services Company, Inc.

3 World Financial Center

200 Vesey Street, 49th Floor

New York, NY 10285

Attn: General Counsel's Office / ES Practice Group

Fax: (212) 640-0361

and

American Express Travel Related Services Company, Inc.

2913 El Camino Real, # 238

Tustin, CA 92782

Melissa Schmitt

Fax: (800) 896-7731



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c. Your Notice Address: You must notify us immediately of any change in your notice address. Unless you notify us otherwise, we will send notices to you at:

Department of General Services

707 Third Street, 2nd Floor MS 202

West Sacramento, CA 95605-2811

Attn: Mary Anne DeKoning, Contract Administrator

E-mail: Maryanne.dekoning@dgs.ca.gov

Fax: (916) 375-4663

8. LIMITATION OF LIABILITY

Neither party nor their Affiliates, successors, or permitted assigns will be liable for any incidental, indirect, speculative, consequential damages of any kind (whether based in contract, tort, including negligence) arising out of or in connection with this Agreement or Authorized User's Subscription Agreement, even if advised of such potential damages. Neither you nor we will be responsible to the other for damages arising from delays or problems caused by telecommunications carriers or the banking system, except that our right to exercise Chargeback will not be impaired by such events.

9. TERM AND TERMINATION

a. Grounds for Termination: In the event that you engage in any activities that harm our business or brand, without waiving our other rights and remedies, we can terminate this Agreement immediately upon notice to you. In the event that we determine or have reason to believe, in our sole discretion, that you are involved (or knowingly participate or have participated) in a fraudulent or illegal business activity, we can terminate this Agreement immediately without prior notice to you. This Agreement is a contract to extend financial accommodations, and if bankruptcy or similar proceedings are filed with respect to your business, then this Agreement will terminate automatically.

b. Termination for Breach: In the event you commit a material breach of this Agreement (other than as specified in the preceding subsection), without waiving its other rights and remedies, we have the right to send you a notice specifying the breach and providing you 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 we have the right to terminate this Agreement by notice to you, with termination to be effective not less than thirty (30) days following the end of the Cure Period.

c. Post-Termination: If this Agreement terminates and any amounts remain unpaid, without waiving our other rights and remedies, then you and your successors and



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permitted assigns will remain liable for such amounts and will pay us within thirty days of request. You must also remove all displays of our Marks, return our materials and equipment immediately, and submit to us any Charges and Credits incurred prior to termination.

- d. Surviving Provisions:** The terms of all of Sections 1, 5, 8, 9, and 10, and paragraphs 1.b, 1g, 4, and 5 of Schedule A will survive termination of this Agreement.

10. MISCELLANEOUS

- a. Proprietary Rights and Permitted Uses:** Neither party may issue any press release about this Agreement or the State without the other party's prior written consent. Notwithstanding anything to the contrary, neither party has any rights in the other party's Marks, nor may one party use the other party's Marks without its prior written consent, except that we may use your name, address, (including your website addresses or URLs), and customer service telephone numbers where we communicate where the Card is accepted.

- b. Representations and Warranties:** Each party represents and warrants to the other party that: (i) it is a sophisticated business, has negotiated individually each of the material provisions of this Agreement on an arm's length basis with the advice of competent counsel, in order to meet the respective needs of each party, and that no ambiguity in the drafting of this Agreement shall be construed against the drafter (ii) it is duly qualified and licensed to do business in all jurisdictions in which it conducts business; (iii) it has full authority and all necessary assets and liquidity to perform its obligations and pay its debts hereunder as they become due subject to legislative budget processes; and (iv) the individual who signs this Agreement on behalf of a party has the authority to bind that party to this Agreement. You further represent and warrant to us that: (v) you are authorized to enter into this Agreement on behalf of your Establishments; (vi) you are not listed on the United States Department of Treasury, Office of Foreign Assets Control, Specially Designated Nationals List; (vii) you have not assigned to any third party any payments due to you under this Agreement; (viii) all information that you provided in connection with this Agreement is true, accurate, and complete; and (ix) you have read this Agreement and kept a copy for your file. If any of your representations or warranties in this Agreement becomes untrue, inaccurate, or incomplete at any time, we may immediately terminate this Agreement in our discretion.

- c. Compliance with Laws:** Each party will comply with all applicable laws, regulations, and rules.

- d. Governing Law; Jurisdiction:** This Agreement and all Claims shall be governed by and will be construed and enforced according to the laws of the State of California without regard to internal principles of conflicts of law. Any action by either party will be brought in the appropriate federal or state court located in the County of Sacramento, State of California. Each party consents to the exclusive



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jurisdiction of such court and waives any claim of lack of jurisdiction or forum non conveniens.

- e. 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.
- f. Assignment:** You may not assign this Agreement without our prior written consent. We may assign this Agreement to our Affiliates. Except as otherwise specified herein, this Agreement binds, and inures to the benefit of, the parties and their respective successors and permitted assigns.
- g. Waiver; Cumulative Rights:** Either party’s failure to exercise any of its rights under this Agreement, its delay in enforcing any right, or its waiver of its rights on any occasion, will not constitute a waiver of such rights on any other occasion. No course of dealing by either party in exercising any of its rights will constitute a waiver thereof. No waiver of any term of this Agreement will be effective unless it is in writing and signed by the party against whom the waiver is sought to be enforced. All rights and remedies of the parties are cumulative, not alternative.
- h. Savings Clause:** If any term of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, that term will be replaced by an enforceable term most closely reflecting the parties’ intentions, with the balance of the Agreement remaining unaffected.
- i. No Third-Party Beneficiaries:** This Agreement does not and is not intended to confer any rights or benefits on any person that is not a party hereto and none of the provisions of this Agreement will be enforceable by any person other than the parties hereto, their successors and permitted assigns.



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SCHEDULE A OPERATIONAL AND OTHER PROCEDURES

1. CHARGE RECORDS

- a. Format:** For every Charge, you must create an electronically reproducible record of Charge (*Charge Record*) containing the following information (*Card Data*): (i) Cardmember name and full Card account number, if permitted by applicable law, and expiration date via an imprinter or other point of sale equipment or systems; (ii) the date the Charge was incurred; (iii) the amount of the Charge that must be the total price for the purchase of the goods or services plus applicable taxes and gratuities purchased on the Card; (iv) the six-digit Authorization approval code number; (v) a mutually acceptable description of the goods or services purchased by the Cardmember; (vi) an imprint or other registration of your name, address, Establishment Number and, if applicable, store number; (vii) the Cardmember's signature; and (viii) the words "No Refunds" if you have a no refund policy. You may create multiple Charge Records for a single purchase placed on different Cards, but you must not create multiple Charge Records for a single purchase to the same Card, by dividing the purchase into more than one Charge.
- b. Retaining Documents:** You must retain the original Charge Record or Credit Record (as applicable) and all documents evidencing the transaction, or reproducible records thereof, for twenty-four months from the later of the date you submitted the corresponding Charge or Credit to us or the date you fully delivered the goods or services to the Cardmember. You must provide a copy of the Charge Record or Credit Record and other supporting documents to us within twenty days of our request.
- c. Card Present Charges:** For Card Present Charges, you must: (i) verify that the Card is not visibly altered or mutilated; (ii) ensure that the Card is being used within any valid dates shown on its face; (iii) ensure that the account number on the face of the Card matches the account number on its back; (iv) verify that the Card is signed in the same name as the name on its face (except for Prepaid Cards that show no name on their face); (v) create a Charge Record as described above and verify (1) that the Cardmember's name and signature on the Charge Record matches the name and signature on the Card (or, for a Prepaid Card that shows no name on its face, that the signature on the back of such Prepaid Card matches the signature on the Charge Record) and (2) that the Card account number and expiration date printed on the Charge Record matches the expiration date and account number on the Card; and (vi) obtain Authorization as described below.
- d. Card Not Present Charges:** - General. For Card Not Present Charges, you must: (i) create a Charge Record as described above, except with a designation of "Mail Order," "Telephone Order," "Internet Order," or "Signature on File," as applicable, on the signature line or the appropriate electronic descriptor on the Charge Record; (ii) ask the Cardmember for his or her name as it appears on the Card, the Card account number and expiration date, the Cardmember's billing address, and the



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ship-to address; and (iii) obtain Authorization as described below. We have the right to Chargeback for any Card Not Present Charge that the Cardmember denies making or authorizing. We will not Chargeback for such Charges based solely upon a Cardmember claim that he or she did not receive the disputed goods or services if you can provide proof acceptable to Amex that the Cardmember in fact received goods, services, or other consideration.

- e. Card Not Present Charges – Internet:** We will accept Charges for Internet Orders subject to the requirements of subsection d. above and the following additional requirements. You must: (i) not send Card Data or Transmission Data concerning any Internet Order via the Internet or any other electronic mail medium to anyone other than the Cardmember who made the Internet Order, your Processor, or us; (ii) submit all Charges for Internet Orders electronically; (iii) use any separate Establishment Numbers that we provide you for Internet Orders in all your requests for Authorization and submissions of Charges for Internet Orders; and (iv) provide us with at least one month's prior written notice of any change in your Internet address. We will not be liable for actual or alleged fraudulent transactions over the Internet and we will have the right to Chargeback for those Charges. Additionally, if a Disputed Charge arises involving a Card Not Present Charge that is an Internet Electronic Delivery Transaction, we will exercise Chargeback for the full amount of the Charge. An *Internet Order* occurs when Card payment information is taken via the World Wide Web, online (usually via a website payment page), e-mail, intranet, extranet, EDI or other similar network in payment for goods or services. An *Internet Electronic Delivery Transaction* occurs when goods or services are ordered online and electronically delivered online (e.g., images or software downloads).
- f. Unattended Terminals - CATs and Payment Kiosks:** We will accept Charges for purchases at your unattended CATs or payment kiosks subject to the requirements of subsection e. above and the following additional requirements. You must: (i) include in all requests for Authorization the full magnetic stripe data stream; (ii) flag all requests for Authorization with a CAT indicator; and (iii) follow any additional Authorization procedures that we may provide to you if you accept the Card at a CAT that is part of, or attached to, a fuel dispenser.
- g. Recurring Billing Charges:** If you offer Cardmembers the option to make recurring Charges automatically (*Recurring Billing Charges*), you must: (i) obtain the Cardmember's consent for you to bill his or her Card account before submitting the first Recurring Billing Charge and (ii) notify Cardmembers that they can withdraw such consent at any time. The method you use to secure such consent must contain a disclosure that you may receive updated Card account information from the financial institution issuing the customers' Cards. You must retain evidence of such consent for twenty-four months from the date you submit the last Recurring Billing Charge. Before submitting a Recurring Billing Charge, you must obtain Authorization and complete a Charge Record except with the words "Signature on File," if applicable, on the signature line and the appropriate electronic descriptor on Charge Data. If this Agreement terminates for any reason, then you must notify all



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Cardmembers for whom you have submitted Recurring Billing Charges that you no longer accept the Card. The cancellation of a Card account constitutes immediate cancellation of that Cardmember's consent for Recurring Billing Charges. We need not notify you of such cancellation, nor will we have any liability to you arising from such cancellation. You must fulfill Cardmembers' requests that you discontinue the Recurring Billing Charges immediately and provide cancellation numbers to them. If a Card account is cancelled, or if a Cardmember withdraws consent to Recurring Billing Charges, you are responsible for arranging another form of payment (as applicable) with the Cardmember. You will permit us to establish a hyperlink from our website to your website (including its home page, payment page or its automatic/recurring billing page) and list your customer service contact information.

2. AUTHORIZATION

- a. **Approval Code Number:** You must obtain from and submit to us a six-digit authorization approval code number (*Authorization*) for all Charges. Each Authorization request must include the full Card account number and be for the total price of your goods and/or services as charged by the Cardmember making the Charge plus applicable taxes, except for a Prepaid Card that does not have sufficient funds available to cover that amount; in this event, Authorization is required only for the amount of funds used on the Prepaid Card and you may follow your policy on combining payment on Prepaid Cards with any Other Payment Products or methods of payment. If the other payment method is a Card, then this Agreement applies. Authorization does not guarantee that we will accept the Charge without exercising Chargeback, nor is it a guarantee that the person making the Charge is the Cardmember or that you will be paid.
- b. **Thirty-Day Limit:** If you submit a Charge to us more than thirty days from the original Authorization date, you must obtain a new Authorization approval code number. For Charges of goods or services that are shipped or provided more than thirty days after an order is placed, you must obtain Authorization for the Charge at the time the order is placed and again at the time you ship or provide the goods or services to the Cardmember.
- c. **Magnetic-Stripe Data:** If you process Card Present Charges electronically, you must transmit full magnetic stripe data with your Authorization request via a Card swipe through your point of sale equipment or systems. If the magnetic stripe is unreadable and you have to key-enter the transaction to obtain an Authorization, you must take a manual imprint of the Card to validate Card presence. If you do not take a manual imprint for any keyed transaction, we will have a right to Chargeback such Charge if there is a problem with the charge. The foregoing requirement to take a manual imprint of the Card if the Charge is manually key-entered shall be automatically waived if the Establishment participates in our "Keyed No Imprint Program" and all applicable criteria stated therein for such Charge are met, in which case we will not exercise our right to Chargeback such key-entered Charge solely



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for failure to obtain a manual imprint of the Card. The Keyed No Imprint Program is described in our policies.

- d. **Telephone Authorization:** If your point of sale equipment or system is unable to reach our computer authorization system for Authorization, or you do not have such equipment or systems, you must obtain Authorization for all Charges by calling us at our Authorization telephone number.

3. SUBMITTING CHARGES AND CREDITS ELECTRONICALLY

- a. **Electronic Transmissions:** You must submit Charges and Credits electronically (*Charge Data*) over communication lines (*Transmissions*). Transmissions must comply with the specifications that we provide from time to time, including the following information (*Transmission Data*): The same as the Card Data requirements listed in Schedule A, paragraph 1.a., except for the requirements to include (i) Cardmember name, (ii) Card account expiration date, (iii) the Cardmember's signature and (iv) the words "No Refunds" if you have a no refund policy. We need not accept any non-compliant Transmissions. You must place additional, less, or reformatted information on Transmissions within thirty days' written notice from us. Even if you transmit Charge Data and Transmission Data electronically, you must still complete and retain Charge Records and Credit Records.
- b. **Paper Submissions:** If you should, under extraordinary circumstances, submit Charges and Credits on paper, you must submit Charge Records and Credit Records in accordance with our instructions.
- c. **Covered Parties:** You may retain, at your expense, a Processor (sometimes called an "Authorized Gateway Provider" in our materials) which (together with any of your other Covered Parties) you must ensure cooperates with us to enable your Card acceptance. You must provide us on request with all relevant information about your Processor.
- d. **Configuring Our Communications:** The above notwithstanding, if commercially reasonable and not prohibited by any of your other agreements, you will work with us to configure your card authorization, settlement, and point of sale equipment or systems to communicate directly with our systems for Authorizations and submissions of Charge Data.

4. DISPUTED CHARGES

- a. **Chargeback Rights:** With respect to a Disputed Charge, (i) we have Chargeback rights, prior to contacting you, if we determine that we have sufficient information to resolve the Disputed Charge in favor of the Cardmember, or (ii) we may contact you prior to exercising Chargeback. In either case, you will have no more than twenty



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(20) days after we contact you to provide to us a written response containing the information we require. We will Chargeback, or our previous decision to exercise Chargeback will remain in effect, for the amount of the Disputed Charge if, by the end of that twenty-day period, you have not fully resolved the Disputed Charge or provided us with the information requested.

- b. Resolution of Disputed Charges:** If we determine, based upon the information provided by you and the Cardmember, to resolve the Disputed Charge in the Cardmember's favor, we will Chargeback for that Disputed Charge, or our previous Chargeback will remain in effect. If we resolve the Disputed Charge in your favor, we will take no further action (if we have not previously exercised Chargeback) or we will reverse our previous Chargeback.
- c. Immediate Chargeback Program:** (sometimes called "Immediate Full Recourse Program" in our materials) If we receive disproportionately high numbers or amount of Disputed Charges relative to your prior history or industry standards, notwithstanding anything to the contrary in this Agreement, we will notify you if we deem it necessary to place you in our "Immediate Chargeback Program." In our Immediate Chargeback Program, we do not contact you prior to exercising Chargeback, and may Chargeback immediately.

5. PROTECTING CARDMEMBER INFORMATION

- a. Standards for Protection of Information:** Except as otherwise specified, you must, and you must cause your Covered Parties, to: (i) store Cardmember Information only to facilitate Card transactions in accordance with this Agreement and as required in this Agreement, including in Schedule A, Section 1.b and (ii) comply with the current version of the Payment Card Industry Data Security Standard (*PCI Standard*, which is available at <https://www.pcisecuritystandards.org>) no later than the effective date for implementing that version. You must protect all Charge Records and Credit Records retained pursuant to this Agreement in accordance with these data security provisions; you must use these records only for purposes of this Agreement and safeguard them accordingly. Your data security procedures for the Card shall be no less protective than for Other Payment Products you accept. You are liable for your Covered Parties' compliance with this section. *Covered Parties* means any or all of your employees, agents, representatives, subcontractors, service providers, Processors, providers of your point of sale equipment or systems or payment processing solutions, and any other party to whom you may provide Cardmember Information access in accordance with this Agreement.
- b. Data Security Operating Policy:** You further must comply with our Data Security Operating Policy (Attachment 2). You have additional obligations under that policy based on your transaction volume, including providing to us documentation validating your compliance with the PCI Standard performed by Qualified Security Assessors or Approved Scanning Vendors (or both), as described in the policy. Any provisions in the Data Security Operating Policy, if any, that by their terms would



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impose on you (a) any indemnification obligations or (b) assessment of non-validation fees, do not apply to you. Amex may propose amendments to this Policy to DGS from time to time. DGS agrees to approve or disapprove of the proposed amendment within forty-five (45) days of receipt, or such additional time as we may allow. If DGS does not agree to the proposed amendment, Amex may terminate the agreement upon ninety (90) days written notice.

- c. Notification of Compromise:** You must notify us immediately if you know or suspect that Cardmember Information has been accessed or used without authorization or used other than in accordance with this Agreement. Subject to available funding and statutory contracting requirements, you must engage at your sole cost a third party forensic investigator to conduct a thorough audit of such data incident, or you must provide (and obtain any waivers necessary to provide) to us and our forensic investigators and auditors, on request and at your sole cost, full cooperation and access to conduct a thorough audit of such data incident. You shall promptly provide to us all Card account numbers related to the data incident and audit reports of the data incident. You must work with us to rectify any issues arising from the data incident, including consulting with us about your communications to Cardmembers affected by the incident and providing (and obtaining any waivers necessary to provide) to us all relevant information to verify your ability to prevent future data incidents in a manner consistent with this Agreement. Audits must include forensic reviews and reports on compliance, as well as any and all information related to the data incident, and they must identify the cause of the data incident and confirm whether or not you were in compliance with the PCI Standard at the time of the data incident.
- d. No Representation by Us:** Except as otherwise specified in these data security provisions or our Data Security Operating Policy, your compliance with our Data Security Operating Policy shall not in any way relieve or decrease your liability in any way. You are responsible at your sole expense for providing any additional data security measures that you deem necessary to protect your particular data and interests. We do not in any way represent or warrant that the measures contained in these data security provisions or our Data Security Operating Policy are sufficient or adequate to protect your particular data and interests. WE HEREBY DISCLAIM ANY AND ALL REPRESENTATIONS, WARRANTIES, AND LIABILITIES WITH RESPECT TO OUR DATA SECURITY OPERATING POLICY, THE PCI STANDARD, AND THE DESIGNATION AND PERFORMANCE OF QUALIFIED SECURITY ASSESSORS OR APPROVED SCANNING VENDORS (OR BOTH), WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- e. Automated Verification:** Our Automated Address Verification and CID services are methods to help you mitigate the risk of fraud, but are not guarantees that a Charge will not be subject to Chargeback. You must participate in, and be certified under, our CID program if you wish to use that method.



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Attachment 1 Convenience Fee Policy

This policy is effective as of March 1, 2008. This is an updated version of the July 2004 Convenience Fee Policy.

Policy Statement

Customers should feel free to use all forms of payment that merchants accept without being penalized for choosing a particular form of payment and, to promote consumer choice, merchants are generally prohibited from imposing any restrictions, conditions, or disadvantages when the Card is accepted that are not imposed equally on all other payment products. Certain merchants in the government, utilities and higher education sectors charge convenience fees for certain Qualified Transactions, as defined below. Merchants in these sectors that charge these fees for Qualified Transactions on American Express® Cards may charge these fees provided that they comply with the requirements set forth in this policy.

What are Qualified Transactions?

Qualified Transactions are (i) transactions at merchants that are government entities, including government utilities; and/or (ii) transactions at merchants that are privately owned utilities and/or (iii) transactions at merchants that are higher educational institutions for tuition, room and board or other mandatory fees.

Should the convenience fee be disclosed to the customer?

YES, the merchant must clearly disclose the amount of the convenience fee to the customer and the customer must be given the opportunity to cancel the transaction if the customer does not want to pay the convenience fee.

Any explanation, verbal or written, describing why the convenience fee is being imposed, or how it is calculated, should characterize the convenience fee as a charge to cover the merchant's administrative costs and NOT as a charge to cover the merchant's costs of accepting the Card.

Can a merchant charge a higher convenience fee for American Express Card transactions?

NO. As noted above, the customer should not be penalized for choosing a particular form of payment based on their individual needs. American Express' view is that it would be discrimination against the American Express Card if a merchant imposed a higher fee on American Express Card transactions than it imposed on other credit, debit, charge, smart card, account access device or other payment card, service or product, except for Automated Clearing House (ACH) funds transfers, cash and checks. American Express treats discrimination against Cardmembers as a breach of the Card Acceptance Agreement.



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Can a third party service provider (“TPSP”) charge a convenience fee?

A TPSP can only charge a convenience fee when it accepts the Card for a Qualified Transaction and it must do so in accordance with the requirements set forth in this policy.



Attachment 2

American Express Data Security Operating Policy for U.S. Merchants

As a leader in consumer protection, American Express has a long-standing commitment to protect Cardmember Information, ensuring that it is kept secure.

Compromised data negatively impacts consumers, merchants, and card issuers. Even one incident can severely damage a company's reputation and impair its ability to effectively conduct business. Addressing this threat by implementing security operating policies can help improve customer trust, increase profitability and enhance a company's reputation.

Cardmembers rely on American Express for the highest level of service and protection. In continuously addressing security issues, we

have developed this Data Security Operating Policy and are working with merchants to help them establish appropriate security programs.

American Express knows that you share our concern and requires, as part of your responsibilities, that you comply with the data security provisions in your agreement to accept the American Express® Card ("Agreement") and this policy. These requirements apply to all your equipment, systems, and networks on which Cardmember Information is processed, stored, or transmitted.

Section I – Standards for Protection of Cardmember Information

Merchants must, and they must cause their Covered Parties, to: (i) store Cardmember Information only to facilitate Card transactions in accordance with, and as required by, the Agreements and (ii) comply with the current version of the Payment Card Industry Data Security Standard ("PCI Standard" which is available at https://www.pcisecuritystandards.org/) no later than the effective date for implementing that version.) For the avoidance of doubt, the data elements that constitute Cardmember information shall be treated according to their corresponding meanings as "cardholder data" and "sensitive authentication data," as such terms are used in the then-current PCI Standard. Merchants must protect all Charge Records and Credit Records retained pursuant to the Agreement in accordance with these data security provisions: merchants must use these records only for purposes of the Agreement and safeguard them accordingly. Merchants' data security procedures for the Card shall be no less protective than for other payment cards they accept. "Cardmember Information" means information about American Express Cardmembers and Card transactions, including names, addresses, Card account numbers, and Card Identification Numbers (CIDs). "Covered Parties" means any or all of a merchant's employees, agents, representatives, subcontractors, Processors, service providers, providers of its point-of-sale equipment or systems or payment processing solutions, and any other party to whom it may provide Cardmember Information access in accordance with its Agreement.

Section 2 – Duty to Notify American Express ; Indemnity Obligations

Merchants must notify American Express immediately if they know or suspect that Cardmember Information has been accessed or used without authorization or used other than in accordance with their Agreement.

To notify American Express, please contact the American Express Enterprise Incident Response Program (EIRP) toll free at (888) 732-3750/US only, or at 1-(602) 537-3021/International, or email at EIRP@aexp.com.

Merchants must engage at their sole cost a third party forensic investigator to conduct a thorough audit of such data incident, or they must provide (and obtain any waivers necessary to provide) to American Express and its forensic investigators and auditors, on request and at the merchant's sole cost, full cooperation and access to conduct a thorough audit of such data incident. Merchants must promptly provide to American Express all Card account numbers related to the data incident and audit reports of the data incident. Merchants must work with American Express to rectify any issues

arising from the data incident, including consulting with American Express about their communications to Cardmembers affected by the data incident and providing (and obtaining any waivers necessary to provide) to American Express all relevant information to verify their ability to prevent future data incidents in a manner consistent with the Agreement. Audits must include forensic reviews and reports on compliance, as well as any and all information related to the data incident, and they must identify the cause of the data incident and confirm whether or not the merchant was in compliance with the PCI Standard at the time of the data incident.

Section 3 – IMPORTANT! Demonstration of Compliance with Data Security Operating Policy

Merchants must take the following steps to demonstrate their compliance with this Data Security Operating Policy, annually or quarterly as described below (each such period, a "reporting period").

Step 1 – Determine your Merchant Level and Validation Requirements

Most Merchant Levels are based on the merchant's volume of American Express Card transactions submitted by its Establishments that roll-up to the highest American Express merchant account level. All merchants fall into one of three levels specified in the table below.

Table with 4 columns: Merchant Level, Definition, Validation Documentation, Requirement. It lists three merchant levels based on transaction volume and associated security requirements.

*Level 3 Merchants need not submit Validation Documentation, but nevertheless must comply with, and are subject to liability under, all other provisions of this Data Security Operating Policy.

Determine your merchant level and the documents that you must send to American Express in order to validate your compliance with this policy.



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Annual Onsite Security Assessment Validation Documentation

– The Annual Onsite Security Assessment is a detailed onsite examination of merchant equipment, systems, and networks (and their components) where Cardmember Information is processed, stored, or transmitted. It must be performed by (i) a Qualified Security Assessor (QSA), listed below, or (ii) the merchant and certified by the chief executive officer, chief financial officer, or principal of the merchant. Merchants must complete and submit the summary of findings of this assessment (and copies of the full report on compliance, on request) annually to American Express. For a merchant to be deemed compliant with this Data Security Operating Policy, the summary must certify the merchant's compliance with all requirements of the PCI Standard. A list of QSAs is available at: https://www.pcisecuritystandards.org/pdfs/pci_qsa_list.pdf.

Quarterly Network Scan Validation Documentation – The Quarterly Network Scan is a process that remotely tests a merchant's internet-connected computer networks and web servers for potential weaknesses and vulnerabilities. It must be performed by an Approved Scanning Vendor (ASV), listed below. Merchants must complete and submit the summary of findings of the scan (and copies of the full scan, on request) quarterly to American Express. For a merchant to be deemed compliant with this Data Security Operating Policy, the summary must certify that there are no high risk issues. A list of ASVs is available to review at: https://www.pcisecuritystandards.org/pdfs/asv_report.html.

Step 2 – Send the Validation Documentation to American Express.

Level 1 and Level 2 Merchants must submit the Validation Documentation marked "mandatory" in the table in Step 1, in an encrypted format, via compact disc, to American Express c/o Trustwave at the address below:

American Express - DSOP Compliance Program/c/o Trustwave70 West Madison, Suite 1050Chicago, IL 60602

- o Level 1 Merchant's Validation Documentation must include summaries of findings of the Annual Onsite Security Assessment Report and Quarterly Network Scan report, as described above.
- o Level 2 Merchant's Validation Documentation must include summaries of findings of the Quarterly Network Scan, as described above.
- o Level 3 Merchants are not required to submit Validation Documentation (but must comply with, and are subject to liability under, all other provisions of this policy).

The encryption key required to decrypt the Validation Documentation, as well as the merchant DBA name, the merchant's data security contact including name, address and phone number, and the merchant's 10-digit American Express merchant number, should be e-mailed to: AmericanExpressCompliance@trustwave.com

Compliance and validation are completed at the merchant's expense. By submitting Validation Documentation, merchants represent and warrant to American Express that they are authorized to disclose the information contained therein and are providing the Validation Documentation to American Express without violating any other party's rights.

Non-Validation Fees and Termination of Agreement

American Express has the right to terminate the Agreement if merchants do not fulfill these requirements or fail to provide the mandatory Validation Documentation to American Express by the applicable deadline. American Express will notify merchants separately of the applicable deadline for each reporting period.

If American Express does not receive a merchant's mandatory Validation Documentation within 60 days of the first deadline, then American Express has the right to terminate the Agreement in accordance with its terms.

American Express shall take reasonable measures to keep a merchant's report on compliance, including its summary of findings, rendered in connection with an Annual Onsite Security Assessment and summary of findings rendered in connection with a Quarterly Network Scan (such documents, "Validation Documentation") in confidence and not disclose the Validation Documentation to any third party (other than American Express' agents, representatives, service providers, and subcontractors) for a period of two years from the date of receipt, except that this confidentiality obligation does not apply to Validation Documentation that: (i) is already known to American Express prior to disclosure; (ii) is or becomes available to the public through no breach of this paragraph by American Express; (iii) is rightfully received from a third party by American Express without a duty of confidentiality; (iv) is independently developed by American Express; or (v) is required to be disclosed by an order of a court, administrative agency or governmental authority, or by any law, rule or regulation, or by subpoena, discovery request, summons, or other administrative or legal process, or by any formal or informal inquiry or investigation by any government agency or authority (including any regulator, inspector, examiner, or law enforcement agency).

Section 4 – Disclaimer

Merchants are responsible at their sole expense for providing additional data security measures that they deem necessary to protect their particular data and interests. American Express does not in any way represent or warrant that the measures contained in the Agreement or this policy are sufficient or adequate to protect merchants' particular data and interests. AMERICAN EXPRESS HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, AND LIABILITIES WITH RESPECT TO THIS DATA SECURITY OPERATING POLICY, THE PCI STANDARD, AND THE DESIGNATION AND PERFORMANCE OF QSAs OR ASVs (OR BOTH), WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Useful Web Sites

American Express Data Security: www.americanexpress.com/datasecurity

PCI Security Standards Council, LLC for:

- o PCI Data Security Standards copy
- o Self Assessment Questionnaire copy
- o List of Qualified Security Assessors
- o List of Approved Scanning Vendors

www.pcisecuritystandards.org



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Agency Authorized User Participation - Set Up Form

_____ (INSERT NAME OF AGENCY)

Main Address: _____

Primary Contact Name: _____

Telephone Number: _____ Fax Number: _____ email: _____

Banking Information:

Banking Contact Name: _____

Telephone Number: _____ Fax Number: _____ email: _____

ZBA/Depository (ACH) Account for American Express deposits:

State & Local Agencies (required):

Bank Name: _____

ABA # _____ ZBA# _____

Local Agencies (ONLY)

Debit (ACH) Account for American Express debits (Must be different from the ZBA/Depository Account):

Each debit transactions MUST be authorized by the Authorized User before ACH can be completed.

Bank Name: _____

ABA # _____ ZBA# _____

An Debit (ACH) account is mandatory for Local Agencies, unless such an account is prohibited by an entity's procurement policies, procedures or regulations. In such event, the entity may opt for ACH pay to the demand deposit account specified by American Express for amounts owed to American Express under this Agreement. An entity shall not debit the American Express account for any reason or under any circumstances. In the event an entity is unable to opt for ACH pay to American Express, such entity shall contact American Express by telephone at 877-692-6373 to make alternative arrangements for payment.

Payment Information:

Payment Contact Name: _____

Telephone Number: _____ Fax Number: _____ email: _____

Individual Pay (Per Establishments) Central Pay (All Establishments Combined)

Net Pay Pay-In-Gross (Auto debit on the 5th of following month)

Reporting Information:

Reporting Contact Name: _____

Telephone Number: _____ Fax Number: _____ email: _____

Standard Reporting:

Electronic Reporting: www.americanexpress.com/smartbusiness (enrollment screen) (DGS still needs access to all information on this site and will comments after our review)

Supply Information:

Send Start-Up Kits: No Yes If yes, where should kits be sent? To all Establishments

To specific Establishments: _____



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Supplies Requested: Number of Multi-Card Decals: ____ Number of Multi-Card Plaques: ____ Number of Amex
Only Decals: ____ Number of Amex Only Plaques ____
Additional Supply Requests: _____
