



Wells Fargo Government Banking
MAC A0397-031
1655 Grant Street
3rd Floor
Concord Ca 94520

Zina Monroe
Vice President
Lead Relationship Manager
Pronoun: she/her/hers
Cell: 925-852-1061
Fax: 877-357-2406

City Palo Alto
250 Hamilton Ave. 4th Floor
Palo Alto, Ca 94301

January 22, 2025

Re: Contact for Treasury Management Services and Pricing

Dear Christine,

We are pleased to extend the term of the contract with the City of Palo Alto at the pricing for the deposit and treasury management services described on the Wells Fargo Treasury Management Pricing Summary, which is attached hereto as Exhibit 1, for one (1) term of one year, effective as of July 1, 2025, through June 30, 2026.

Additional fees will apply to new deposit and treasury management services not described on Exhibit 1; We will provide information regarding those fees in connection with the implementation of any such additional services. We reserve the right to modify pricing to reflect the impact of any changes in law, regulations, or interpretations thereof. We also reserve the right to change our pricing methodology, including element IDs for a particular service, so long as the change does not increase the total price of such service to you (unless permitted under the immediately preceding sentence).

This letter agreement along with your Master Agreement for Treasury Management Service signed 10/01/2020, attached hereto as Exhibit 2, and other Service Documentation (as that term is defined in the Master Agreement for Treasury Management Services) applicable to your accounts and treasury management services provided as described on Exhibit 1, which is incorporated by reference, will constitute the contract governing our deposit and treasury management services relationship. The Service Documentation, including the Service Descriptions for the treasury management services you are enrolled in are posted at our Vantage portal. If at the end of this extended contract term, the contract is not extended or renewed by your and our mutual agreement or otherwise terminated in accordance with the Service Documentation, the Service Documentation will remain in effect, and we notify of changes to pricing for the deposit accounts and treasury management services.

If you agree, please sign, date, and return this agreement below. Thank you for your business and continued partnership with Wells Fargo Bank. Please feel free to call me with any questions.

Sincerely,

Zina Monroe
VP, Lead Relationship Manager
925-852-1061

Acknowledged and Agreed:

City of Palo Alto

By: _____

Name: _____

Title: _____

Date: _____

Exhibit 1

Wells Fargo Treasury Management Pricing Summary, November 2024
(Attached)

Treasury Management Pricing Summary

Prepared for:
City of Palo Alto
Pricing based off November 2024 Volumes

	Monthly Analyzed Charges	Fee Based Charges*	Earnings Allowance	Net Excess/ (Deficit)
Current Analyzed Charges				
	(\$2,179.00)	\$0.00	\$658.69	(\$1,520.31)
2025 Pricing Event - Through June 2025				
	(\$2,166.46)	\$0.00	\$658.69	(\$1,507.77)
New Contract Pricing - Beginning July 2025				
	(\$2,706.30)	\$0.00	\$658.69	(\$2,047.61)

Current Treasury Management Pro Forma

City of Palo Alto

Pricing as of December 2024

ANALYSIS SUMMARY

Average Positive Collected Balance	\$	177,789.01
Reserve Requirement @ 0.00%	\$	0.00
Investable Balance Available for Services	\$	177,789.01
Monthly Analyzed Charges	\$	2,179.00
Earnings Allowance @ 4.52%	\$	658.69
Net Monthly Analyzed Charges	\$	1,520.31
*Monthly Fee Based Charges	\$	0.00
Total Monthly Analyzed Charges	\$	1,520.31
*Charges not offset by balances		
Investable balance required to offset \$1.00 of analyzed charges	\$	269.91

SERVICE DETAILS

WF Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
BALANCE & COMPENSATION INFORMATION					
IAMTH	000230	RECOUPMENT MONTHLY	0.12750	444	56.61
		BALANCE & COMPENSATION INFORMATION Subtotal			56.61
GENERAL ACCOUNT SERVICES					
22051	010000	ACCT MAINTENANCE	7.00000	1	7.00
CK021	010100	DEBITS POSTED	0.10000	12	1.20
		GENERAL ACCOUNT SERVICES Subtotal			8.20
LOCKBOX SERVICES					
36769	05011L	LBX PAPER PACKAGE BASE	40.00000	1	40.00
03302	050400	LBX TRANSMISSION BASE	150.00000	1	150.00
03711	050136	LBX WEEKEND SERVICE BASE	70.00000	1	70.00
36709	050140	LBX WHOLESALE BASE	150.00000	1	150.00
03611	050000	LBX REMIT PROCESSED EXPRESS MAIL	1.00000	2	2.00
36731	050530	LBX CORRESPONDENCE OR REJECTS	0.30000	5	1.50
36755	050100	LBX STANDARD CHECK PROCESSED	0.30000	409	122.70
03905	050140	LBX DOCUMENT SCANNED	0.05000	5,015	250.75
36791	050600	LBX 7 YEAR IMAGE ARCHIVE	0.03000	5,015	150.45
36745	050129	LBX VALUE ADDED KEYING	0.02000	15,558	311.16
48200	050020	LBX WHOLETAIL BASE	100.00000	1	100.00
48210	050100	LBX WT CHECKS	0.00000	1,958	0.00
48220	050122	LBX WT TOTAL PAYMENTS PROCESSED	0.15000	2,190	328.50
48221	050122	LBX WT MULTI PAYMENT	0.10000	358	35.80
48222	050002	LBX WT PARTIAL PAYMENT	0.02000	161	3.22
48501	050401	LBX WT TRANSMISSION PER ITEM	0.01000	2,190	21.90
		LOCKBOX SERVICES Subtotal			1,737.98
DEPOSITORY SERVICES					
CK061	100400	RETURN ITEM - CHARGEBACK	2.00000	1	2.00
CK064	100416	RETURN ITEM SERVICE MTHLY BASE	0.00000	1	0.00
CK069	100401	RETURN ITEM SPECIAL INSTRUCTIONS	0.25000	1	0.25
CK081	100401	RETURN ITEM SPECIAL INST MTHLY BASE	15.00000	1	15.00

WF Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
CK075	100402	RETURN ITEM REDEPOSITED	1.00000	1	1.00
08025	100015	MISCELLANEOUS CREDITS POSTED	1.75000	64	112.00
311	100224	WHOLESALE LOCKBOX - DEPOSITED CHECK	0.05000	2,367	118.35
DEPOSITORY SERVICES Subtotal					248.60
PAPER DISBURSEMENT SERVICES					
22225	150240	CHECK CASHING THRESHOLD MO BASE	0.00000	1	0.00
22245	150240	CHECKS PAY TO INDIV BLOCK MO BASE	0.00000	1	0.00
22235	150240	OTC DEBIT BLOCK MONTHLY BASE	0.00000	1	0.00
MD091	150240	PYMT AUTH MAX CHECK MTHLY BASE	10.00000	1	10.00
PAPER DISBURSEMENT SERVICES Subtotal					10.00
GENERAL ACH SERVICES					
CK018	250201	ELECTRONIC CREDITS POSTED	0.10000	13	1.30
ES349	250220	ACH RECEIVED ADDENDA	0.00000	13	0.00
ES344	250202	ACH RECEIVED ITEM	0.30000	14	4.20
34333	251050	ACH FRAUD FILTER REVIEW MO BASE	5.00000	1	5.00
GENERAL ACH SERVICES Subtotal					10.50
WIRE & OTHER FUNDS TRANSFER SERVICE					
ES139	350100	WIRE OUT DOMESTIC VANTAGE/API	3.00000	10	30.00
WIRE & OTHER FUNDS TRANSFER SERVICE Subtotal					30.00
INFORMATION SERVICES					
34123	40022Z	ALERTS SERVICE - EMAIL	0.75000	30	22.50
34120	400055	INTRADAY BASE PER ACCT PER REPORT	20.00000	1	20.00
34121	400275	INTRADAY REPORTING ITEMS RPTD	0.07500	92	6.90
34100	400052	PREV DAY BASE PER ACCT PER REPORT	20.00000	1	20.00
34115	400425	PREV DAY REPORTING ITEMS LOADED	0.07500	94	7.05
34216	400832	WIRE TEMPLATE ONLINE	0.33000	2	0.66
INFORMATION SERVICES Subtotal					77.11
Total Analyzed Charges					1,520.31
Total Analyzed Charges					1,520.31
*Total Fee Based Charges					0.00
Total Service Charges					1,520.31

Disclosures

We created this proposal for you based on our understanding of your requirements and the services in which you expressed interest. This proposal confirms the deposit and treasury management services and the pricing we plan to provide you based on certain assumptions including projected volumes and other relevant information you provided.

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Please let us know if you believe this proposal does not accurately represent the prices or services we discussed with you. If you have questions about the services in this proposal, please contact your Treasury Management Sales Consultant or visit:
Client Analysis Statement QRG: https://wellsoffice.wellsfargo.com/ceopub/assets/pdf/client-analysis-statements/Client_Analysis_Stmnts_QF
Element Glossary - PDF: https://wellsoffice.wellsfargo.com/ceopub/assets/pdf/client-analysis-statements/cas_elem_gloss.pdf
Element Glossary - Excel: https://wellsoffice.wellsfargo.com/ceopub/assets/mso/PRC/client_analysis_stmt/cas_elem_gloss.xlsx

Regarding your services

Recoupment Fees

We may assess a Recoupment Fee (Wells Fargo code IAMTH) to partially recover insurance premiums we pay to the FDIC for deposit insurance. Recoupment Fee is subject to change by bank at any time. See Commercial Account Agreement for complete details.

Fee Calculation:

Per one thousand dollars of monthly average ledger balance you maintain in your account, multiplied by 0.12750. The FDIC does not charge a bank's depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors. The FDIC does, however, permit a bank to recoup the cost of deposit insurance from its depositors, so long as the fee the bank charges its depositors does not reveal information that could be used to determine the bank's confidential supervisory ratings or mislead depositors by implying the FDIC is charging the fee.

Overdraft Fees

We may assess a \$35 Overdraft Fee (Wells Fargo code 24250) for any item we pay into overdraft. We limit our overdraft paid fees to four per business day.

Use of Uncollected Funds Fee

We may assess Use of Uncollected Funds fee (Wells Fargo code ODACT) for each day your account has a daily negative collected account balance from uncollected funds being used. Fee Calculation: Average Daily Negative Collected Balance multiplied by Negative Collected Use of Funds Rate (Prime +3%) multiplied by Days of Month divided by 360.

Alerts Service

Charges are assessed against the volume of Alerts per user, per company, per month basis. Users are only charged for the first 80 events/alerts per month, per delivery mechanism (email or text). There is no per company cap for billing.

Wire Book Transfer

A Vantage/API Wire book transfer is between two accounts initiated via Vantage/API Wires Book Transfer workflow. A Payment Manager Book transfer is charged when the debit and credit accounts are setup in a single Vantage Company ID and entitled to Book Transfer.

Services with No Volumes

Services listed with zero volume are not included in the estimated monthly analysis fee but are included in the event the service is used in the future.

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2025 Treasury Management Pro Forma

City of Palo Alto

Pricing as of January 2025

ANALYSIS SUMMARY

Average Positive Collected Balance	\$	177,789.01
Reserve Requirement @ 0.00%	\$	0.00
Investable Balance Available for Services	\$	177,789.01
Monthly Analyzed Charges	\$	2,166.46
Earnings Allowance @ 4.52%	\$	658.69
Net Monthly Analyzed Charges	\$	1,507.77
*Monthly Fee Based Charges	\$	0.00
Total Monthly Analyzed Charges	\$	1,507.77
*Charges not offset by balances		
Investable balance required to offset \$1.00 of analyzed charges	\$	269.91

SERVICE DETAILS

WF Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
BALANCE & COMPENSATION INFORMATION					
IAMTH	000230	RECOUPMENT MONTHLY	0.12750	444	56.61
		BALANCE & COMPENSATION INFORMATION Subtotal			56.61
GENERAL ACCOUNT SERVICES					
22051	010000	ACCT MAINTENANCE	7.00000	1	7.00
CK021	010100	DEBITS POSTED	0.10000	12	1.20
		GENERAL ACCOUNT SERVICES Subtotal			8.20
LOCKBOX SERVICES					
03302	050400	LBX TRANSMISSION BASE	150.00000	1	150.00
03711	050136	LBX WEEKEND SERVICE BASE	70.00000	1	70.00
36709	050140	LBX WHOLESALE BASE	150.00000	1	150.00
03611	050000	LBX REMIT PROCESSED EXPRESS MAIL	1.00000	2	2.00
36731	050530	LBX CORRESPONDENCE OR REJECTS	0.30000	5	1.50
36755	050100	LBX WHOLESALE CHECKS PROCESSED	0.30000	409	122.70
03905	050140	LBX DOCUMENT SCANNED	0.08000	5,015	401.20
36745	050129	LBX VALUE ADDED KEYING	0.02000	15,558	311.16
03304	050410	LBX USPS DELIVERY PER PACKAGE	3.50000	1	3.50
03105	050412	LBX COURIER DELIVERY PER PACKAGE	9.00000	1	9.00
48200	050020	LBX WHOLETAIL BASE	100.00000	1	100.00
48210	050100	LBX WTL CHECKS PROCESSED	0.00000	1,958	0.00
48220	050122	LBX WT SCANNABLE PAYMENTS PROCESSED	0.15000	2,190	328.50
48501	050401	LBX DATA TRANSMISSION PER ITEM	0.01000	2,190	21.90
		LOCKBOX SERVICES Subtotal			1,671.46
DEPOSITORY SERVICES					
CK061	100400	RETURN ITEM - CHARGEBACK	2.00000	1	2.00
CK064	100416	RETURN ITEM SERVICE MTHLY BASE	0.00000	1	0.00
CK069	100401	RETURN ITEM SPECIAL INSTRUCTIONS	0.25000	1	0.25
CK081	100401	RETURN ITEM SPECIAL INST MTHLY BASE	15.00000	1	15.00
CK075	100402	RETURN ITEM REDEPOSITED	1.00000	1	1.00
08025	100015	MISCELLANEOUS CREDITS POSTED	1.75000	64	112.00

WF Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
311	100224	WHOLESALE LOCKBOX - DEPOSITED CHECK	0.05000	2,367	118.35
		DEPOSITORY SERVICES Subtotal			248.60
PAPER DISBURSEMENT SERVICES					
22225	150240	CHECK CASHING THRESHOLD MO BASE	0.00000	1	0.00
22245	150240	CHECKS PAY TO INDIV BLOCK MO BASE	0.00000	1	0.00
22235	150240	OTC DEBIT BLOCK MONTHLY BASE	0.00000	1	0.00
MD091	150240	PYMT AUTH MAX CHECK MTHLY BASE	10.00000	1	10.00
		PAPER DISBURSEMENT SERVICES Subtotal			10.00
GENERAL ACH SERVICES					
CK018	250201	ELECTRONIC CREDITS POSTED	0.10000	13	1.30
ES349	250220	ACH RECEIVED ADDENDA	0.00000	13	0.00
ES344	250202	ACH RECEIVED ITEM	0.30000	14	4.20
34333	251050	ACH FRAUD FILTER REVIEW MO BASE	5.00000	1	5.00
		GENERAL ACH SERVICES Subtotal			10.50
WIRE & OTHER FUNDS TRANSFER SERVICE					
ES139	350100	WIRE OUT DOMESTIC VANTAGE API	3.00000	10	30.00
		WIRE & OTHER FUNDS TRANSFER SERVICE Subtotal			30.00
INFORMATION SERVICES					
34101	400052	PLUS INFO RPTG BASE PER ACCT			Aggregate
34101	400052	PLUS INFO RPTG BASE PER ACCT			Aggregate
34101	400052	PLUS INFO RPTG BASE PER ACCT			Aggregate
34101	400052	PLUS INFO RPTG BASE PER ACCT			Aggregate
34101	400052	PLUS INFO RPTG BASE PER ACCT			Aggregate
34118	400425	PREMIUM INFO RPTG BASE PER ACCT	130.00000	1	130.00
34129	400055	Reporting Items Loaded	0.06154	7	0.43
34216	400832	WIRE TEMPLATE - CEO	0.33000	2	0.66
		INFORMATION SERVICES Subtotal			131.09
		Total Analyzed Charges			1,507.77
		Total Analyzed Charges			1,507.77
		*Total Fee Based Charges			0.00
		Total Service Charges			1,507.77

Disclosures

We created this proposal for you based on our understanding of your requirements and the services in which you expressed interest. This proposal confirms the deposit and treasury management services and the pricing we plan to provide you based on certain assumptions including projected volumes and other relevant information you provided.

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Client Analysis Statement QRG: https://wellsoffice.wellsfargo.com/ceopub/assets/pdf/client-analysis-statements/Client_Analysis_Stmnts_C
Element Glossary - PDF: https://wellsoffice.wellsfargo.com/ceopub/assets/pdf/client-analysis-statements/cas_elem_gloss.pdf
Element Glossary - Excel: https://wellsoffice.wellsfargo.com/ceopub/assets/mso/PRC/client_analysis_stmt/cas_elem_gloss.xlsx

Regarding your services

Recoupment Fees

We may assess a Recoupment Fee (Wells Fargo code IAMTH) to partially recover insurance premiums we pay to the FDIC for deposit insurance. Recoupment Fee is subject to change by bank at any time. See Commercial Account Agreement for complete details.

Fee Calculation:

Per one thousand dollars of monthly average ledger balance you maintain in your account, multiplied by 0.12750. The FDIC does not charge a bank's depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors. The FDIC does, however, permit a bank to recoup the cost of deposit insurance from its depositors, so long as the fee the bank charges its depositors does not reveal information that could be used to determine the bank's confidential supervisory ratings or mislead depositors by implying the FDIC is charging the fee.

Overdraft Fees

We may assess a \$35 Overdraft Fee (Wells Fargo code 24250) for any item we pay into overdraft. We limit our overdraft paid fees to four per business day.

Use of Uncollected Funds Fee

We may assess Use of Uncollected Funds fee (Wells Fargo code ODACT) for each day your account has a daily negative collected account balance from uncollected funds being used. Fee Calculation: Average Daily Negative Collected Balance multiplied by Negative Collected Use of Funds Rate (Prime +3%) multiplied by Days of Month divided by 360.

Services with No Volumes

Services listed with zero volume are not included in the estimated monthly analysis fee but are included in the event the service is used in the future.

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New Contract Treasury Management Pro Forma

City of Palo Alto

Pricing as of June 2025

ANALYSIS SUMMARY

Average Positive Collected Balance	\$	177,789.01
Reserve Requirement @ 0.00%	\$	0.00
Investable Balance Available for Services	\$	177,789.01
Monthly Analyzed Charges	\$	2,706.30
Earnings Allowance @ 4.52%	\$	658.69
Net Monthly Analyzed Charges	\$	2,047.61
*Monthly Fee Based Charges	\$	0.00
Total Monthly Analyzed Charges	\$	2,047.61
*Charges not offset by balances		
Investable balance required to offset \$1.00 of analyzed charges	\$	269.91

SERVICE DETAILS

WF Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
BALANCE & COMPENSATION INFORMATION					
IAMTH	000230	RECOUPMENT MONTHLY	0.12750	444	56.61
		BALANCE & COMPENSATION INFORMATION Subtotal			56.61
GENERAL ACCOUNT SERVICES					
22051	010000	ACCT MAINTENANCE	7.00000	1	7.00
CK021	010100	DEBITS POSTED	0.10000	12	1.20
		GENERAL ACCOUNT SERVICES Subtotal			8.20
LOCKBOX SERVICES					
03302	050400	LBX TRANSMISSION BASE	150.00000	1	150.00
03711	050136	LBX WEEKEND SERVICE BASE	70.00000	1	70.00
36709	050140	LBX WHOLESALE BASE	150.00000	1	150.00
03611	050000	LBX REMIT PROCESSED EXPRESS MAIL	1.00000	2	2.00
36731	050530	LBX CORRESPONDENCE OR REJECTS	0.30000	5	1.50
36755	050100	LBX WHOLESALE CHECKS PROCESSED	0.30000	409	122.70
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03304	050410	LBX USPS DELIVERY PER PACKAGE	3.50000	1	3.50
03105	050412	LBX COURIER DELIVERY PER PACKAGE	9.00000	1	9.00
48200	050020	LBX WHOLETAIL BASE	100.00000	1	100.00
48210	050100	LBX WTL CHECKS PROCESSED	0.00000	1,958	0.00
48220	050122	LBX WT SCANNABLE PAYMENTS PROCESSED	0.34246	2,190	749.99
48501	050401	LBX DATA TRANSMISSION PER ITEM	0.01000	2,190	21.90
		LOCKBOX SERVICES Subtotal			2,092.95
DEPOSITORY SERVICES					
CK061	100400	RETURN ITEM - CHARGEBACK	2.00000	1	2.00
CK064	100416	RETURN ITEM SERVICE MTHLY BASE	0.00000	1	0.00
CK069	100401	RETURN ITEM SPECIAL INSTRUCTIONS	0.25000	1	0.25
CK081	100401	RETURN ITEM SPECIAL INST MTHLY BASE	15.00000	1	15.00
CK075	100402	RETURN ITEM REDEPOSITED	1.00000	1	1.00
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22245	150240	CHECKS PAY TO INDIV BLOCK MO BASE	0.00000	1	0.00
22235	150240	OTC DEBIT BLOCK MONTHLY BASE	0.00000	1	0.00
MD091	150240	PYMT AUTH MAX CHECK MTHLY BASE	10.00000	1	10.00
		PAPER DISBURSEMENT SERVICES Subtotal			10.00
GENERAL ACH SERVICES					
CK018	250201	ELECTRONIC CREDITS POSTED	0.10000	13	1.30
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34333	251050	ACH FRAUD FILTER REVIEW MO BASE	5.00000	1	5.00
		GENERAL ACH SERVICES Subtotal			10.50
WIRE & OTHER FUNDS TRANSFER SERVICE					
ES139	350100	WIRE OUT DOMESTIC VANTAGE API	3.00000	10	30.00
		WIRE & OTHER FUNDS TRANSFER SERVICE Subtotal			30.00
INFORMATION SERVICES					
34101	400052	PLUS INFO RPTG BASE PER ACCT			Aggregate
34101	400052	PLUS INFO RPTG BASE PER ACCT			Aggregate
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34118	400425	PREMIUM INFO RPTG BASE PER ACCT	130.00000	1	130.00
34129	400055	Reporting Items Loaded	0.06154	7	0.43
34216	400832	WIRE TEMPLATE - CEO	0.33000	2	0.66
		INFORMATION SERVICES Subtotal			131.09
		Total Analyzed Charges			2,047.61
		Total Analyzed Charges			2,047.61
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		Total Service Charges			2,047.61

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Element Glossary - Excel: https://wellsoffice.wellsfargo.com/ceopub/assets/mso/PRC/client_analysis_stmt/cas_elem_gloss.xlsx

Regarding your services

Recoupment Fees

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Services listed with zero volume are not included in the estimated monthly analysis fee but are included in the event the service is used in the future.

This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not use, copy, disclose, or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply email and delete this message. Thank you for your cooperation.

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Exhibit 2

Master Agreement for Treasury Management Services
(Attached)



Wells Fargo Government Banking
MAC A0109-152
333 Market Street, 15th Floor
San Francisco, CA 94105

June 5, 2020

City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Palo Alto Contract Administration:

Wells Fargo Bank N.A. is pleased to offer a contract for Lockbox, Merchant, and Banking Services with the City of Palo Alto based on the attached Pricing Proposal and the Service Documentation (contract documents) attached. The proposed pricing will be fixed for the period of June 1, 2020 to May 31, 2023.

Please find the attached contract documents:

- Wells Fargo Treasury Management Pricing Proposal
- Commercial Account Agreement
- Master Agreement for Treasury Management Services
- Lockbox Service Description
- ACH & Related Services Service Description
- Check Disbursements and Fraud Prevention Services Service Description
- Wire Transfer Service Description
- Check Collections Service Description
- Information Reporting and Image Delivery Service Description
- Merchant Agreement (Merchant Program Guide)
- Merchant Pricing (Wells Fargo Merchant Services L.L.C. ("WFMS") – Pricing Terms)
- Signature Card (Commercial Account Signature Card)
- Authorization Certificate


Thank you for your business and continued partnership with Wells Fargo Bank. We look forward to serving the City with excellent banking products and customer service,


Sincerely,


07/28/2020

Dale R. Barton
Vice President, Relationship Manager
Wells Fargo Government Banking

Approved by:

Signature 
Name Ed Shikada
Title City Manager
Date 10/1/2020
City of Palo Alto

CITY ATTORNEY'S OFFICE
APPROVED AS TO FORM
SIGNATURE 
DATE 10/1/2020





Wells Fargo Treasury Management Proposal

Palo Alto, City of

<u>WF Code</u>	<u>AFP Code</u>	<u>Service Description</u>	<u>Charge Basis</u>	<u>Price</u>
ACH Fraud Filter				
34333	251050	ACH CEO FRAUD FILTER REVIEW MO BASE	Account	5.00000
ACH Receive				
ES344	250202	ACH RECEIVED ITEM	Transaction	0.30000
General Account Services				
22051	010000	ACCT MAINTENANCE	Account	7.00000
CK021	010100	DEBITS POSTED	Debit	0.10000
CK018	250201	ELECTRONIC CREDITS POSTED	Credit	0.25000
08025	100015	MISCELLANEOUS CREDITS POSTED	Transaction	1.00000
General Disbursement Services				
22225	150240	CHECK CASHING THRESHOLD MO BASE	Account	0.00000
22245	150240	CHECKS PAY TO INDIV BLOCK MO BASE	Account	0.00000
22235	150240	OTC DEBIT BLOCK MONTHLY BASE	Account	0.00000
MD091	150240	PYMT AUTH MAX CHECK MTHLY BASE	Account	10.00000
Image Delivery				
27707	400340	CEO SEARCH	Inquiry	0.50000
Information Reporting				
34121	400274	CEO INTRADAY REPORTING ITEMS RPTD	Item reported	0.10000
34120	400055	CEO INTRADAY REPORTING MAINTENANCE	Account	35.00000
34115	400272	CEO PREV DAY REPORTING ITEMS LOADED	Item loaded	0.07500
34100	400052	CEO PREV DAY REPORTING MAINTENANCE	Account	35.00000
MSC-TM				
48340	050410	WTLBX FIRST CLASS POSTAGE PKG	\$ pass through	1.05000
Other Non TM				
IAMTH	000230	RECOUPMENT MONTHLY	Deposit assessment	0.12750
Paper Checks Deposited				
321	100220	DEPOSITED CHECKS LBX - ON US	Check deposited	0.05000
322	100225	RETAIL LOCKBOX - DEPOSITED CHECK	Check deposited	0.05000
311	100225	WHOLESALE LOCKBOX - DEPOSITED CHECK	Check deposited	0.05000
Returned Items				
CK064	100416	CEO RETURN ITEM SERVICE MTHLY BASE	Customer ID	0.00000
CK061	100400	RETURN ITEM - CHARGEBACK	Transaction	2.00000
CK069	100401	RETURN ITEM SPECIAL INSTRUCTIONS	Transaction	0.25000
CK081	100401	RETURN ITEM SPECIAL INST MTHLY BASE	Account	15.00000
Wells Tax				
32068	010099	WELLSTAX CEO SUBSCRIPTION	Access code	6.00000

<u>WF</u> <u>Code</u>	<u>AFP</u> <u>Code</u>	<u>Service Description</u>	<u>Charge Basis</u>	<u>Price</u>
Wholesale Lockbox				
36709	05011R	WLBX MONTHLY BASE	Lockbox	100.00000
03611	050000	WLBX REMIT PROCESSED EXPR MAIL	Remittance	1.00000
36731	050530	WLBX CORRESPONDENCE / REJECTS	Envelope	0.30000
36755	050100	WLBX STANDARD ITEM PROCESSED	Remittance	0.30000
03905	05011R	WLBX DOCUMENT SCANNED	Remittance	0.05000
36727	050600	WLBX 7 YR ARCHIVE BW	Image	0.03000
36745	050129	WLBX VALUE ADDED KEYING	Keystroke	0.01000
36724	050301	WLBX DAILY DEPOSIT CUT	Deposit	1.00000
48200	050020	WTLBX MONTHLY BASE	Lockbox	65.00000
48205	050401	WTLBX TRANSMISSION MONTHLY BASE	Transmission	65.00000
48210	050100	WTLBX CHECKS	Check	0.00000
48220	050122	WTLBX TOTAL PAYMENTS PROCESSED	Coupon	0.13000
48221	050122	WTLBX MULTI PAYMENT	Coupon	0.10000
48222	050002	WTLBX PARTIAL PAYMENT	Coupon	0.02000
48241	059999	WTLBX REMIT PROCESSED EXPR MAIL	Transaction	2.00000
48244	050530	WTLBX CORRESPONDENCE / REJECTS	Envelope	0.25000
48249	050424	WTLBX 7 YEAR B/W IMAGE ARCHIVE	Image archived	0.01000
48318	059999	WTLBX VALUE ADDED KEYING - NON SCAN	Keystroke	0.01000
48230	050301	WTLBX DAILY DEPOSIT CUT	Deposit	1.00000
48501	050401	WTLBX TRANSMISSION ITEM	Remittance	0.01000
34220	05031Z	LOCKBOX CEO SUBSCRIPTION MTHLY BASE	Account	35.00000
Wires Origination and Reporting				
ES139	350100	WIRE OUT DOMESTIC - CEO	Transfer	5.00000

A CEO Wire book transfer is between two accounts initiated via CEO Wires Book Transfer workflow.
A Payment Manager book transfer is charged when the debit and credit accounts are setup in a single CEO Company id and entitled to Book Transfer.

This proposal was created for you based on your requirements and the services you expressed interest in.
This document confirms the deposit and treasury management services and the prices that we plan to provide you based on certain assumptions including, projected volumes and other relevant information that you provided and the deposit and treasury management services you selected.

The pricing is subject to change if the actual volume and/or scope of services differ from the assumptions upon which the pricing estimate was based.

Please let us know if you believe this document does not accurately represent the prices or services you agreed to. For additional service definitions, please contact your Treasury Management Sales Consultant or visit:
www.wellsfargo.com/accountanalysis

This document is a confidential pricing agreement between Wells Fargo Bank and the Customer.
Neither party has the right to share this information with any entity or entities outside of their organization, without the permission of the other party.

Postage is a pass-through element and appears on your statement as \$1.00 to represent 100% of postage cost recovery. The presort rate for a 1 oz. domestic package is used to calculate cost, but costs increase for heavier packages and foreign mail pieces. Because rates vary, Wells Fargo does not charge a flat postage rate per package. Instead, we accumulate the total amount of postage paid each month, round the amount to the nearest dollar, and report the total as volume on your statement. Postage rates are subject to change as determined by the USPS.



Commercial Account Agreement

Effective April 6, 2020

Contents

01	Welcome to Wells Fargo	15	Checking and savings accounts	23	Your account ownership
03	Resolving disputes through arbitration	16	Electronic check indemnifications	24	Interest earning accounts
04	Important legal information	17	Funds availability policy	26	Time Accounts (CDs)
05	Statements and other notices relating to your deposit account	19	Available balance, posting order, and overdrafts	27	Electronic banking services
09	Rights and responsibilities	21	Additional rules for checks and withdrawals	29	Selected services

Welcome to Wells Fargo

Thank you for opening an account with us. We value your relationship and hope we answered all your questions when you opened your account. Please review this account agreement for further details about your account and related services.

What words do we use to refer to you (the customer), Wells Fargo, and this account agreement?

- Customer is “company”, “you”, “your”, or “yours”.
- Wells Fargo Bank, N.A. is “Wells Fargo”, “bank”, “we”, “us” or “our”.
- This Commercial Account Agreement and the disclosures listed below constitute the “Agreement”:
 - The pricing information and other account-related information
 - Our collection schedule
 - Our privacy policy
 - Our rate sheets for interest-bearing accounts
 - Any additional disclosures we provide to you about your account and related services

What information does the Agreement contain?

The Agreement:

- Explains the terms of your banking relationship with Wells Fargo and is the agreement between you and us for your account and related services, and
- Replaces all prior deposit agreements including any oral or written representations.

You are responsible for ensuring that any authorized signer on your account is familiar with the Agreement.

We suggest you keep a copy of the Agreement – and any further information we provide you about changes to the Agreement for as long as you maintain your Wells Fargo accounts.

Words with specific meanings

Certain words have specific meanings as they are used throughout this Agreement. These words and their meanings are defined in this section, and others are found later in this Agreement.

Affiliate

A bank or other entity that is, directly or indirectly, a wholly or substantially owned subsidiary of Wells Fargo & Company.

Authorized signer

A person who has your actual or apparent authority to use your account, even if they have not signed the account application. We may rely solely on our records to determine the form of ownership of and the authorized signers on your account.

Account

Any business deposit account or commercial deposit account that is not held or maintained primarily for personal, family or household purposes. Examples of accounts include an account owned by an individual acting as a sole proprietor, a partnership, a limited partnership, a limited liability partnership, a limited liability company, a corporation, a joint venture, a non-profit corporation, an employee benefit plan or a governmental unit including an Indian tribal entity.

Business day

Every day is a business day except Saturday, Sunday, and federal holidays.

Collected balance

The collected balance is the ledger balance in your account less the deposit float.

Deposit float

The deposit float is the total dollar amount of items deposited in your account that has yet to be credited as part of your collected balance as a result of the Bank's or applicable affiliate's collection schedule.

Investable balance

The investable balance is the collected balance in your account less the portion required by law to be held at a Federal Reserve Bank and other adjustments.

Item

An item is an order, instruction, or authorization to withdraw or pay funds or money from your account. Examples include checks, drafts, and electronic transactions, including ACH. Paper items may be referred to as checks in this agreement.

Ledger balance

The ledger balance is the balance in your account after all debits and credits for the business day have been posted.

Overdraft

An overdraft is a negative balance in your account.

Are we allowed to change the Agreement?

Yes. We can change the Agreement by adding new terms or conditions, or by modifying or deleting existing ones. We refer to each addition, modification, or deletion to the Agreement as a modification.

Notice of a modification: If we are required to notify you of a modification to the Agreement, we will describe the modification and its effective date by a message in your account statement or by any other appropriate means.

Waiver of a term of the Agreement: If we waive a right related to your account under this Agreement on one or more occasions, it does not mean we are obligated to waive the same right on any other occasion.

How do I consent to the Agreement and any future modifications to the Agreement?

By signing the signature card for an account or using your account or service, you agree to this Agreement. Continuing to maintain or use the account or service after a modification to the Agreement means that you have consented to the changes.

What happens if a term of the Agreement is determined to be invalid?

Any term of the Agreement that is inconsistent with the laws governing your account will be considered to be modified by us and applied in a manner consistent with those laws. Any term of the Agreement that a court of competent jurisdiction determines to be invalid will be modified accordingly. In either case, the modification will not affect the enforceability or validity of the remaining terms of the Agreement.

Who will communicate with you about your account?

We may provide you or an authorized signer with information about your account. When we receive information from an authorized signer, we treat it as a communication from you. You agree to notify us promptly in writing if an authorized signer no longer has authority on your account.

Resolving disputes through arbitration

Arbitration Agreement between you and Wells Fargo

Upon demand of by you or us, any dispute or claim arising from or relating to this Agreement, or the breach thereof, must be submitted to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and must be heard before three arbitrators if the amount in dispute is US \$5,000,000 or more or its equivalent in any other currency, and before one arbitrator for amounts less than US \$5,000,000 or its equivalent in any other currency. Arbitration will proceed in a location selected by AAA in the state of the applicable Governing Law, and if there is no such state, the place of arbitration must be New York, NY. The language of the arbitration must be English. Judgment on the award rendered by the arbitrators may be entered in any court having competent jurisdiction. This arbitration requirement does not limit the right of you or us to: (a) exercise self-help remedies, including setoff or (b) obtain provisional or ancillary remedies such as injunctive relief or attachment, before, during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of you or us to submit any dispute to arbitration hereunder, including those arising from the exercise of the actions detailed in (a) and (b) of this subsection.

Can either Wells Fargo or you participate in class or representative actions?

No. Wells Fargo and you agree that the resolution of any dispute arising from the terms of this Agreement will be resolved by a separate arbitration proceeding and will not be consolidated with other disputes or treated as a class. Neither Wells Fargo nor you will be entitled to join or consolidate disputes by or against others as a representative or member of a class, to act in any arbitration in the interests of the general public, or to act as a private attorney general. If any provision related

to a class action, class arbitration, private attorney general action, other representative action, joinder, or consolidation is found to be illegal or unenforceable, the entire Arbitration Agreement will be unenforceable.

Important legal information

What laws govern your account?

The laws governing your account include:

- Laws, rules, and regulations of the United States, and
- Laws of the state in which the office that maintains your account is located, without regard to its conflicts of laws principles.

If a different state law applies, we will notify you.

Any funds transfer (including a wire transfer) that is a remittance transfer as defined in Regulation E, Subpart B, will be governed by the laws of the United States and, to the extent applicable, the laws of the state of New York, including New York's version of Article 4A of the Uniform Commercial Code, without regard to its conflict of laws principles.

What are our rules on illegal transactions?

You must not use your account or any relationship you may have with us for any illegal purpose, including "restricted transactions" as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and its implementing regulation, Regulation GG. In our discretion, we may block or otherwise prevent or prohibit those transactions and, further, we may close the account or end our relationship with you.

Are we your fiduciary?

No. Our relationship to you concerning your account is that of a debtor and creditor. There is no fiduciary, quasi-fiduciary, or special relationship between you and us.

Will any person or entity be considered a third party beneficiary under this Agreement?

No. No other person or entity will be considered to be a third party beneficiary under this Agreement.

Can you use our name or refer to our relationship without our consent?

No. You and we will not use each other's name or refer to our relationship in any solicitation, marketing material, advertisement, news release or other written, online or oral communication without specific prior written consent for each such use or release, except that we may use your name as a reference in service proposals if we obtain your prior oral or written approval for such use.

What is the controlling language of our relationship?

English is the controlling language of our relationship with you. If there is a discrepancy between our English-language and translated materials, the English version prevails over the translation.

How will we contact you about your account?

For us to service your account or collect any amount you owe, we may contact you by telephone, text, email, or mail. We are permitted to use any address, telephone number or email address you provide. You agree to provide accurate and current contact information and only give us telephone numbers and email addresses that belong to you.

When you give us a telephone number, you are providing your express consent permitting us (and any party acting on behalf of Wells Fargo) to contact you by calling or texting that telephone number. When we call you, you agree that we may leave prerecorded or artificial voice messages. You also agree that we may use automatic telephone dialing systems in

connection with calls or text messages sent to any telephone number you give us, even if it is a mobile phone number or other communication service for which the called party may be charged.

What courts may be used to resolve a dispute?

Wells Fargo and you each agree that any lawsuits, claims, or other proceedings arising from or relating to your account or the Agreement, including the enforcement of the Arbitration Agreement and the entry of judgment on any arbitration award, will be venued exclusively in the state or federal courts in the state whose laws govern your account, without regard to conflict of laws principles.

Statements and other notices relating to your deposit account

How do we make account statements and notices available to you?

We will mail, send electronically, or otherwise make available to you an account statement reflecting your account activity for each statement period. We will do the same with notices. We will send all account statements and notices to the postal or electronic address associated with your account.

Combined account statements: To reduce the number of separate account statements you receive each month, we may combine statements if you have more than one deposit account.

If we provide a combined account statement for your accounts, we consider your first account as your primary account. You will receive your account statement at the address listed for your primary account. Statements for accounts in a combined statement will be delivered according to the delivery preference of the primary account.

When are your account statements and notices considered received?

If there is more than one authorized signer on your account, we may send statements and notices to any one of them (unless you have otherwise instructed us in writing). You assume the risk of loss in the mail.

Mailed account statements: When we mail your account statement or notices, we consider it received by you on the second business day after mailing it.

Electronic delivery of account statements: Account statements will be made available through *Wells Fargo Business Online*® Banking or the *Commercial Electronic Office*®, as applicable, after the end of the statement period. You will be notified via email that the account statement is available for viewing. We consider the account statement to be delivered to you when it is available online.

What happens if your account statement or notices are returned or undeliverable?

Unless otherwise prohibited by the laws governing this Agreement, your account statements or notices will be considered unclaimed or undeliverable if:

- Two or more account statements or notices are returned to us through the mail because of an incorrect address, or
- We notify you electronically that your account statement or notices are available for viewing at *Wells Fargo Business Online*® Banking or the *Commercial Electronic Office*®, as applicable, and we receive email notifications that our message is undeliverable.

In either event, we may:

- Discontinue sending account statements and notices, and
- Destroy account statements and notices returned to us as undeliverable

How can you or Wells Fargo change your address for your account?

Address change requests you make: You can change the postal or email address or other means by which we make your account statements and notices available to you at any time by notifying us of your request by telephone or email. We will act on your request within a reasonable time after we receive it. Unless you instruct otherwise, we may change the postal or email address only for the accounts you specify or for all or some of your other accounts with us.

Address changes we make: We may update your listed address without a request from you if we:

- Receive an address change notice from the U.S. Postal Service,
- Receive information from another party in the business of providing correct address details that your actual address does not match the listed address for your account or card, or
- Identify a need to rely on another address you have provided us.

When are notices you send to us effective?

Any notice from you is effective once we receive it and have a reasonable opportunity to act on it.

What obligations do you have to review account statements and notices and notify us of errors?

You are obligated to:

- Examine your account statement and notices promptly and carefully.
- Notify us promptly of any errors.
- Notify us **within 30 days** after we have made your account statement or notices available to you of any unauthorized transaction on your account. Note: If the same person has made two or more unauthorized transactions and you do not notify us of the first one within this 30-day period, we will not be responsible for unauthorized transactions made by the same wrongdoer.
- Notify us **within 6 months** after we have made your account statement or notices available to you if you identify any unauthorized, missing, or altered endorsements, or other errors on your items

You can notify us of errors on your account statement by promptly:

- Calling the telephone number listed on your account statement or in notices, or
- Sending us a written report (if instructed by us) as soon as possible, and at least within the specified timeframes.

Funds transfers are subject to different time periods for notification of errors, as described in the “Fund transfer services” part of this Agreement. Common examples of fund transfers are ACH, wire transfers, and *Real-Time Payments (RTP®)*.

What happens if you do not notify us of an unauthorized transaction within the time frames specified above?

If you do not notify us of any unauthorized transaction, error, or claim for a credit or refund within the time frames specified above, your account statement or transaction will be considered correct. We will not be responsible for any unauthorized transaction, error, or claim for transactions included in this statement.

When is a transaction unauthorized?

A check is unauthorized when it is:

- Missing a required signature or you have not otherwise authorized it,
- Forged, or
- Altered (for example, the amount of a check or the payee’s name is changed).

What happens when you report an unauthorized transaction?

We investigate any reports of unauthorized activity on your account. After you submit a claim, we may require you to:

- Complete and return the claim form and any other documents we require,
- Notify law enforcement, and
- Cooperate fully with us in our investigation.

We can reverse any credit made to your account resulting from a claim of unauthorized transaction if you do not cooperate fully with us in our investigation or recovery efforts, or we determine the transaction was authorized.

Are you responsible for taking reasonable steps to help prevent fraud on your account?

Yes. You agree to take reasonable steps to ensure the integrity of your internal procedures with respect to your account and items drawn on your account or deposited to it. To help prevent embezzlement and protect your assets, we recommend that you:

- Assign responsibilities for your account to multiple individuals. Those who reconcile statements for your account should be different from those who issue items drawn on your account.
- Reconcile statements for your account as you receive them; notify us immediately of any problem.
- Contact us immediately if you do not receive the statement for your account when you would normally expect to.
- Watch for checks cashed out of sequence or made out to cash. These are classic red flags for embezzlement.
- Secure your supply of checks at all times. Stolen checks are a common method of embezzlement.
- Periodically reassign accounting duties, such as reconciling your account or making a deposit.
- Review your transaction activity for unexpected fluctuations. For example, compare the percentage of cash deposits to total deposit size. Most businesses will maintain a constant average. A large fluctuation might indicate embezzlement.
- Destroy any checks that you do not intend to use.
- Use tamper resistant checks at all times. Please contact your relationship manager for more information.
- Notify us immediately when an authorized signer's authority ends so that his/her name can be removed from all signature cards and online banking access, and any cards that we have issued to him/her can be cancelled.
- Do not sign blank checks.
- Obtain insurance coverage for these risks.

Protection against unauthorized items

You acknowledge there is a growing risk of losses resulting from unauthorized items. We offer services that provide effective means for controlling the risk from these items. The services include:

- Positive pay, positive pay with payee validation, or reverse positive pay
- ACH fraud filter, and
- Payment authorization service.

In addition, we may recommend you use certain fraud prevention practices to reduce your exposure to fraud. Each of these practices is an industry best practice. An example of a best practice is dual custody, which requires a payment or user modification initiated by one user to be approved by a second user on a different computer or mobile device before it takes effect.

If we have expressly recommended you use one or more of these services or best practice (or any other service related to fraud prevention that we offer after the date of this Agreement) and you (a) either decide not to use the recommended service or best practice, or (b) do not use the service or best practice according to the applicable service description or our other documentation applicable to it, you will be treated as having assumed the risk of any losses that could have been mitigated or prevented

Lost or stolen checks; unauthorized items

If any of your unissued checks have been lost or stolen, or if you learn that unauthorized items are being issued on your account, you agree to notify us at once. To the extent that your failure to notify us hampers our ability to prevent loss, we

will be relieved of any liability for those items. Upon receipt of any notice from you, we – without any liability to you – will dishonor any item you, or any authorized signer, has indicated is unauthorized and may:

- Close your account and open a new account for you, or
- Pay any item presented for payment on your account, provided you have instructed us to pay that item and given us its number.

If we open a new account for you and you have authorized a third party to automatically make regular deposits to or withdrawals from your account (such as wire or ACH transfers), we will have no liability to you if you do not receive any regularly scheduled deposit or if a regularly scheduled payment is not made for you because you did not notify that third party in a timely fashion of the number of your new account.

When does my account become dormant?

Checking accounts, savings accounts, and *Time Accounts (CDs)*

Generally, your account becomes dormant if you do not initiate an account-related activity for:

- 12 months for a checking account,
- 34 months for a savings account, or
- 34 months after the first renewal for a Time Account.

An account-related activity is determined by the laws governing your account. Examples of account-related activity are depositing or withdrawing funds at a banking location or ATM, or writing a check which is paid from the account. Automatic transactions (including recurring and one-time), such as pre-authorized transfers, payments and electronic deposits (including direct deposits), set up on the account may not prevent the account from becoming dormant.

What happens to a dormant account?

We put safeguards in place to protect a dormant account which may include restricting the following transactions:

- Transfers by telephone,
- Transfers or payments through *Wells Fargo Business Online®* Banking or the *Commercial Electronic Office®*, and
- Wire transfers (incoming and outgoing).

Normal monthly service and other fees continue to apply (except where prohibited by law).

If you do not initiate an account-related activity on the account within the time period as specified by state unclaimed property laws, your account funds may be transferred to the appropriate state. This transfer is known as “escheat.” If your account becomes escheatable, account statements will no longer be available. Your account will be closed. To recover your account funds, you must file a claim with the state.

What are checking subaccounts?

For each checking account you maintain with us, we may establish on your behalf a master account and two subaccounts. All information that is made available to you about your account will be at the master account level. The subaccounts are composed of a savings account and a checking account.

On the first day of each month, we will allocate funds between the two subaccounts as appropriate. Items received by us that are drawn against your master account will be presented for payment against the checking subaccount. Funds will be transferred from the savings subaccount as may be needed to cover checks presented on the checking subaccount. On the sixth transfer from the savings subaccount during a statement period, all of the funds on deposit in the savings subaccount will be transferred to the checking subaccount. If your account earns interest, the use of subaccounts will not affect the interest you earn.

Rights and responsibilities

What responsibilities do you and Wells Fargo have to each other?

You and we are responsible for complying with the Agreement. We exercise ordinary care when we provide services. When we take a check for processing by automated means, ordinary care does not require us to examine the check. In all other cases, ordinary care requires only that we follow standards that do not vary unreasonably from the general standards followed by similarly situated banks.

Except to the extent we fail to exercise ordinary care or to comply with the Agreement, you agree to indemnify and hold us harmless from all claims, demands, losses, liabilities, judgments, and expenses (including attorney's fees and expenses) arising out of or in any way connected with our performance under the Agreement. You agree this indemnification will survive termination of the Agreement.

In no event will either Wells Fargo or you be liable to the other for any special, consequential, indirect, or punitive damages. The limitation does not apply where the laws governing your account prohibit it.

We will not have any liability to you if your account has non-sufficient available funds to pay your items due to actions we have taken according to the Agreement.

Circumstances beyond your control or ours may arise and make it impossible for us to provide services to you or for you to perform your duties under the Agreement. If this happens, neither Wells Fargo nor you will be in violation of the Agreement.

Are you obligated to pay our fees?

Yes. By continuing to maintain your account you agree to pay our fees according to the pricing information.

Why do we charge a recoupment fee?

We assess the recoupment fee to partially recover insurance premiums we pay to the FDIC for deposit insurance. The amount of the recoupment fee appears on the periodic statement or client analysis statement for your account and is based on the monthly average ledger balance you maintain in your account. The recoupment fee is subject to change by us at any time without notice. For questions about the recoupment fee, you may contact your relationship manager.

Note: The FDIC charges each insured bank a fee to cover its share of the cost of providing deposit insurance to depositors. The FDIC does not charge a bank's depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors. The FDIC does, however, permit a bank to recoup the cost of deposit insurance from its depositors, so long as the fee the bank charges its depositors does not reveal information that could be used to determine the bank's confidential supervisory ratings or mislead depositors by implying the FDIC is charging the fee.

Is my account subject to a deposit balance fee?

We reserve the right to assess a monthly deposit balance fee on the average positive collected balance in your business and commercial deposit account(s) with us. When we assess the deposit balance fee, the amount of the fee will appear on the periodic statement or client analysis statement for your account(s). The deposit balance fee is subject to change by us at any time without notice. For questions about the fee, you may contact your relationship manager.

Are you responsible for paying taxes?

Yes. Fees may be subject to state and local sales taxes, which vary by location, and will be assessed as appropriate. You also agree to pay an amount equal to any other applicable taxes, including backup withholding tax.

How do you pay our fees and expenses?

We are permitted to either directly debit your account or invoice you for our fees, expenses, and taxes incurred in connection with your account and related services. We will debit service fees on the day of each calendar month we separately disclose to you, or if that day is not a business day, on the next business day. If there are non-sufficient funds in your account to cover the debit, we may create an overdraft on your account.

You agree to promptly pay any invoiced amount. We may assess finance charges on any invoiced amounts that are not paid within 45 days of the date of invoice. Finance charges are assessed at a rate of 1.5% per month (18% per annum) or the highest amount permitted by the laws governing this agreement, whichever is less. Charges for accrued and unpaid interest and previously assessed finance charges will not be included when calculating finance charges. Payments and other reductions of amounts owed will be applied first to that portion of outstanding fees attributable to charges for accrued and unpaid interest and previously assessed finance charges, then to other fees and charges.

If an earnings allowance accrues, do we apply it to your fees and expenses?

Yes. If an earnings allowance accrues on your account, we will periodically apply your accrued earnings allowance to eligible fees and expenses (unless we otherwise indicate in writing). If both an earnings allowance and interest accrue on your account, the interest may be shown as an offset to the earnings allowance on the client analysis statement for your account. If your earnings allowance exceeds your total maintenance and activity fees for the statement cycle for your account, the excess credit is not paid to you, nor is it carried forward to the following statement cycle. We may debit your account (or any other account you maintain with us) or invoice you for any amount by which the fees and expenses exceed the accrued earnings allowance on your account.

Note: Your earnings allowance is calculated by applying the earnings credit rate to the investable balance available in your account. The earnings credit rate is a variable rate that we may change at any time.

May we use the funds in your accounts to cover debts you owe us?

Yes. We have the right to apply funds in your accounts to any debt you owe us. This is known as setoff. When we set off a debt you owe us, we reduce the funds in your accounts by the amount of the debt. We are not required to give you any prior notice to exercise our right of setoff.

A debt includes any amount you owe individually or together with someone else, both now and in the future. It includes any overdrafts and our fees. We may set off for any debt you owe us that is due or past due as allowed by the laws governing your account.

If your account is an unmatured Time Account, then we may deduct any early withdrawal fee or penalty. This may be due as a result of our having exercised our right of setoff.

If you have a sweep account, you authorize us to redeem your shares in the designated money market fund and apply the proceeds to any amount you owe us. Our right to setoff is in addition to and apart from any other rights under any other security interest you may have granted to us.

Do you grant us a security interest in your accounts with us?

Yes. To ensure you pay us all amounts you owe us under the Agreement (e.g., overdrafts and fees), you grant us a lien on and security interest in each account you maintain with us, including your accounts with any affiliate. By opening and maintaining each account with us, you consent to our asserting our security interest if the laws governing the Agreement require your consent. Our rights under this security interest are in addition to and apart from any other rights under any other security interest you may have granted to us.

Can Wells Fargo benefit from having the use of funds in customers' non-interest bearing accounts?

Yes. We may use these funds to reduce our borrowing from other sources such as the Fed Funds market, or invest them in short-term investments such as our Federal Reserve Account. This benefit may be referred to as spread. It is not possible

to quantify the benefit to us that may be attributable to a particular customer's funds. That's because funds from all customers' non-interest earning accounts are aggregated to reduce our borrowing costs and for investment, and our use of funds may vary depending on a number of factors including interest rates, Federal Funds rates, credit risks, and our anticipated funding needs. Our use of funds as described in this paragraph has no effect or impact on your use of and access to funds in your account.

What is the applicable exchange rate?

The applicable exchange rate is the exchange rate we set and use for you when we convert one currency to another currency. It includes a markup over our cost of sourcing the relevant currency. The markup factors include without limitation costs incurred, market risks, and our desired return. The exchange rate we provide to you may be different from exchange rates you see elsewhere. Foreign exchange markets are dynamic and rates fluctuate over time based on market condition, liquidity, and risks. We reserve the right to refuse to process any request for a foreign exchange transaction.

What are we allowed to do if there is an adverse claim against your account?

An adverse claim occurs when:

- Any person or entity makes a claim against your account funds,
- We believe a conflict exists between or among your authorized signers, or
- We believe a dispute exists over who has account ownership or authority to withdraw funds from your account.

In these situations, we may take any of the following actions without any responsibility to you:

- Continue to rely on the documents we have on file for your account.
- Honor the claim against your account funds if we are satisfied the claim is valid.
- Freeze all or a part of the funds in your account until we believe the dispute is resolved to our satisfaction.
- Close your account and send a check for the available balance in your account payable to you or to you and each person or entity who claimed the funds.
- Pay the funds into an appropriate court.

We also may charge any account you maintain with us for our fees and expenses in taking these actions (including attorney's fees and expenses).

How do we handle the legal process?

Legal process includes any levy, garnishment or attachment, tax levy or withholding order, injunction, restraining order, subpoena, search warrant, government agency request for information, forfeiture or seizure, and other legal process relating to your account.

We will accept and act on any legal process we believe to be valid, whether the process is served in person, by mail, by electronic notification, or at any banking location.

If we incur any fees or expenses (including attorney's fees and expenses) due to responding to legal process related to your account, we may charge these costs to any account you maintain with us.

If you carry special insurance for employee fraud or embezzlement, can we require you to file your claim with your insurance company before making any claim against us?

Yes. If you have special insurance for employee fraud or embezzlement, we reserve the right to require you to file your claim with your insurance company before making any claim against us. In that event, we will consider your claim only after we have reviewed your insurance company's decision, and our liability to you, if any, will be reduced by the amount your insurance company pays you.

Are there any minimum balance requirements or other restrictions?

We may impose minimum balance requirements or other restrictions on your account, which we may disclose to you.

Are we allowed to restrict access to your account?

Yes. If we suspect any suspicious, unauthorized, or unlawful activities, we can restrict access to your account and other accounts with us that you maintain or control.

Are we allowed to convert your account without your request?

Yes. We can convert your account to another type of account (by giving you any required notice).

Are we allowed to terminate or suspend a service related to your account?

Yes. We can terminate or suspend specific services (e.g., wire transfers) related to your account without closing your account and without prior notice to you. You can discontinue using a service at any time.

When can we close your account?

We reserve the right to close your account at any time. If we close your account, we may send the remaining balance on deposit in your account by postal mail or credit it to another account you maintain with us.

When can you close your account?

- You can request to close your account at any time if the account is in good standing (e.g., does not have a negative balance or restrictions such as holds on funds, legal order holds, or court blocks on the account). At the time of your request, we will assist you in withdrawing or transferring any remaining funds, bringing your account balance to zero. Whether you or we close the account, you agree to maintain on deposit in your account sufficient funds (determined in our sole discretion) to cover outstanding items to be paid from your account, charge-backs including returned deposited items, and our fees and expenses.
- All outstanding items need to be processed and posted to your account before you make a request to close. Once the account is closed, items will be returned unpaid.
- Any recurring payments or withdrawals from your account need to be cancelled before you make a request to close (examples include bill payments and direct deposits). Otherwise, they may be returned unpaid.
- We will not be liable for any loss or damage that may result from not honoring items or recurring payments or withdrawals that are received after your account is closed.
- At the time of your request to close:
 - For interest-earning accounts, your funds stop earning interest from the date of your request.
 - The Agreement continues to apply.
- If you have requested closing your account and a positive balance remains, we may send you a check for the remaining balance.
- Even after your account is closed, you will remain responsible for any negative balance.

Are transactions subject to verification by us?

Yes. All transactions are subject to our verification. This includes cash, items, or other funds offered for deposit for which we have provided a receipt. We do not verify all transactions. We reserve the right to reverse or otherwise adjust, at any time without prior notice to you, any debit or credit we believe we have erroneously made to your account.

Are we required to accept all deposits to your account?

No. We may decline all or part of a deposit, including a cash deposit. Some examples are:

- An item made out to a payee not on your account,
- An item with an endorsement we are unable to verify,
- A check or draft issued on a credit account,
- A very large cash deposit, and
- A non-U.S. item.

When we are unable to verify an endorsement on an item, we can also decline to pay, cash, or send the item for collection. We can require all endorsers to be present and we may require you to deposit the item instead of permitting you to cash it. For non-U.S. items, please see the response to “How do we handle non-U.S. items?”. We may require any person wanting to make a cash deposit to provide an acceptable form of identification before we accept the deposit for processing.

Who is responsible to make sure the declared amount of funds offered for deposit is accurate?

It is your responsibility, and we have no obligation to make sure the declared amount of your deposit is accurate. If we find a discrepancy exists between the declared and the actual amount of the funds, we are permitted to debit or credit your account and we may notify you if any adjustments are made. We are also permitted to use the declared amount as the correct amount to be deposited and to not adjust a discrepancy if it is less than our standard adjustment amount. We are permitted to vary our standard adjustment amount from time to time without notice to you and to use different amounts depending on account type.

You may arrange for us to adjust all discrepancies identified during any verification without using our standard adjustment amount by contacting your relationship manager.

What happens if there is an error in the amount of a deposit?

If you notify us of an error in the amount of a deposit shown on your account statement within 30 days after receiving your account statement or it is made available to you, we will review the deposit and make any adjustment we determine is appropriate, subject to any applicable fees. If you do not notify us during this timeframe, we will consider the deposit amount on your statement to be correct. This means that if the actual amount is less than the amount on the statement, the difference will become your property. If the actual amount is more than the amount shown on the statement, the difference will become our property.

Are we allowed to obtain credit reports or other reports about you?

Yes. We can obtain a credit or other report about you to help us determine whether to open or maintain an account. Other reports we can obtain include information from the following: 1) motor vehicle departments, 2) other state agencies, or 3) public records.

Are we required to obtain a tax identification number certification from you?

Yes. U.S. Treasury regulations require us to determine the tax residency of all customers and payees who could receive income that is reportable to the IRS. We accomplish this by obtaining a Form W-9 from all U.S. taxpayers and a type of Form W-8 from all foreign customers.

- For U.S. taxpayers, the Form W-9 is how we document U.S. tax residency and obtain a Taxpayer Identification Number (“TIN”) from the primary owner of each account that earns reportable income. Until we have received the Form W-9 and TIN, we are required to apply backup withholding to that income.
- Foreign individuals (also referred to as nonresident aliens) and foreign entities document their tax residency outside the U.S. on the applicable type of Form W-8. That form also allows us to apply the correct withholding rate or exemption to your income earned in the U.S. If you do not provide a valid type of Form W-8, we are required to apply the 30% withholding rate, or in some cases, presume you are an uncertified U.S. taxpayer subject to backup withholding on all income and gross proceeds regardless of whether or not it is U.S. sourced.
- Accounts jointly owned by at least one foreign individual or entity must provide a Form W-8 or Form W-9 for all of the joint owners.
- Foreign individuals provide a Form W-8BEN. Foreign entities that are the beneficial owner of the income provide a Form W-8BEN-E unless they can make a special withholding exemption claim and instead provide either a Form W-8EXP or Form W-8ECI.
- Entities that act as intermediaries or flow-through entities receiving income on behalf of someone else provide a Form W-8IMY. In some cases, that Form W-8IMY must also include a withholding statement that allocates the income to each of the beneficial owners and copies of the tax certification documentation for those underlying beneficial owners. If you own your account as an individual or sole proprietor, upon your death we must be provided

with the estate's or successor's IRS Form W-9 or Form W-8. If these are not provided, we may either refuse to pay interest earned on your account from the date of your death or apply backup withholding on the income earned after the date of your death.

When do we share information about your account with others?

Generally, if we do not have your consent, we will not share information about your account. However, we may share information about your account under the following circumstances:

- To comply with the laws governing this Agreement;
- In connection with examinations by state and federal banking authorities;
- To comply with any legal process, including a subpoena, search warrant, or other order of a government agency or court;
- When we determine that disclosure is necessary or appropriate in order to complete a transaction;
- To verify the existence and condition of your account for a third party, such as a merchant or credit bureau;
- To provide information to your legal representative or successor;
- When reporting the involuntary closure of your account;
- When we conclude that disclosure is necessary to protect you, your account, or our interests;
- To our agents, independent contractors, and other representatives in connection with the servicing or processing of your account or account transactions, account analysis, or similar purposes;
- To our affiliates and affiliated companies; and
- If you give your permission.

How do we protect your data?

We are part of an international business with affiliated companies, employees, and service providers (collectively "Personnel") located in the United States and a number of countries around the world. Any information or data we obtain in connection with or relating to your accounts or services, including personal information (collectively "Data"), may be accessed by Personnel in any of these countries. Any of these Personnel will be subject to the requirements of our information security program, which includes policies to protect Data and limit access to those Personnel with a reasonable business need to know.

Are we allowed to monitor and record our communications with you?

Yes. We can monitor, record, and retain your communications with us at any time without further notice to anyone, unless the laws governing your account require further notice.

Monitored and recorded communications include:

- Telephone conversations,
- Electronic messages,
- Electronic records, or
- Other data transmissions.

Is your wireless operator authorized to provide information to assist in verifying your identity?

Yes. As a part of your account relationship, we may rely on this information to assist in verifying your identity.

You authorize your wireless operator (AT&T, Sprint, T-Mobile, US Cellular, Verizon, or any other branded wireless operator) to use your mobile phone number, name, address, email, network status, customer type, customer role, billing type, mobile device identifiers (IMSI and IMEI) and other subscriber status details, if available, solely to allow verification of your identity and to compare information you have provided to Wells Fargo with your wireless operator's account profile information for the duration of the business relationship.

Checking and savings accounts

What are the requirements for a correct endorsement?

An endorsement is a signature, stamp, or other mark on the back of a check. If you have not endorsed a check that you deposited to your account, we may endorse it for you. We may also send for collection any unendorsed check that is payable to you that you have deposited to your account.

Are we bound by restrictions or notations on checks?

No. We are not bound by restrictions or notations, such as “void after six months,” “void over \$50,” or “payment in full.”

When you cash or deposit a check with a notation or restriction, you are responsible for any loss or expense we incur relating to the notation or restriction.

What is a substitute check?

A substitute check is created from an original check; under federal law, it is legally equivalent to that original check. A substitute check contains an accurate copy of the front and back of the original check and bears the legend: “This is a legal copy of your check.” You can use it the same way you would use the original check. As noted in the legend, a substitute check is the same as the original check for all purposes, including proving that you made a payment. Any check you issue or deposit that is returned to you may be returned in the form of a substitute check. You agree that you will not transfer a substitute check to us, by deposit or otherwise, if we would be the first financial institution to take the substitute check, unless we have expressly agreed in writing to take it.

What happens if you breach a warranty associated with an item?

If you breach any warranty you make to us under the laws governing your account with respect to any item, you will not be released or discharged from any liability for the breach so long as we notify you of the breach within 120 days after we learn of the breach. If we fail to notify you within this 120 day period, you will be released from liability and discharged only to the extent our failure to notify you within this time period caused a loss to you.

How do we handle non-U.S. items?

A non-U.S. item is an item 1) payable in a currency other than U.S. dollars or 2) drawn on a financial institution that is not organized under U.S. law. We are not required to accept a non-U.S. item for deposit to your account or for collection. We may accept non-U.S. items on a collection basis without your specific instruction to do so. We can reverse any amount we have credited to your account and send the item on a collection basis even if we have taken physical possession of the item.

If we accept a non-U.S. item, the U.S. dollar amount you receive for it will be determined by our applicable exchange rate that is in effect at the time of deposit or our receipt of final payment (less any associated fees) of the collection item. If the non-U.S. deposited item is returned unpaid for any reason, we will charge the amount against your account (or any other account you maintain with us) at the applicable exchange rate in effect at the time of the return. For information on the applicable exchange rate, see “What is the applicable exchange rate?” in the “Rights and responsibilities” section of this Agreement.

Our funds availability policy does not apply to a non-U.S. item.

What is our responsibility for collecting a deposited item?

We are responsible for exercising ordinary care when collecting a deposited item. We will not be responsible for the lack of care of any other bank involved in the collection or return of a deposited item, or for an item lost in collection or return.

What happens if we send an item for collection?

We may, upon notice to you, send an item for collection instead of treating it as a deposit. This means that we send the item to the issuer's bank for payment. Your account will not be credited for the item until we receive payment for it.

Our funds availability policy does not apply to an item we accept for collection.

What happens when a deposited or cashed item is returned unpaid?

We can deduct the amount of the deposited or cashed item from your account (or any other account you maintain with us). We can do this when we are notified that the item will be returned. We do not need to receive the actual item (and usually do not receive it). We can do this even if you have withdrawn the funds and the balance in your account is not sufficient to cover the amount we hold or deduct and your account becomes overdrawn. In addition, we will charge you all applicable fees and reverse all interest accrued on the item.

We may place a hold on or charge your account for any check or other item deposited into your account if a claim is made or we otherwise have reason to believe the check or other item was altered, forged, unauthorized, has a missing signature, a missing or forged endorsement, or should not have been paid, or may not be paid, or for any other reason. When the claim is finally resolved, we will either release the hold or deduct the amount of the item from your account. We are not legally responsible if we take or fail to take any action to recover payment of a returned deposited item.

What happens when an electronic payment is reversed?

We may deduct the amount of an electronic payment credited to your account (e.g., direct deposit) that is reversed. We can deduct the amount from any account you have with us at any time without notifying you. You agree to promptly repay any overdrafts resulting from the reversed payment.

Are you responsible for assisting in reconstructing a lost or destroyed deposited item?

If a deposited item is lost or destroyed during processing or collection, you agree to provide all reasonable assistance to help us reconstruct the item.

Electronic check indemnifications

What warranties do we provide for electronic checks and electronic returned checks?

An "electronic check" and an "electronic returned check" mean an electronic image of, and electronic information derived from, a paper check or a paper returned check. When we transfer or present an electronic check or electronic returned check, we provide the following warranties:

- **Image Quality Warranty:** We guarantee that the electronic image of a check accurately represents all of the information on the front of the check as of the time that the original check is truncated, and the electronic information includes an accurate record of all MICR line information required for a substitute check and the amount of a check.
- **No Double Debit Warranty:** We guarantee that the warrantee will not receive a presentment of or otherwise be charged for an electronic check, an electronic returned check, the original check, a substitute check, or a paper or electronic representation of a paper substitute check, in a way that the warrantee will be asked to make payment on a check that it has already paid.

When we transfer an electronic check for collection or payment, we make the image quality warranty and the no double debit warranty to the transferee bank, any subsequent collecting bank, the paying bank, and the drawer. When we transfer an electronic returned check for return, we make the image quality warranty and the no double debit warranty to the transferee returning bank, the depository bank, and the owner.

What indemnities are applicable to electronic checks and electronic returned checks?

You will indemnify, defend, and hold us harmless from and against all liabilities, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, “losses and liabilities”) by us arising directly or indirectly from or related to the transfer or return of an electronic check or an electronic returned check on your behalf. If we suffer any losses or liabilities arising directly or indirectly from or related to a breach of either the image quality warranty or the no double debit warranty, you will reimburse us and not hold us responsible or liable.

What indemnities are applicable to remote deposit capture services?

By providing the remote deposit capture service to you, we are required to indemnify and reimburse a depository bank that accepts the original check from which an electronic check is created for losses incurred by that depository bank if the loss is due to the check having already been paid. If we suffer any losses or liabilities arising directly or indirectly from or related to that type of depository bank indemnity obligation, you will indemnify and reimburse us and not hold us responsible or liable.

What indemnities are applicable to electronically created items?

If we transfer or present an “electronically created item” and receive settlement or other consideration for it, we are required to indemnify and reimburse each transferee bank, any subsequent collecting bank, the paying bank, and any subsequent returning bank against losses that result from the fact that:

- The electronic image or electronic information of the electronically created item is not derived from a paper check;
- The person on whose account the electronically created item is drawn did not authorize the issuance of the electronically created item or to the payee stated on the item; or
- A person receives a transfer, presentment, or return of, or otherwise is charged for an electronically created item in such a way that the person is asked to make payment based on an item or check it has paid.

If we suffer any losses or liabilities arising directly or indirectly from or related to that type of electronically created item indemnity obligation, you will indemnify and reimburse us and not hold us responsible or liable.

Funds availability policy

When can you withdraw funds?

Our funds availability policy is to make funds from your checking deposit available to you on the first business day after the day we receive your deposits.

Funds from the deposits listed below are available on the first business day after the day of your deposits, if you make the deposit in-person to one of our employees or agents and you use a special deposit slip we provide:

- State and local government checks that are payable to your Company.
- Cashier’s, certified, and teller’s checks that are payable to your Company where we are not the issuer or drawee.

While we generally make funds from your check deposits available to you on the first business day after the day we receive the deposits, our policy makes funds available according to an availability schedule or schedules we provide or make

available to you, subject to, among other things, the location of the deposit transaction or the manner in which the deposit is made.

Our funds availability policy relating to other types of deposits is described below. If we delay the availability of a deposit, the length of the delay varies depending on the type of deposit as explained below.

Once they are available, you can withdraw the funds in cash. We will use the funds to pay checks and other items presented for payment and applicable fees that you have incurred.

Can you make deposits at an affiliate?

You may make deposits to your accounts at an affiliate, provided the affiliate agrees. If you make a deposit to your account at an affiliate, that affiliate's collection schedule and funds availability policy will determine when the deposited funds will be considered collected and available.

When is your deposit considered received?

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before our established cutoff time on a business day that we are open, we will consider that day to be the day your deposit is received by us. For deposits granted same calendar day availability as described below, the calendar day you make the deposit will be considered the day of deposit. For all other deposits, if you make a deposit after our cutoff time or on a day we are not open, we will consider the day your deposit is received by us to be the next business day we are open.

Our established cutoff time is when a branch closes for business and may vary by location. The cutoff time for checks deposited at a Wells Fargo ATM is 9:00 p.m. local time (8:00 p.m. in Alaska).

Any deposits placed in a "night depository" before the established deadline on a business day we are open will be credited to your account by the close of business that day. Deposits placed in the "night depository" after the established deadline will be credited to your account by the close of the next business day we are open.

Same business day availability

The following deposits will be available on the business day we receive the deposit:

- Incoming wire transfers.
- Electronic direct deposits.
- Cash deposited at a teller window.
- Checks drawn on us.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit. For example, if we receive your mailed deposit on Monday, the funds will be available on Wednesday.

Longer delays may apply

In some cases, we will not make all the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check you deposit, funds may not be available until the second or third business day after the day of your deposit. The first \$200 of your deposit, however, may be available on the first business day.

Except as otherwise explained in this paragraph, if we are not going to make all funds from your deposit available on the business day of deposit or the first business day after the day of deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to a Wells Fargo employee, or if we decide to take this action after you have left the premises, we will mail you the notice by the first business day after we receive your deposit.

If you need the funds from a deposit right away, you may ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last 6 months.
- There is an emergency, such as a failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. The funds will generally be available no later than the seventh business day after the day of your deposit.

Holds on other funds (check cashing)

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cash would have been available if you had deposited it.

Holds on other funds (other account)

If we accept a check for deposit that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with us.

The funds in the other account would then not be available until the time periods that are described in this policy.

Available balance, posting order, and overdrafts

How do we determine your account's available balance?

Your account's available balance is our most current record of the amount of money in your account available for your use or withdrawal. We use the available balance to authorize your transactions during the day. We also use the available balance to pay your transactions in our nightly processing. We calculate your available balance as follows:

- We start with the ending daily account balance from our prior business day nightly processing that includes all transactions deposited to or paid from your account.
- We subtract from this amount any holds placed on a deposit to your account and any holds placed due to legal process.
- We add pending deposits that are immediately available for your use.
- We subtract pending withdrawals that we have either authorized or are known to us but have not yet processed.

Important note: We may place a hold on your account if we receive an electronic notice that an item will be presented for payment or collection against your account (Notice of Presentment). This hold may remain in effect from the time the Notice of Presentment is received until the item is presented or notice is received that the item will not be presented, whichever occurs first. We may conclusively rely on the information we receive in an electronic presentment or notification when determining the available balance in your account. We will not have any liability for refusing to honor any of your items because of insufficient funds, even if the electronic presentment or notification incorrectly describes the item, including its amount. We may debit your account on the day an item is presented by any means, including electronically, or at an earlier time based on a notification received by us that an item drawn on your account will be presented for payment or collection. A determination of the balance in your account for purposes of making a decision about whether not to honor an item due to insufficiency or unavailability of funds may be made at any time between the presentment of the item (or earlier upon receipt of any Notice of Presentment) and the time the item is returned. Only one such determination needs to be made.

How do we process (post) transactions to your account?

We process transactions each business day (Monday through Friday except federal holidays) during a late night process. Once we process your transaction, the results are posted to your account. There are three key steps to this process. The most common types of transactions are processed as described below.

First, we determine the available balance in your account (as described above) that can be used to pay your transactions. Note: Certain pending transactions can affect your available balance:

- Cash deposits or transfers from another Wells Fargo account that are made **after** the displayed cutoff time (where the deposit was made) will be added to your available balance if they are made before we start our nightly process.
- Your available balance will be reduced by pending withdrawals, such as electronic transactions we have authorized and are required to pay when they are sent to us for payment. These pending withdrawals may be sent to us for payment at a later date. In some circumstances, these transactions may be paid into overdraft if other posted transactions or fees have reduced your balance before the pending transactions are presented for payment.

Then, we sort your transactions into categories before we process them.

- First, we credit your account for deposits, including cash, check deposits and incoming transfers, received before the cutoff time at the location the deposit or transfer was made.
- Then, we process withdrawals/payments we have previously authorized and cannot return unpaid, such as ATM withdrawals, account transfers, Online Bill Pay transactions, and teller-cashed checks. If we receive more than one of these transactions for payment from your account, we will generally sort and pay them based on the date and time you conducted the transactions. For some transactions, such as Online Bill Pay transactions or teller-cashed checks, the time may be assigned by our systems and may vary from the time it was conducted. Multiple transactions that have the same time will be sorted and paid from highest to lowest dollar amount.
- Finally, we use your remaining funds to pay your checks and preauthorized automatic ACH payments (such as bills you pay by authorizing a third party to withdraw funds directly from your account). If there is more than one of these types of transactions, they will be sorted by the date and time that they are received by us. Multiple transactions that have the same time will be sorted and paid from highest to lowest dollar amount.

How do we handle overdrafts?

At our discretion, we are permitted to pay items into overdraft rather than returning them unpaid.

You agree to pay the applicable fee associated with an overdraft or returned item. Any overdraft on your account is immediately due and payable, unless we agree otherwise in writing. You agree to reimburse us for any attorneys' fees and other costs and expenses we incur in recovering the overdraft (including overdraft and associated fees).

On any business day when we determine there are sufficient funds in your account to pay one or more but not all of the items presented for payment on your account, the order in which we post these items may affect the number of items paid and the overdraft and returned item fees that are assessed. When we post items in the order of highest to lowest dollar amount, the overdraft and returned item fees may be more than these fees would be if we were to post the items in the order of lowest to highest dollar amount.

Additional rules for checks and withdrawals

What identification do we request to cash items presented over the counter by a non-customer?

For these transactions, we require acceptable identification, which can include a fingerprint from the person presenting your item. We may not honor the item if the person refuses to provide us with requested identification.

Are there special rules if you want to make a large cash withdrawal or deposit?

We may place reasonable restrictions on a large cash withdrawal. These restrictions include requiring you to provide five business days' advance notice to ensure we have sufficient cash on hand. We do not have any obligation to provide security if you make a large cash withdrawal. If you want to deposit cash for a very large amount, we have the right to require you to provide adequate security or exercise other options to mitigate possible risks.

Can you make withdrawals from your account at an affiliate?

You may make withdrawals from your account at an affiliate, provided the affiliate agrees. If an affiliate cashes an item for you, we may place a hold on your account for a corresponding amount of funds. If the item is later returned to the affiliate for any reason, we may debit one or more of your accounts for the amount of the item.

Are we responsible for reviewing checks for multiple signatures?

No. We are not responsible for reviewing the number of signatures on your account. We do not accept any duty to enforce multiple signature requirements. If you indicate that more than one signature is required, this indication is for your own internal procedures and is not binding on us.

Are we required to honor dates and special instructions written on checks?

No. We may, without inquiry or liability, pay a check even if it:

- Has special written instructions indicating we should refuse payment (e.g., "void after 30 days" or "void over \$100");
- Is stale-dated (i.e., the check's date is more than 6 months in the past), even if we are aware of the check's date;
- Is post-dated (i.e., the check's date is in the future); or
- Is not dated.

We may also pay the amount encoded on your check in U.S. dollars, even if you wrote the check in a foreign currency or made a notation on the check's face to pay it in a foreign currency. The encoded amount is in the line along the bottom edge of the front of the check where the account number is printed.

Can you use a facsimile or mechanical signature?

Yes. If you use a facsimile or mechanical signature (including a stamp), any item appearing to use your facsimile or mechanical signature will be treated as if you had actually signed it.

Are we liable for paying a consumer ACH debit entry on your account?

No. Under the ACH operating rules, certain types of ACH debit entries may only be presented on a consumer account ("a consumer ACH debit entry"). We will have no obligation to pay, and no liability for paying, any consumer ACH debit entry on your account.

What is the acceptable form for your checks?

Your checks must meet our standards, including paper stock, dimensions, and other industry standards. Your checks must include our name and address, as provided by us. Certain check features, such as security features, may impair the quality of a check image that we or a third party create.

We reserve the right to refuse checks that do not meet these standards or cannot be processed or imaged using our equipment. We are not responsible for losses that result from your failure to follow our check standards.

How do I reorder checks?

You can reorder checks by mailing the reorder form enclosed in your current order of checks or by calling us at the telephone number shown on your account statement. If you or a third party prints its items, we shall have no liability to you if we are unable to process these checks by automated means.

How do you stop payment on a check?

You may request a stop payment on your check in a time and manner allowing us a reasonable opportunity to act on it before we pay, cash, or otherwise become obligated to pay your check.

Each stop payment order is subject to our verification that we have not already paid or otherwise become obligated to pay the check from your account. This verification may occur after we accept your stop payment order.

In order to issue a stop payment order on a check, we request the following information:

- Your bank account number,
- The check number or range of numbers,
- The check amount or amounts,
- The payees' names, and
- The date on the check.

We are not responsible for stopping payment on a check if you provide incorrect or incomplete information about the check. We are also not responsible if we do not pay a check for which a valid stop payment order is in effect.

What is the effective period for a stop payment order?

A stop payment order on an item is valid for 6 months. We may pay a check once a stop payment order expires. If you do not have our STOP AUTO-RENEWAL Service on your account, you must place a new stop payment order if you do not want it to expire. We treat each renewal as a new stop payment order. We will charge you for each stop payment order you place (as well as each renewal).

If you have our STOP AUTO-RENEWAL Service on your account, your stop payment order renews annually for up to six 12-month periods, unless you otherwise notify us in writing.

How do you cancel a stop payment order?

To cancel a stop payment order, we must receive your request in a time and manner allowing us a reasonable opportunity to act on it.

Are you still responsible if we accept a stop payment on a check?

Yes. Even if we return a check unpaid due to a stop payment order, you may still be liable to the holder (e.g., a check cashing business) of the check, and potentially additional amounts that the holder may be due under the laws governing this agreement.

How can you prevent a post-dated item from being paid before its due date?

A post-dated item is an item you issue with a date in the future. We are not responsible for waiting to honor the item until that date, unless you instruct us to do so through the use of a stop payment order for the item. You are responsible for notifying us to cancel the stop payment order when you are ready to have that item paid.

How do you stop payment for preauthorized electronic fund transfers?

For information on placing a stop payment order on an ACH debit entry, please refer to “Fund transfer services” In the “Electronic banking services” section of this Agreement.

Your account ownership

Can you assign ownership of your account?

No. No assignment of your account will be valid or binding on us, and we will not be considered to have knowledge of it, until we consent and the assignment is noted in our records. However, by noting the assignment, we do not have any responsibility to assure that the assignment is valid. Any permitted assignment of your account is subject to our setoff rights.

What if an owner does not sign account documentation?

If a customer identified in our records as an owner or a co-owner of an account does not sign the account application or other account-related documentation, it does not prevent us from treating the customer as an owner or a co-owner of that account; we are not liable to anyone as a result.

Are all joint owners responsible for liabilities on your account?

Yes. All joint owners are each individually and jointly responsible for any overdraft on your account, regardless of who caused or benefited from the overdraft. If there is a setoff, an enforcement of our security interest in your account, or legal action (such as a third party garnishment, seizure, forfeiture, or tax levy) affecting any co-owner, we have the right to treat all funds in the account as belonging to the customer against whom the setoff, enforcement of the security interest, or other legal action is directed. If your account is closed for unsatisfactory handling, we may report all joint owners to the consumer reporting agencies.

What happens upon death or incompetence of an authorized signer or account owner?

Please notify us promptly if you learn or suspect an account owner or signer has been declared incompetent by a court or a legal authority, or has died. When we receive proper notice, we may:

- Freeze the account until we receive documents verifying the incapacity or death and instructions for the funds remaining in the account,
- Pay (without inquiring) any item authorized by the account owner before being declared incompetent or dying,
- Return or reverse deposits made to the account, and
- Apply funds in the account to any debt the account owner owes us before recognizing the rights to any remaining funds of a surviving joint owner or other person.

If we are liable for taxes because we released funds in an account after the account owner's death, the account owner's estate is responsible for reimbursing us for those taxes.

Upon notifying us of the death or incompetence of a business owner, the business entity will need to provide documentation evidencing any change in the ownership or control of the entity following applicable legal formalities.

Interest earning accounts

What interest rate applies to an interest earning account?

When you open an interest earning account, we will provide you with the current interest rate and Annual Percentage Yield (APY) for your account. Interest earning accounts earn interest at a variable rate, except Time Accounts. We may change the interest rate for variable-rate accounts at any time. The interest rate may vary depending on your daily balances.

How do we calculate earned interest?

We may use either the daily balance method or the average daily balance method to calculate interest. Unless we have specified otherwise in writing, we will use the daily balance method to calculate interest. The daily balance method applies a daily periodic rate to principal each day.

The average daily balance method applies a periodic rate to the average daily collected balance for the period. The average daily balance is calculated by adding principal each day and dividing by the number of days in the period.

If your account is a tiered-rate account, we may pay the same interest rate on more than one tier.

When does a deposit begin accruing interest?

Cash deposits begin accruing interest the same business day a deposit is credited to your account. If you deposit an item such as a check, interest begins accruing on the business day we receive credit for the item.

Is interest compounded and when is it credited?

Interest will compound on a daily basis. For checking and savings accounts, interest will be credited on a monthly basis. For *time accounts*, we will notify you separately as to the frequency with which interest will be credited to your account.

Can I specify a target balance on my accounts?

Yes. If you maintain multiple accounts with us, you may, with our consent, designate in writing one of these accounts as your "principal account" and one or more additional accounts as "target balance accounts." For each target balance account, you will separately specify to us in writing the ledger balance or collected balance which you wish to maintain in that account (the "target balance"). At the end of each business day, we will determine the applicable balance on deposit in each target balance account. If the applicable balance in a target balance account is greater than its target balance, we will transfer to the principal account the funds necessary to bring the applicable balance to the target balance. If the applicable balance is less than the target balance, we will transfer to the target balance account the funds necessary to bring the applicable balance to the target balance. We may, but will not be required to, transfer funds even if the transfer would create an overdraft or exceed the collected balance on deposit in the principal account.

When are interest adjustments disclosed in your account statement?

An interest adjustment may be reflected on your account statement for the month after it occurs, rather than the month in which it occurs.

What is the difference between Annual Percentage Yield (APY) and Annual Percentage Yield Earned (APYE)?

- The Annual Percentage Yield (APY) is a percentage rate reflecting the total amount of interest paid on an account based on the interest rate and the frequency of compounding for a 365-day period.
- The Annual Percentage Yield Earned (APYE) is an annualized rate that reflects the relationship between the amount of interest actually earned on your account during the statement period and the average daily balance in the account for the statement period.

We calculate both your APY and APYE according to formulas established by federal regulations. The APYE appears on your account statement.

Do we have the right to require 7 days written notice before you withdraw money from your savings account?

Yes. We have the right to require 7 days written notice before you withdraw money from your savings account.

Regulation D savings account transaction limit and other limited activity

Regulation D and Wells Fargo limit certain types of withdrawals and transfers from a savings or money market account to a combined total of 6 per monthly statement period (exceptions to the statement period may apply).

Limited by Regulation D:

- Transfers by telephone using our automated banking service or speaking with a banker on the telephone.
- Transfers or payments through online, mobile, and text banking (including Bill Pay and person-to-person payments such as Zelle®).
- Overdraft Protection transfers to a checking account.
- Pre-authorized transfers and withdrawals (including recurring and one time).
- Payments to third parties such as checks, drafts, or similar transactions (counted when they are posted to your account and not when they are written).

Limited by Wells Fargo:

- Transfers and payments to Wells Fargo credit cards, lines of credit, and loans.
- Outgoing wire transfers whether made in person, on the telephone, or online.

Not limited

Except as limited above, there are no limits on withdrawals or transfers made in person at a Wells Fargo ATM or banking location or on any types of deposits.

What happens if you exceed your limit?

If you exceed the limits stated above, you will be charged an excess activity fee (\$10 per excess transaction).

If the limit is exceeded on more than an occasional basis, Wells Fargo may be required to convert the savings or money market account to a checking account, or close the account.

If the withdrawal and transfer limit is reached, we may decline withdrawals and transfers for the remainder of the monthly statement period (exceptions to the statement period may apply) to help you avoid a fee and account conversion or closure.

Time Accounts (CDs)

What are *time accounts*?

Time accounts include deposits which are payable at the expiration of a specified term, no less than 7 calendar days after the date of deposit. We may also refer to a *time account* as a CD or a Certificate of Deposit, even though we do not issue a paper certificate when opening the account or require a paper certificate to close the account. The *time account's* maturity date is the last day of the term for the *time account*. The maturity date is printed on your receipt.

When can you withdraw funds from your *time account*?

You may withdraw funds from your *time account* on the maturity date without a penalty. You may also generally withdraw funds without a penalty within the 7 calendar days after the maturity date (grace period). You may be charged a penalty if you make a withdrawal at any other time.

How is the early withdrawal penalty assessed?

If you withdraw funds from your *time account* before the maturity date, an early withdrawal penalty will be assessed. For terms:

- Less than three months (or less than 90 days), the fee is one month's interest.
- Three months (or 90 days) through 12 months (or 365 days), the fee is three months' interest.
- Over 12 months through 24 months, the fee is six months' interest.
- Over 24 months, the fee is 12 months' interest.

The minimum fee is \$100.

The early withdrawal penalty is based on the principal amount withdrawn, at the interest rate on your *time account* at the time of withdrawal. For purposes of determining the amount of the early withdrawal penalty, one month's interest is equal to one year's interest – at the interest rate in effect at the time of withdrawal – divided by 12. The amount of the early withdrawal penalty is deducted from earned interest. If the penalty is greater than the earned interest, the difference is deducted from the principal. In no event will the early withdrawal penalty for a withdrawal during the first six days after the date of deposit be less than seven days' simple interest.

Can you deposit additional funds into your *time account*?

You can only deposit additional funds during the grace period.

Will your Annual Percentage Yield (APY) change if you withdraw interest before maturity?

The APY we disclose to you assumes the interest you earn will remain on deposit until your *time account* matures. If you withdraw your earned interest before maturity, your account will earn less interest over time and the actual APY will be less than the disclosed APY.

How does your *time account* renew?

Your *time account* will automatically renew at maturity:

- Typically for a similar term unless we inform you prior to maturity of a different term; and
- At our interest rate in effect on the maturity date for a new *time account* of the same term and amount, unless we have notified you otherwise.

Electronic banking services

Fund transfer services

The following terms and conditions apply to funds transfers to or from your account. These terms and conditions are in addition to, and not in place of, any other agreements you have with us about funds transfers. The terms “funds transfer,” “funds-transfer system,” “payment order,” and “beneficiary” are used here as defined in Article 4A of the Uniform Commercial Code, as adopted by the state whose laws govern this Agreement.

Rules of funds transfer systems

Funds transfers to or from your account will be governed by the rules of any funds transfer system through which the transfers are made, including Fedwire, the National Automated Clearing House Association, the Electronic Check Clearing House Organization, any regional association (ACH), the Clearing House Interbank Payments System (CHIPS), the Society for Worldwide Interbank Financial Telecommunications (SWIFT), and the RTP system (RTP System).

We are under no obligation to honor, in whole or in part, any payment order or other instruction that could result in our violation of applicable law, including requirements of the U.S. Department of the Treasury’s Office of Foreign Assets Control and the Financial Crimes Enforcement Network.

Sending funds transfers

In acting on your transfer instructions, we may use any means of transmission, funds transfer system, clearing house, or intermediary bank that we reasonably select.

Notice of funds transfers

We will notify you of funds electronically debited from or credited to your account through the account statement covering the period in which the transaction occurred. We are under no obligation to provide you with any additional notice or receipt

Reliance on identification numbers

- If a payment order or other instruction to transfer funds describes the party to receive payment inconsistently by name and account number, we may make the payment based on the account number, even if it identifies a party different from the named recipient.
- If an instruction or order to transfer funds describes a participating financial institution inconsistently by name and identification number, we may rely on the identification number as the proper identification of the financial institution.

Duty to report unauthorized or erroneous funds transfers

You will exercise ordinary care to determine whether a funds transfer to or from your account was either not authorized or erroneous. You will also notify us of the facts within a reasonable time, not exceeding 14 days after you have received your account statement from us on which the funds transfer appears or you otherwise have notice of the funds transfer, whichever is earlier. You must notify us within 14 days to be entitled to a refund from us. If you do not notify us within 14 days, we will be entitled to retain payment for the funds transfer.

Erroneous payment orders

We have no obligation to detect errors you make in payment orders – for example, an instruction to pay a beneficiary not intended by you, or to pay an amount greater than the amount you intended, or a transmission of a duplicate payment order previously sent by you. If we detect an error on one or more occasions, we will not be obligated to detect errors in any future payment order.

ACH transactions

In addition to the other terms in the Agreement, the following terms and conditions apply to payments to or from your account that you transmit through an ACH:

- Your rights for payments to or from your account will be based on the laws governing your account.
- When we credit your account for an ACH payment, the payment is provisional until we receive final settlement through a Federal Reserve Bank or otherwise receive payment.
- If a payment is credited to your account and we do not receive final settlement or payment, we are entitled to a refund from you for the amount credited to your account.
- You authorize any Originating Depository Financial Institution (ODFI) to initiate, according to ACH Operating Rules, ACH debit entries to your account for presentment or re-presentment of items written or authorized by you.

Reversal or return of ACH transactions

Under the ACH Rules, we can return any non-consumer ACH debit entry as unauthorized until midnight of the business day following the business day we post the entry to your account. (For example, if we post the entry on Tuesday, we can return it up to midnight on Wednesday.) For us to meet this deadline, you are required to notify us to return any non-consumer ACH debit entry as unauthorized by the cutoff time we separately disclose. The cutoff time is currently 3:00 PM Central Time. (In the example above, you would need to notify us by 3:00 PM Central Time on Wednesday).

If you do not notify us in a timely manner of the unauthorized non-consumer ACH debit entry, we will not be able to return it without the cooperation and agreement of the originating bank and the originator of the debit entry. Any other effort to recover the funds must occur solely between you and the originator of the entry.

Stop payment orders on ACH debit entries

You may request a stop payment order for an ACH debit entry that has not already been paid from your account. An “ACH debit entry” is an order or request for the withdrawal of money from your account through ACH. To be effective, a stop payment order must be received in a time and manner that gives us a reasonable opportunity to act on it. If you provide oral instructions to stop payment on an ACH debit entry, we may require confirmation in writing. If that written confirmation is not received, we may remove the stop payment order after 14 days. An instruction to revoke a stop payment order must be received in a time and manner that gives us a reasonable opportunity to act on it.

To place a stop payment order on an ACH debit entry, you must provide:

- Your account number,
- Amount of the ACH debit entry,
- Effective date of the ACH debit entry, and
- Name associated with the originator of the debit entry.

We may request additional information and may use only a portion of the required information to identify the ACH debit entry. We may be able to place a stop payment order based on the company identification number of the originator of the ACH debit entry, but this may stop all ACH entries received from this sender.

Additional information on ACH debit entries

Any information provided by you that is incorrect or subject to change (for example, if the originator changes its company identification number or individual identification number) may result in payment of the ACH debit entry. You acknowledge this risk and agree that you are responsible for notifying the originator of the ACH debit entry that your authorization has been revoked. You agree to indemnify and reimburse us and hold us harmless from and against any loss incurred by us as a result of our paying an ACH debit entry if any of the information relied on in the stop payment order is incorrect or incomplete (or as a result of us not paying an ACH debit entry for which a valid stop payment order is in effect).

Receiving RTP payments

The following additional terms apply to any real-time payments we receive for credit to your account through the RTP System. The terms “sender,” “receiver,” “sending participant,” and “request for return of funds” are used here as defined in the System Rules governing RTP payments (“RTP Rules”). In addition to the RTP Rules, RTP payments will be governed by the laws of the state of New York, including New York’s version of Article 4A of the Uniform Commercial Code, as applicable, without regard to its conflict of laws principles.

- The RTP System may be used only for eligible payments between a sender and receiver with accounts located in the United States. You may not send or receive payments on behalf of any person or entity not domiciled in the United States. RTP payments that are permitted under the RTP Rules and our requirements will be considered eligible payments for purposes of this Agreement.
- RTP payments are final and cannot be cancelled or amended by the sender. If we receive a message from a sending participant requesting return of an RTP payment received for credit to your account, you may be notified of that request. You are not obligated under the RTP Rules to comply with any such request for return of funds. Any dispute between you and the sender of an RTP payment must be resolved between you and the sender.
- If you do not wish to accept an RTP payment received for credit to your account, you may request that we return that payment to the sender. We may attempt to honor that request, but will have no liability for our failure to do so.
- RTP payments are typically completed within 30 seconds of transmission of the RTP payment by the sender, unless the RTP payment fails or is delayed due to a review by us or the sending bank, such as for fraud, regulatory, or compliance purposes. Transaction limits imposed by the RTP System or sending participant may also prevent RTP payments from being received for credit to your account.

Selected services

Stagecoach Deposit® – ATM Deposit Only Card Service.

You may elect to use Wells Fargo’s *Stagecoach Deposit®* Deposit Only Card Service by completing and returning to us the setup form for the service. This service allows you to make deposits to your account using a *Stagecoach Deposit®* ATM Deposit Only card (“Deposit Card”) at a designated Wells Fargo® ATM (“ATM”) or in a Wells Fargo branch.

When you make deposits at a designated Wells Fargo ATM, you will make those deposits according to the instructions we provide. You will gain access to the ATM using the Deposit Card and a Personal Identification Number (“PIN”); you assume the risk of misuse of both. We will provisionally credit each deposit to your account based on the amount you key into the ATM. Your ATM deposits are subject to the standard cut-off time established for the ATM into which the deposit was made and our funds availability policy applicable to your account. If the dollar amount of your deposit – as determined by us – differs from your total (as shown on your ATM receipt), we will send you a statement showing the amount of this difference. You agree that our count of the dollar amount of your deposit will be conclusive and binding on you. You will have full responsibility for each deposit and its contents until the deposit has been completely and physically accepted into the ATM. If you claim any portion of a deposit was lost or stolen while in our custody, you acknowledge that you have the burden of proving your claim. If you order supplies for the ATM Deposit Service through the ATM, you authorize us to initiate debits to your account and credits to the accounts of third party vendors to cover the cost of those supplies provided to you. Those transfers may be processed through an automated clearing house or any other means chosen by us, and will be subject to the rules of the funds transfer system used by us. Your authorization for the transfers will remain in full force and effect until we have received written notification from you of its termination in a time and manner as to afford us and any third-party vendor a reasonable opportunity to act on it.

Stagecoach Deposit® – Post Verify Service.

If you elect to use our *Stagecoach Deposit® – Post Verify Service*, you will prepare, package, and deliver Stagecoach deposits to us according to our instructions. We will provisionally credit your account for the currency shown on the deposit ticket enclosed in your Stagecoach deposit bag as follows:

- Same day credit for deposits delivered to one of our offices before that office's cut-off time on any business day we are open or for deposits placed in night depository before 6:00 a.m. on any business day we are open; or
- Next business day credit for deposits delivered to one of our offices on any business day we are open on or after the office's cut-off time or on any non-business day.

All Stagecoach deposits are subject to our acceptance and verification. We will verify the currency in your Stagecoach deposit bag either at a later time in our office or when your Stagecoach deposit bag is delivered to our cash vault. Checks will be verified when they are delivered to our check processing center. We reserve the right to adjust (debit or credit) your account if we determine that the amount shown on your deposit ticket is incorrect. Because the frequency of armored courier transportation from our offices to our vaults varies from office to office, the time it takes to verify your Stagecoach deposit may vary, depending on the office to which your Stagecoach deposit bag is delivered. In most cases, adjustments will be made and notification will be sent within three business days. Adjustments will be effective when they are processed.



Master Agreement for Treasury Management Services

The Service Documentation contains the terms under which Wells Fargo Bank, N.A. and the banks, branches or subsidiaries listed in Appendix X (each, "Bank") provide you treasury management services ("Services"). "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. The Bank customer to which the Services will be provided is identified in the Acceptance. Other capitalized terms used in this Master Agreement for Treasury Management Services ("Agreement") are defined in this document.

You and we agree:

1. **Service Description.** The Service Documentation contains the terms governing each Service and includes:
 - a. The Service Description (which contains terms and conditions applicable to the specific Service),
 - b. The Acceptance (which indicates your acceptance of the Service Documentation),
 - c. This Agreement (which contains terms and conditions applicable to all Services),
 - d. The account agreement governing the account(s) (each, an "Account") you use in connection with the Service,
 - e. The Product Enrollment Form (which contains set-up information for each Service in which you are enrolling), and
 - f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Agreement and the Service Descriptions for Services you enroll in are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Agreement and all Service Documentation.

2. **Services.** You and we will agree upon the Services to be provided. Each Service is subject to the approval by our applicable branch or subsidiary. You may not begin using a Service until we have received all required and properly executed forms and you have successfully completed any testing or training requirements.
3. **Changes to services.** We may change (or add to) the terms and fees in the Service Documentation at any time. If an enhancement to a Service or other change requires a change to a Service Description, we will post an updated Service Description on the CEO portal. When required by Applicable Law, we will notify you of the change. If you continue to use a Service after the change takes effect, you will be bound by the change. As used in this Agreement, the term "Applicable Law" means all applicable laws (including common or customary laws), statutes, constitutions, policies, decrees, judgments, treaties, regulations, directives, by-laws, rulings, orders or operating circulars governing our activities and/or any transaction effected under this Agreement, including, but not limited to, the funds transfer system and clearing and settlement house rules.
4. **Term and termination.** Unless a Service is terminated in accordance with the Service Documentation, this Agreement and each Service will continue in effect until terminated by either party upon 30 days' prior written notice to the other party.

We may suspend or terminate any Service:

- a. After we notify you of a breach of any provision of the Service Documentation or any other agreement with us, and you fail to cure the breach (if it can be cured) within 15 days of the date of the notice; or
- b. Without prior notice to you if:
 - i. We reasonably suspect that an Account associated with a Service has been compromised or otherwise subject to irregular, unauthorized, fraudulent, or illegal activity,
 - ii. You become subject to any insolvency or bankruptcy proceeding, or any receivership, liquidation, reorganization, or other similar proceeding, or you enter into any agreement or proceeding for voluntary liquidation, dissolution, composition with or assignment for the benefit of creditors or other winding up,
 - iii. We determine in our sole discretion that continuing to provide a Service may place us at risk of financial loss or result in an unacceptable credit exposure,
 - iv. Any guaranty of your obligations to us ("Guaranty") is terminated, revoked, or its validity contested by the guarantor ("Guarantor"),
 - v. We determine in our sole discretion that a material adverse change has occurred in your ability to perform your obligations under the Service Documentation, or in the ability of a Guarantor to perform its obligations under a Guaranty, or
 - vi. The Account necessary to provide a Service is closed.

The termination of a Service will not affect your or our respective rights with respect to transactions occurring before the termination. We will not be liable to you for any losses or damages you may incur as a result of any termination of any Service or termination or restriction of any CEO portal access rights under section 9(d) below.

- 5. Service fees.** You will pay us the fees described in the Service Documentation and any taxes applicable to each Service, however designated, but excluding taxes based on our net income. We may debit your Account for any fees not covered by earnings credits and any taxes that are due, or we may send you an invoice for these amounts, which you will promptly pay. Our charges and fees are in the applicable fee schedule for Services used in connection with your Account.
- 6. Security procedures.**
 - a. Unless otherwise agreed, you agree that "Security Procedure" is the applicable security procedure described in the Service Documentation for your Initiation Method for the Service, which we will use to verify the authenticity of a Transaction. The term "Initiation Method" refers to the method we offer in the product enrollment form ("Set-up Form") or other Service Documentation for delivering your Transaction instructions to us with respect to the applicable Service and includes any applicable transmission protocols. The term "Transaction" means (i) any funds transfer or payment instruction (including any communication cancelling or amending an instruction), and (ii) any instruction, data or other information which we receive in your name with respect to a funds transfer. The purpose of the Security Procedure is to verify the authenticity of the Transaction. We will not use the Security Procedure to detect an erroneous or duplicate transaction. You will be responsible for any erroneous or duplicate transaction we receive in your name. You agree to be bound by each Transaction, whether or not authorized by you, issued in your name and accepted by us in compliance with the Security Procedure for the Service.
 - b. You agree that each Security Procedure for the Initiation Method in the Set-up Form or other Service Documentation for each of the Services (a) best meets your requirements with regard to the size, type and frequency of your Transactions, and (b) is commercially reasonable. If you have refused to use any standard Security Procedure and elect a non-standard Security Procedure, then you must sign the Non-Standard Security Procedure Elections form.
- 7. Confidential information.** Unless otherwise stated in the Service Documentation, "Confidential Information" means all (a) User Guides and Terms and Use, and (b) Security Procedures, passwords, codes, security devices and related instructions. You will not acquire any ownership interest in or rights to Confidential Information as a result of your use of any Service.

You will:

- a. Maintain the confidentiality of the Confidential Information,
- b. Not disclose (or permit your employees or agents to disclose), copy, transfer, sublicense, or otherwise make any of it available to any person or entity, other than your employees who have a need to use the Confidential Information in connection with the applicable Service, and
- c. Not decompile, reverse engineer, disassemble, modify, or create derivative works of any Confidential Information.

You will notify us immediately if you know of or suspect any unauthorized disclosure, possession, use, or knowledge (each, an "Unauthorized Use") of any Confidential Information. If you (or your employees or agents) are responsible for the Unauthorized Use, you will, at your expense, promptly take all actions, including initiating court proceedings to recover possession and prevent further Unauthorized Use of the Confidential Information. You will also compensate us for any injury caused to us as a result of the Unauthorized Use.

- 8. Currency conversion.** When your instructions require us to convert the amount of a payment order from the currency in which the Account is denominated ("Account Currency") to another currency ("Foreign Currency"), we will do so using the Applicable Exchange Rate in effect at the time we execute your payment order. "Applicable Exchange Rate" means the exchange rate we set and use for you when we convert one currency to another currency and includes a markup over our cost of sourcing the relevant currency. The markup factors include costs incurred, market risks and our desired return. The exchange rate we provide to you may be different from the exchange rates you see elsewhere. Foreign exchange rates are dynamic, and rates fluctuate over time based on market conditions, liquidity, and risks.

If a financial institution designated to receive the funds does not pay the beneficiary specified in the payment order, and the funds are returned to us, we will not be liable to you for a sum greater than the amount of the payment order after we have converted it from the Foreign Currency to the Account Currency using the Applicable Exchange Rate in effect at the time the funds are returned to us. You accept the risks of any change in the Applicable Exchange Rate between the time you request a payment order and the time the payment order is either completed or is unwound due to a cancellation, an amendment, a rejection, or a return.

9. CEO portal.

- a. **Description of the CEO portal.** The *CEO* portal is our electronic banking portal that is accessed via the Internet. Your Authorized Agents (defined below) may use the *CEO* portal to access (i) Services in which you have separately enrolled (each, an "Accessed Service") and (ii) third-party sites we may make available through the *CEO* portal. We offer different channels through which you may access the *CEO* portal, including personal computers and mobile devices. We may add or eliminate channels at any time. A Service or third party site accessible through one channel may not be accessible through another channel.
- b. **Access to the CEO portal.** When you enroll in the *CEO* portal, and as we may determine is necessary after enrollment, we will provide Log-On Credentials (defined below) to the persons who are authorized to access the *CEO* portal on your behalf (each, an "Authorized Agent"). Log-On Credentials mean one or more secure methods we provide to access the Services and may include user IDs, passwords, token IDs, and other methods that we adopt from time to time. We have no obligation to separately verify or authenticate any communication we receive in your name through the *CEO* portal, whether or not it was actually from an Authorized Agent. You assume the entire risk of (i) unauthorized use of your Log-On Credentials and (ii) unencrypted electronic transmissions.
- c. **Administration of the CEO portal.** We offer two options for administering the *CEO* portal: (i) Administration and (ii) Bank administration.
 - i. **Administration.** If you enroll in the Administration option, there are three categories of Authorized Agents: Company Administrator, Administrator, or User. Unless you and we separately agree, we will provide Log-On Credentials only to your initial Company

Administrator(s) who will (a) assign Log-On Credentials to other individuals and (b) designate those individuals as one of the following:

- (1) A Company Administrator, who may perform all functions of your initial Company Administrator,
- (2) An Administrator, who may perform all functions of an Administrator including designating other Administrator(s) and User(s), or
- (3) A User, who may access the Services designated by a Company Administrator or an Administrator, as well as those Services in which we permit a User to self-enroll.

Each Company Administrator and Administrator has the authority to enroll you in additional Services. In addition to your use of Administration as described in this subsection, you may request that we assign Log-On Credentials to Users that you designate in writing to us. Your designation to us will specify the Services which the User is authorized to access in addition to those Services in which we permit a User to self-enroll.

- ii. **Bank administration.** For the Bank administration option, there is one category of Authorized Agent: Users. We will assign Log-On Credentials to each User you designate.

You will promptly revoke the Log-On Credentials of any Authorized Agent or User when that individual is no longer authorized to access the *CEO* portal. If you notify us in writing to revoke the Log-On Credentials of an Authorized Agent or User, we will have a reasonable time after receiving your written notification to revoke the individual's access.

- d. **Terminating access.** We may terminate or restrict any Authorized Agent's access to any Service through the *CEO* portal if we determine such use:
 - i. Does not comply with any term applicable to the *CEO* portal,
 - ii. Is not permitted by Applicable Law,
 - iii. Is not authorized by you or any third party whose authorization we believe is necessary, or
 - iv. Should be denied for your or our protection (without us agreeing to or being required to make this determination in any circumstance).
- e. **Financial information.** Financial market data, quotes, news, research, and other financial information developed by third parties and transmitted to us ("Financial Information") may be available to you at the *CEO* portal. The posting of any Financial Information or any other information or data at the *CEO* portal is not a recommendation by us of any particular Service or transaction. We do not guarantee the accuracy or completeness of any Financial Information, nor are we responsible for (i) the actions or omissions of the third parties developing or transmitting Financial Information or (ii) any decision you make or action you take by relying on any Financial Information.

10. Alerts.

- a. Non-subscribed alerts. When you enroll in the *CEO* portal or other channels or Services, you consent to receiving by email or other delivery channels, servicing messages that we determine are important or urgent. You do not need to subscribe to receive such alerts and you do not pay additional service fees.
- b. Subscribed alerts. You may also enroll in fee-based alerts for applicable Services so that you can receive messages you subscribe to at the intervals and through delivery channels that you choose.

11. Liability and indemnification.

- a. We are not obligated to honor, in whole or in part, any payment order or other instruction that:
 - i. Exceeds the available balance in the Account, unless otherwise provided in the Service Documentation,
 - ii. Does not comply with the Service Documentation or our applicable policies, procedures, or practices made available to you,

- iii. We have reason to believe may not have been duly authorized, should not be honored for our or your protection, or involves funds subject to a hold, dispute, restriction, or legal process, or
 - iv. Would possibly result in us not complying with Applicable Law.
- b. Neither we nor our software vendors make any express or implied representations or warranties with respect to the Services or any software used in connection with the Services, including any warranty as to the merchantability or fitness for a particular purpose, other than those expressly set forth in the Service Documentation.
- c. Any claim, action, or proceeding against us for losses or damages arising from a Service, must be brought within one year from the date of the act or omission, except as otherwise stated in the account agreement governing the Account.
- d. We will have no liability for our failure to perform or delay in performing a Service if the failure or delay is due to circumstances beyond our reasonable control. If we determine that any funds transfer or communications network, Internet service provider, or other system used to provide a Service is unavailable, inaccessible, or otherwise unsuitable for use by you or us, we may, upon notice to you, suspend or discontinue the affected Service.
- e. We will only be liable to you for actual damages incurred as a direct result of our failure to exercise reasonable care in providing the Services. Reasonable care requires only that we follow standards that do not vary unreasonably from the general standards followed by similarly situated banks. Our policies and procedures are general internal guidelines for our use and do not establish a higher standard of care for us than otherwise established under Applicable Law. A mere clerical error or an honest mistake will not be considered a failure by us to perform any of our obligations. Our liability to you will be limited to an amount not greater than 10 times our fees incurred in the calendar month immediately before the calendar month in which the loss or damages were incurred (or, if no fees were incurred in that month, our fees incurred in the month in which the losses or damages were incurred).
- f. Except in the case of our negligence or intentional misconduct, you will indemnify and hold us, our directors, officers, employees and agents ("Representatives") harmless from all losses or damages that arise out of:
 - i. The performance of a Service in compliance with the Service Documentation, including any warranty we are required to make to a third party in connection with a Service,
 - ii. An act or omission of any of your agents, couriers, or Authorized Agents, and
 - iii. If the Service includes a license or sublicense of any software, any use or distribution of the software by you or any person gaining access to the software through you that is inconsistent with the license or sublicense.

You will promptly provide us with written proof of loss, and notify us if you become aware of any third party claim related to a Service. You will cooperate fully (and at your own expense) with us in recovering a loss. If we reimburse you, we or our designee will be subrogated to all of your rights (i.e., we will be entitled to assert any legal rights you had relating to the claim).

- g. Except as expressly provided otherwise in the Service Documentation, neither party nor its Representatives will be liable to the other party for:
 - i. Any special, consequential, incidental (including court costs and attorneys' fees), indirect, or punitive losses or damages, or
 - ii. Business interruption, loss of profits, loss of business, loss of revenue, loss of goodwill, loss of opportunity, loss or injury to reputation, or loss of anticipated savings, whether any claim is based on contract or tort, or whether the likelihood of these losses or damages was known to the other party and regardless of the form of the claim or action.
- h. When you send payments on behalf of your third party customers, you agree you are solely liable to your customers for any and all losses those customers may suffer. We exclude all and any liability of whatever nature (including those losses detailed in subsection g above) arising out of your relationship with your customer.

12. Governing law. The Service Documentation will be governed by: (a) U.S. federal law and (b) the law of

(i) the U.S. state in which the office of Bank that maintains the Account is located or, if there is no such state or no account associated with such Service, (ii) the State of New York, without reference to its principles of conflicts of laws ("Governing Law").

13. Arbitration agreement. Upon demand by you or us, any dispute or claim arising out of or relating to this Agreement, or the breach thereof, must be submitted to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and must be heard before three arbitrators if the amount in dispute is US \$5,000,000 or more or its equivalent in any other currency, and before one arbitrator for amounts in dispute of less than US \$5,000,000 or its equivalent in any other currency. Arbitration will proceed in a location selected by AAA in the state of the applicable Governing Law, and if there is no such state, the place of arbitration must be New York, NY. The language of the arbitration must be English. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. This arbitration requirement does not limit the right of you or us to: (a) exercise self-help remedies including setoff or (b) obtain provisional or ancillary remedies such as injunctive relief or attachment, before, during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of you or us to submit any dispute to arbitration hereunder, including those arising from the exercise of the actions detailed in (a) and (b) of this section.

14. Jurisdiction. For any proceedings regarding this Agreement (not subject to arbitration as provided in this Agreement), you hereby irrevocably submit to the jurisdiction of the courts of the Borough of Manhattan, New York City, in the State of New York or the federal courts located there and irrevocably agree that all claims in relating to the proceeding may be heard or determined in those courts.

15. Miscellaneous

- a. **Severability.** Any portion of the Service Documentation which is inconsistent with Applicable Law or Governing Law will be deemed modified and applied in a manner consistent therewith, and we will incur no liability to you as a result of the inconsistency or modification and application to any dispute regarding the Service Documentation. If any portion or provision of the Service Documentation is deemed unenforceable, it will not affect the enforceability or validity of the remaining Service Documentation nor the enforceability or validity of that portion or provision under the law of any other jurisdiction.
- b. **Entire agreement.** The Service Documentation (and any documents referred to therein):
 - i. Constitutes the entire agreement between you and us regarding the Services we provide for all Accounts opened with us, and
 - ii. Supersedes and extinguishes all prior agreements, understandings, representations and warranties of any nature (including requests for proposals and other sales material), whether oral or written, between you and us relating to any of our Services (including any other Master Agreement for Treasury Management Services, but excluding the current Commercial Account Agreement or Global Commercial Account Agreement, as applicable).
- c. **Electronic agreement.** To facilitate execution, the Service Documentation may be executed by a party in the form of an "Electronic Record" (as defined in the Electronic Signatures in Global and National Commerce Act at 15 U.S.C. §7001 et seq. ["ESIGN Act"]). The Service Documentation may be executed in as many counterparts as may be required to reflect all parties' approval, and all counterparts will collectively constitute a single agreement. An "Electronic Signature" (as defined in the ESIGN Act) that can be authenticated will constitute an original and binding signature of a party. The fact that a document is in the form of an Electronic Record or is signed using an Electronic Signature will not, in and of itself, be grounds for invalidating such document.
- d. **No waiver.** Neither our failure nor any delay by us in exercising any right or remedy will be deemed to be a waiver of the right or remedy. No course of dealing or waiver of any right on one occasion will constitute a modification of the Service Documentation or be a waiver of that right on a subsequent occasion.
- e. **Third party beneficiaries.** Except as otherwise provided in the Service Documentation, no person or entity other than the parties to this Agreement will be deemed to be a third party beneficiary under the Service Documentation.

- f. **Financial condition.** You will provide us promptly upon our request any existing financial statements or other information pertaining to your financial condition or any previously unprepared financial statements which we may require you to prepare and/or to be audited or reviewed by independent certified public accountants acceptable to us.
- g. **Your representations and warranties.** You represent and warrant that: (i) you will not use any Service in a manner that would violate any Applicable Law by you or us; (ii) if you employ an agent in connection with its use of any Service, you represent and warrant to us that: (1) your governing body has duly authorized the agent; (2) you will exercise appropriate controls to ensure each authorized agent does not exceed the authority granted to it; and (3) you will preserve the confidentiality of the Log-On Credentials and immediately notify us if you become aware or suspect that any Log-On Credential may have been compromised.
- h. **Use of names.** You and we will not use each other's name or refer to our relationship in any solicitation, marketing material, advertisement, news release, or other written, online or oral communication without specific prior written consent for each such use or release, except that we may use your name as a reference in service proposals if we obtain your prior written approval for such use.
- i. **Notices and communications.** Either party may provide notice to the other party by mail, personal delivery, or electronic transmission.
 - i. You will notify us promptly in writing of any change in your name, Address, legal status, or any other changes relevant to the conduct of the Account or affecting your business relationship with us.
 - ii. The term "Address" as used in this Agreement refers to a mailing or electronic address.
 - iii. You will use the Address where your relationship manager or other manager is located and will address any notice to the attention of the manager.
 - iv. Each party will have a reasonable time after receipt of any notice to act on it.
 - v. Any communication or notice to us from your agent about your use of a Service will be deemed to be a communication from you, and you authorize us to communicate with your agent about any such communication or Service.
 - vi. We are entitled to rely on any communication or notice from you that we believe in good faith was authorized by your authorized representative or Authorized Agent and, we will have no obligation to verify or authenticate an identity of a sender or signature on any notice or communication, except as expressly provided in the Service Documentation.

16. Survival. Sections 7, 11 - 15 will survive termination of the Services and this Agreement.

Appendix X

Applicable Branches or Subsidiaries of Bank

1. Wells Fargo Bank, N.A. – London Branch
2. Wells Fargo Bank, N.A. – Cayman Islands Branch

Customer Name: City of Palo Alto

Signature

DocuSigned by:

Ed Shikada

F2DCA19CCC8D4F9...

CITY ATTORNEY'S OFFICE

APPROVED AS TO FORM

SIGNATURE *Cassie Coleman*

DATE 10/1/2020



Lockbox Service Description

Treasury Management Services

Introduction

The Service Documentation contains the terms and conditions under which Wells Fargo Bank, N.A. (“Bank”) provides you the services described below. “You,” “your” or “yours” refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services (“Acceptance”). The terms “we,” “us,” or “our” refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The service (“Service”) covered by this Service Description is:

- Lockbox

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing your account that you use for the Service (“Account”),
- e. The Product Enrollment Form (“Set-up Form”) (which contains set-up information for the service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The separate documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Lockbox Service

1. Description of lockbox service.

- a. With this Service we provide you with a lockbox (“Lockbox”) and Lockbox Address for receipt and processing of (i) Checks, and (ii) Charge Authorizations (if you elect this service option and subject to the requirements in section 4 below).
- b. The Service will start after we have assigned the Lockbox Address to you, you have opened your Account, delivered to us the Set-up Form selecting your options for the Service and provided us with any other requested information or documents.
- c. You will instruct your customers to mail Checks and Charge Authorizations (if applicable) to the Lockbox Address, or for overnight delivery to the applicable street address. You will also instruct your customers and other payors not to send cash to the Lockbox. Cash that is sent to the Lockbox will be subject to Currency Transaction Reporting.
- d. We or our agents will have exclusive and unrestricted access to the Lockbox.

2. Lockbox processing.

- a. **Processing remittance materials.**
 - i. Each Business Day we will examine the Remittance Materials in the Lockbox and image them in accordance with section 6.

- ii. Cash will be removed from the envelope and a credit advice for the amount of the cash will be placed with the envelope and imaged.
 - iii. Except as provided in this Service Description or as otherwise agreed, we will not reconcile the Payments in the envelopes to Invoices or to any other Remittance Materials.
 - iv. Subject to any Business Rules you specify, we will process a Check (1) by automated means when a scannable Invoice is included with the Check ("Automated Processed Check") and (2) manually when a non-standard Invoice is included with the Check or no Invoice is included ("Manually Processed Check").
 - b. **Deposits.** Each Business Day, we will deposit Checks (other than Exception Manual Checks described in section 2(d) below) and cash received in the Lockbox to the Account in accordance with the Account Agreement.
 - c. **Payments processed by automated means.**
 - i. Except as set forth in section 2(c)(ii) below or in your Business Rules, each Automated Processed Check may be deposited in the Account despite any discrepancies in the amount, any postdating or staledating, missing information or alterations on the Check, as described in the User Guide.
 - ii. If you elect to use the Decisioning Module described in section 3, you can give us specific processing instructions for Automated Processed Checks before the Cutoff Time.
 - d. **Payments processed manually.**
 - i. Except as set forth in your Business Rules, each Manually Processed Check will be deposited in your Account, except:
 - 1. An Exception Manual Check,
 - 2. A Manually Processed Check that has been altered (subject to section 2(e) below),
 - 3. You specifically instruct us to the contrary using the Decisioning Module described in section 3, and
 - 4. You have given us a written list of acceptable payee names and the payee name on the Manually Processed Check does not match an acceptable payee name.
 - e. **Alterations.** We will use commercially reasonable efforts to identify any alteration to a Manually Processed Check and not accept a Check we have identified as altered for deposit.
 - f. **Restrictive notations.** We will not inspect Checks to determine whether they bear restrictive notations, such as "Paid in Full."
 - g. **Foreign checks.** If you and we enter into an agreement to provide services for Foreign Checks we will deposit and process a Foreign Check if both the foreign bank location and the Foreign Check currency appear on our approved list. A Foreign Check not meeting these criteria will not be deposited and will be returned to you in accordance with section 2(h).
 - h. **Rejected remittance materials.** Unless you elect otherwise in writing, we will mail to you (i) any Remittance Materials which are not imaged in accordance with section 6, and (ii) any Checks or other instruments which are not deposited in accordance with this Service Description.
3. **Decisioning module.** If you elect to use our Decisioning Module for the Service, you can send us processing instructions through the CEO portal for certain Checks which we have determined may be unprocessable (each, an "Unprocessable Check"). Each message related to the processing of an Unprocessable Check (your "Decisioning Instruction") must be received by us by the Cutoff Time. If we do not receive a Decisioning Instruction by the Cutoff Time, we will handle the Unprocessable Check in accordance with your Default Option. "Default Option" means your election for us to take one of the following actions for any Unprocessable Check:
- a. "Deposit all," meaning we deposit the Unprocessable Check in your Account (this will be the default option unless you elect otherwise), or
 - b. "Reject all," meaning we reject the Unprocessable Check and return it to you as described in section 2(h).

4. **Charge authorizations.** If you elect this Service option (and it is available at your Lockbox processing site), you are required to enter into a Merchant Agreement with us and the Merchant Agreement will govern any Charge Authorizations. As set forth in the Merchant Agreement:
 - a. We will process each Charge Authorization received in the Lockbox which is completed with the required processing information,
 - b. We will not process a Charge Authorization and will return it to you if any required information is missing or it is illegible,
 - c. We will seek approval from the issuer of the credit card for the payment on the Charge Authorization,
 - d. We will request settlement for each Charge Authorization that the issuer approves, and
 - e. Each Business Day we will make information on processed Charge Authorizations available through the channel you and we agree to.

5. **Virtual lockbox service.**
 - a. **Description of service.** When you enroll in our optional Virtual Lockbox Service you can:
 - i. Create Electronic Checks from eligible paper checks in accordance with the Wells Fargo Remote Deposit Capture Service Description ("RDC Service Description"), which is incorporated by reference into this Service Description,
 - ii. Create images of Invoices and other Remittance Materials according to this Service Description, and
 - iii. Transmit Electronic Checks and Remittance Materials to us in an Electronic File for processing according to the RDC Service Description and this Service Description.
 - b. **Processing.**
 - i. **Business Rules.** If you and we have agreed to Business Rules to apply during the processing of your Electronic Files, we will apply them to each Electronic File you send us. Our processing will include data capture of the dollar amount of each Electronic Check, along with data entry related to Remittance Materials, as agreed to by you and us in your Business Rules.
 - ii. **Exception Electronic Checks.** If we identify any Electronic Checks that are ineligible for processing, we will identify these exception checks in a report made available to you. You are responsible for reviewing each electronic check identified in this report in a timely manner and arranging for the timely disposition of each check (whether through recapture or physical deposit) outside the process available in connection with this Service.
 - c. **Instructions.** If this option is available to you, you can use the *CEO* portal or another communications channel you and we agree to use to give us specific processing instructions for the Electronic Files.

6. **Imaging and retention.**
 - a. **Imaging and access to images.** Unless you and we agree otherwise, we will electronically image all Remittance Materials unless rejected or otherwise unprocessable. You may access images of Remittance Materials through the *CEO* portal or other communications channels or transmission methods we offer to you. We will redact credit card information including account number, signature and expiration date on images of Charge Authorizations.
 - b. **Destruction of originals.** All original Checks and other Remittance Materials that we image pursuant to this Service Description will be destroyed 5 Business Days after the processing date. You will notify us of any issues which require inspection of original Checks or Remittance Materials before the end of the 5-day period.
 - c. **Intraday image access.** Any images that you access on an intraday basis may not be final and are subject to further value-added keying. You assume all risk associated with your use of or reliance on intraday images.

7. **Representations and warranties.** You represent and warrant to us that:
 - a. Any person you identify in the Set-up Form or any other communication delivered to us is authorized to receive communications and give us instructions regarding the Service. If the authority of any authorized person changes, you will promptly notify us in writing. We will have a reasonable time after receipt of a communication to act on it.
 - b. If a payee on a Check received in the Lockbox is a legal entity other than you, you are duly authorized by the payee to have the Check endorsed and deposited into your Account.
 - c. Each Charge Authorization received at the Lockbox is legitimate and duly authorized by the account debtor.

8. **Indemnification.** You agree to indemnify and hold us and our Representatives harmless from and against any and all Losses which we or our Representatives suffer or incur relating to:
 - a. A breach of your representations and warranties in section 7,
 - b. Any keying errors or misapplied payments resulting from your Decisioning Instructions or errors or delays in your Decisioning Instructions caused by your computer system issues,
 - c. Any action taken by us in response to a Decisioning Instruction, except to the extent that any such Losses are directly caused by our gross negligence or willful misconduct, and
 - d. The processing of Charge Authorizations.

9. **Limitation on liability.**
 - a. We will have no liability or responsibility for Losses arising from:
 - i. Any keying errors or misapplied payments resulting from your Decisioning Instructions or errors or delays in your Decisioning Instructions caused by your computer system issues,
 - ii. Depositing a Check bearing a restrictive notation in accordance with this Service Description, regardless of whether we have knowledge of the restrictive notation,
 - iii. The deposit of any altered Check, unless the loss results directly from the willful misconduct of our officers or employees, or
 - iv. Processing a Charge Authorization in accordance with this Service Description.
 - b. In addition to the other limitations on our liability contained in the Master Agreement, if you incur a material loss which results directly from our negligence or breach in performing the Service due to our failure to deposit a Payment according to this Service Description, our liability will be limited to direct damages in an amount not to exceed interest on the Payment amount calculated at the Federal Funds rate for the time period such Payment amount is not in your Account, not to exceed 30 days.

10. **Miscellaneous.**
 - a. **Service fees.** We may require that you establish a separate analyzed account with us for billing purposes. You authorize us to debit our Service fees and charges from the billing account.
 - b. **Termination.** Upon termination of the Service, we will (i) close the Lockbox, and (ii) dispose of the mail addressed to the Lockbox in the manner instructed by you for a period of 3 months after the termination date, unless otherwise agreed between you and us. You will prepay our Service fees to dispose of the Lockbox mail based on our estimate at the time of termination.
 - c. **Customer service.** Any questions that you have with respect to the Service should be addressed to our customer service center at the telephone number and address separately provide to you.
 - d. **Assignment.** Notwithstanding anything to the contrary in this Service Description or the Service Documentation, our rights and obligations with respect to the Service shall be assignable to any successor in interest without restriction.
 - e. **Survival.** Sections 8 and 9 of this Service Description will survive termination of the Service.

Glossary

Account Agreement means the applicable account agreement governing your Account.

Applicable Law is defined in section 3 of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays.

Business Rules mean certain processing rules that you and we agree in writing to apply to the Payments and Electronic Checks.

Charge Authorization means a written authorization to charge your customer's credit card for a payment due to you.

Check means a paper Item (which includes drafts) received at the Lockbox that we accept in payment of obligations to you.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Decisioning Module means our Online Lockbox Decisioning Module.

Electronic Check means an electronic image of, and electronic information derived from a paper check.

Electronic File means an electronic file transmitted to us with an Electronic Check.

Exception Manual Check means a Manually Processed Check that we determine in our sole discretion is not eligible for processing, as described in the User Guide for the Service.

Foreign Check means a Check drawn on a foreign bank or payable in a currency other than U.S. Dollars.

Invoice means an invoice or remittance coupon included with a Payment received in the Lockbox.

Item is defined in the Account Agreement.

Lockbox Address means the United States Postal Service address we assign to you for the Service.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

Merchant Agreement means a separate merchant services agreement you and we enter into for us to process your Charge Authorizations.

Payment means a Check, Charge Authorization or cash received in the Lockbox.

Remittance Materials means any Checks, Charge Authorizations, Invoices, correspondence, papers, documents, and other envelope contents (other than cash).

Representatives is defined in section 11(f) of the Master Agreement.



ACH and Related Services Service Description

Treasury Management Services

Table of contents

03	Introduction	06	Cash Concentration Service	08	WellsTAX® Payments Service
03	Services	07	ACH Fraud Filter Service	10	Glossary
03	ACH Origination Service	08	Perfect Receivables® Service		

Introduction

The Service Documentation contains the terms and conditions under which we provide you the services described below. “You,” “your” or “yours” refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in the Services (“Acceptance”). The terms “we,” “us,” or “our” refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the end of this Service Description.

The services (each a “Service”) covered by this Service Description are:

- ACH Origination Service
- ACH Fraud Filter Service
- Cash Concentration Service
- *Perfect Receivables*® Service
- *WellsTAX*® Payments Service

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing the Account,
- e. The Product Enrollment Form (which contains set-up information for each service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office*® (CEO®) portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Services

ACH Origination Service

1. **Description of services.** With this Service you can originate ACH credit and debit Entries in accordance with the ACH Rules. Any capitalized terms not specifically defined in the Service Documentation will be as defined in the ACH Rules. By using this Service, you authorize us to originate Entries on your behalf to Receivers’ accounts, you agree to be bound by the ACH Rules, and you agree not to originate Entries that violate the laws of the United States.
2. **Preparation of Entries and Files; processing schedules.** You will prepare and deliver each File in accordance with the ACH Rules, User Guides and other guidelines we make available to you. You agree to use the applicable Security Procedure when you send Entries to us. We will process each File under our current processing schedule and any instructions about the Settlement Date of an Entry that you provide, if (a) we receive the File by our Cutoff Time on a Business Day and (b) the ACH is open for business. Your Files will be considered received by us when the transmission is completed and authenticated in compliance with the Security Procedure. If your File is received after our Cutoff Time or on a day when the ACH is not open for business, we will treat the File as having been received prior to our Cutoff Time on the next Business Day on which the ACH is open for business. In processing your Entries or Files, we may use any means of transmission, funds transfer system, clearing house or intermediary bank that we reasonably select.

3. **Inconsistency of name and number.** If an Entry describes the RDFI both by name and identifying number, we, a Gateway Operator or another financial institution handling the Entry may rely on the identifying number to identify the RDFI, even if the identifying number refers to an institution other than the named RDFI. If an Entry describes a Receiver both by name and identifying number, the RDFI may pay the Entry based on the identifying number, even if the number identifies a person different from the named Receiver.
4. **Your payment obligations with respect to entries.** You are obligated to pay us in immediately available funds an amount equal to the sum of all credit Entries you deliver to us before we send your Entries to the ACH or Gateway Operator, or post an on-us Entry. When we act as both the ODFI and RDFI for an Entry, the Entry is an “on-us Entry.” You will maintain available funds in each Account sufficient to cover your credit Entries. You authorize us to debit the Account for the total amount of all credit Entries originated from it at any time. We may refuse to process any credit Entries, even if we have done so in the past, without having first been paid by you, but, if we do, the amount is immediately due and payable without notice or demand. We may take other actions to ensure we receive payment for your credit Entries including (a) upon notice to you, placing a hold on funds in any account you hold with us or our affiliate sufficient to cover your credit Entries and (b) setting off against any amount we or our affiliate owes you. In addition, we may charge the Account or any other of your accounts held with us or our affiliate for any debit Entry, including any correcting or Reversal Entry later returned to us. You will reimburse us for any returned debit Entries on the same day you receive notice of the returned Entry. You agree that we do not need to send a separate notice of debit Entries which have been returned unpaid.
5. **Provisional credit.** If we credit your Account for an Entry, the credit is provisional until we receive final settlement. If we do not receive final settlement, we are entitled to debit your Account or any other accounts you own in whole or in part with us or our affiliate for the amount of the Entry. If there is any remaining shortfall, you will pay it immediately upon demand.
6. **Rejected entries.** We may reject an Entry or File if you do not comply with the terms of the ACH Rules and the Service Documentation, and we will attempt to notify you promptly so you may correct the problem. We will have no liability for rejecting an Entry or File or failing to provide notice of a rejection. If you ask us to repair an Entry or File, we will have no liability if we are unable to make the requested repair. You will pay all charges and expenses for any repair or attempted repair.
7. **Cancellation, amendment, reversal.** You have no right to cancel, amend or reverse an Entry or File after we receive it. If you do request that we cancel, amend or reverse an Entry or File, we may, in our sole discretion, attempt to complete the request. If we do not complete the request, we will have no liability and you will reimburse us for any expenses, losses or damages we incur.
8. **Your duty to report erroneous or unauthorized entries.** You will exercise reasonable care to determine whether an Entry we accepted was either erroneous or not authorized and to notify us of the relevant facts within a reasonable time not exceeding 14 days after you receive our notification that the Entry was accepted or that the Account was debited for the Entry, whichever is earlier. If you do not notify us within 14 days, we will not be liable for any loss of interest or for any other loss relating to an erroneous or unauthorized debit to your Account or because of any other discrepancy in the notification.
9. **Re-transmission of returned entries.** We are not required to re-transmit a returned Entry or File to the ACH or Gateway Operator, or to take any further action on a returned on-us Entry.
10. **Audit.** You grant us ongoing access to your Files and the right to audit periodically your Files, ACH processes and controls so we can verify your compliance with the ACH Rules and this Service Description or any other Service Documentation.

11. **Warranties.** We make certain warranties under the ACH Rules and other Applicable Law when you use this Service. You will reimburse us for any Losses we incur, including our reasonable attorneys' fees and legal expenses, as the result of a breach of a warranty we make in connection with any of your Entries, except to the extent that the Losses resulted from our own gross negligence or intentional misconduct.
12. **Indemnification.** We indemnify certain persons under the ACH Rules when you use this Service. You agree to reimburse us and our Representatives for any Losses we incur, including our reasonable attorneys' fees and legal expenses, as the result of the enforcement of any such indemnity, except to the extent the Losses resulted solely from our own gross negligence or intentional misconduct. In addition, you will indemnify us and our Representatives from and against all Losses awarded against or incurred or suffered by us arising directly or indirectly from or related to any material breach of a representation, warranty, or covenant you provide regarding this Service.
13. **Termination.** In addition to the termination provisions contained in the Master Agreement, we may terminate this Service immediately upon notice to you if we determine in our sole discretion: the number of returned debit Entries is excessive; you have breached a warranty provided under the ACH Rules or this Service or otherwise failed to comply with the ACH Rules.
14. **Survival.** Sections 3, 5, 6, 8, 9, 12 and 13 will survive termination of the Services.

Additional Terms and Service options

15. **International Entries.** This section contains additional terms that apply when you originate International Entries.
 - a. **General.** You agree to comply with, and we will process each International Entry in accordance with:
 - i. The laws and payment system rules of the receiving country of your International Entry,
 - ii. Any agreement we provide to you governing International Entries between us and the Gateway Operator we use to process the International Entry, and
 - iii. The ACH Rules.
 If there is a conflict among these three areas, they will govern in the order listed above.
 - b. **Currency conversion.** With respect to International Entries we agree to originate in a Foreign Currency, the currency conversion is governed by section 8 (Currency conversion) of the Master Agreement. For debit Entries, however, we use the Applicable Exchange Rate in effect at the time we receive the funds for settlement of the debit Entry rather than at the time we send (or execute) the debit Entry. If the debit Entry is returned to us, we may charge the applicable Account or any other of your accounts with us or our affiliate for the amount equal to the value of the returned debit Entry, after we have converted the Foreign Currency to the Account Currency at the Applicable Exchange Rate in effect when we process the returned debit Entry. We will not be liable for a sum in excess of the original amount of the debit Entry after conversion.
 - c. **Acts or omissions of third parties.** We will not be liable for:
 - i. Any failure or delay by a Gateway Operator, any intermediary financial institution, or the financial institution designated to receive the International Entry in the receiving country in processing or failing to process any Entry we transmit to the receiving country, or
 - ii. Any acts or omissions by a third party including the delay or failure of any third party to process, credit or debit any International Entry.
16. **Third-party sender activities.** This section contains additional terms that apply when you are a Third-Party Sender.
 - a. **General.** Prior to originating any Entry on behalf of each customer or upon our request, you will:
 - i. Provide us with the information we require to understand the nature of your customer's business, including the name, Taxpayer Identification Number, business activity and geographic location of your customer, and whether your customer is also a Third-Party Sender,

- ii. Timely provide us with information we require for purposes of our registration of you or your customer as a Third-Party Sender in accordance with the ACH Rules (“Registration”) and supplemental Registration information requested by us, and
- iii. Upon our request, obtain our written approval to originate or continue to originate Entries for that customer (which we may rescind upon written notice to you), and
- iv. Enter into a written agreement with that customer in which that customer agrees:
 - 1. To assume the responsibilities of an Originator under the ACH Rules and to be bound by the ACH Rules,
 - 2. Not to originate ACH Entries in violation of the laws or regulations of the United States including without limitation the regulations issued by the Office of Foreign Assets Control,
 - 3. To grant us ongoing access to audit the customer and any ACH Entry that it has transmitted to you for transmission to us, and
 - 4. That we may at any time refuse to process an ACH Entry for that customer.
- b. **Updates to registration information.** You will timely notify us of any changes to information you provide to us for the Registration of you or your customer as a Third Party Sender.
- c. **Representations and warranties.** With respect to each of your customers for which you are originating transactions through us, you represent and warrant to us that you have conducted the appropriate due diligence to determine that:
 - i. Each customer is engaged in a legitimate business, and
 - ii. The type, size and frequency of transactions that each customer is originating is normal and expected for the customer’s type of business.
- d. **Ongoing monitoring.** You will use reasonable commercial standards to monitor each customer’s business and transactions on an ongoing basis, and notify us promptly if you identify any unusual activity by your customer. You will take appropriate actions with respect to the customer, including refusing to originate Entries for your customer.

17. **Perfect NOC service.** With our Perfect NOC Service, we maintain a database of Notifications of Change (each, a “NOC”) that we receive. We use this database to update your Entries in accordance with the Service options you select from time to time. We will notify you of each NOC we receive in connection with your Entries. Additional details about this Service are more fully described in the applicable User Guide.

18. **MICR-split processing service.**

- a. With our MICR-Split Processing Service, if we determine that an RDFI for a debit Entry you sent is not an ACH participant (or as otherwise reasonably determined by us as appropriate), you authorize us to issue a preauthorized check (“PAC”) using the debit Entry data you provided. PACs are drawn upon the Receiver’s account with the applicable RDFI and deposited in your Account, but do not contain the signature of the Receiver.
- b. You represent and warrant to us that:
 - i. You have the appropriate authorization from each person owning the Receiver’s account shown in the debit Entry data, which remains effective when we issue the PAC, and
 - ii. You are not a “telemarketer” for purposes of the Federal Trade Commission’s Telemarketer Sales Rule (16 C.F.R. Part 310).

19. **Cash Concentration service.** With the Cash Concentration Service, we originate debit Entries to move funds from your Remote Accounts into your Concentration Account. We make summary and detail level reports of your cash concentration transactions available to you through our Cash Concentration Reporting Service. Additional details about this Service and available service options are more fully described in the applicable User Guide.

- a. **Options.** You can choose from the following options:
 - i. **Touchtone or online option.** We originate debit Entries to collect funds from your Remote Accounts for the transfer amounts you specify based on deposit information entered for each location by touch-tone telephone or computer.

- ii. **Automated Cash Concentration option.** We request account balances from the financial institutions holding the Remote Accounts. We calculate transfer amounts and originate debit Entries based on your specified target balances for the Remote Accounts and other transfer parameters you may establish.
- b. **Representations and warranties.** With respect to each debit Entry we originate on your behalf, you represent and warrant to us that:
 - i. The debit Entry is authorized,
 - ii. If you are using the Touchtone/Online option, the corresponding deposit input is accurate, and
 - iii. If you are using the Automated Cash Concentration Option, you have authorized each financial institution holding a Remote Account to comply with our request for balance information.
- c. **ACH deadlines.** If by our applicable Cutoff Time (i) you do not complete your deposit inputs for the Touchtone or Online option or (ii) we are unable to obtain balance information for a Remote Account for the Automated Cash Concentration option, we will not be responsible for failing to meet the ACH deadlines to originate the debit Entries.
- d. **Automated Cash Concentration authorization.** You authorize us in our own name or in your name, to request that each financial institution holding a Remote Account provide us or our designee with the account balance information each Business Day using any method specified by us.

ACH Fraud Filter Service

1. **Description of service.** With this Service, you can manage incoming ACH Entries in accordance with the ACH Rules. Any capitalized terms not specifically defined in the Service Documentation will be as defined in the ACH Rules. You have the following options:
 - a. **Stop option.** This option stops all incoming ACH Entries you have not authorized in advance (and not set as preauthorizations). Entries stopped under the Stop Option will be returned to the ODFI as unauthorized.
 - b. **Review option.** You review and decision each incoming ACH Entries (not set as preauthorizations) before the applicable cutoff time and select each Entry to be either paid or returned. Entries that you have selected for return under the Review Option will be returned to the ODFI as unauthorized and we will create a reversing adjustment to your Account. If you do not make a pay/return decision on an Entry prior to the applicable cutoff time, the Entry will be paid or returned based on the default action you specified.
 - c. **Additional criteria.** You may also set up additional decisioning criteria, including limits and preauthorizations.
2. **Echecks.** You have the following options for incoming ACH Entries that have been converted from a check (Echecks).
 - a. **Stop option.** All Echecks will be automatically stopped and returned to the ODFI as unauthorized.
 - b. **Post option.** All Echecks will automatically post without your review.
 - c. **No additional criteria.** Additional decisioning criteria, including limits and preauthorizations, are not available for Echecks.
3. **Service restrictions.** You agree to be bound by the ACH Rules for all Entries. Regardless of the Service options or other criteria you have in place, we may return any Entry in accordance with the ACH Rules and Applicable Law. We may also accept any Entry, Reversal Entry or adjustment in accordance with our obligations under the ACH Rules and Applicable Law. This Service does not apply to transactions between you and us. We may pay Entries which you have authorized us to originate against your Account (for instance, loan or credit card payments), whether or not you have included these in your decisioning criteria.
4. **Termination.** Upon termination of this Service, you will still have the right to return individual Entries in accordance with the ACH Rules and Applicable Law.

Perfect Receivables® Service

1. **Description of service.** With this Service, you can elect options for posting and reporting information about ACH entries and wire transfers (each, a “Remittance”) that we post each Business Day to your Account(s). We provide a range of unique Wells Fargo payment identification codes (WPICs) that can be used to route Remittances to your Account and help you identify and post your receivables to the correct remitter.
2. **WPIC restrictions.**
 - a. You may not assign a WPIC to more than one remitter or reuse any WPIC numbers.
 - b. If you cannot post the Remittance to your remitter in accordance with the WPIC information, you must return the Remittance.
 - c. We have the right to rescind any WPIC number or range of WPIC numbers at any time in our sole discretion. For example, we may do so if we consider it necessary to comply with Applicable Law. We will use reasonable efforts to notify you before rescinding any WPIC number unless we are prohibited from doing so by Applicable Law, or by our applicable policies and standards, as amended from time to time. When you receive notice of the rescission of any WPIC number, you will promptly notify the remitter assigned to the rescinded WPIC number that the WPIC number may no longer be used to receive Remittances. You will use best efforts to prevent the WPIC from being used to receive Remittances and will block or otherwise restrict access to funds received through a rescinded WPIC.
3. **Processing of Remittances; chargebacks.** Each Business Day, we will post to your Account all Remittances we receive prior to the Cutoff Time, except for Remittances we reject. Each credit to your Account for a Remittance is provisional until we receive final settlement for the Remittance. If we do not receive final settlement, we may debit your Account or any other account you own, in whole or in part, with us or any of our affiliates for the amount of the Remittance. You will pay us immediately upon demand for any shortfall remaining after such chargeback.
4. **Rejected Remittances.** We may, but are not obligated to, reject a Remittance:
 - a. That does not contain all of the required information specified by us,
 - b. If we suspect that you are not entitled to the Remittance,
 - c. If at the time we receive the Remittance, you do not maintain an Account with us, the Service has been terminated, or we are not permitted by law to accept credits to any of your Accounts, or
 - d. If you are in default under this Service Description or any other Service Documentation.
5. **Reporting.** Each Business Day, we will provide you with the information about Remittances posted to your Accounts through the communications channels you elect.
6. **Violation of Applicable Law.** You represent and warrant to us that you will not use the Service in a manner that could result in a violation of Applicable Law. You will provide us with the information we require to understand the nature of your use of the Service and grant us ongoing access to audit your compliance with Applicable Law. In addition to our other rights to terminate the Service under the Service Documentation, we may terminate the Service upon notice to you if we determine your use of the Service could result in a violation of Applicable Law.

WellsTAX® Payments Service

1. **Description of service.** With this Service, you can use our CEO® portal or a touch-tone telephone to request transfers from your Account (each, a “Transfer”) to pay your U.S. federal, state or other taxes specified from time to time in our User Guides. By using this Service, you authorize us to originate ACH credit Entries on your behalf to effectuate the Transfers. You agree to be bound by the ACH Rules, and also comply with applicable provisions of the ACH Service Description, which is incorporated by reference into this Service Description.

2. **Procedures for initiating transfers.** You will deliver your requests for Transfers in accordance with the Service Documentation, including the User Guides. You agree to use the applicable Security Procedures for your Initiation Method (including access codes and passwords for touch-tone telephone initiation method) when you send Transfer requests to us.
3. **Accuracy of data.** You will provide us with the information necessary for us to inform the applicable government agency or entity of the tax payment within the time period required by any rule or regulation governing the payment. You authorize us to rely on the accuracy of the information you have provided to us.
4. **Transfer deadline.** Any Transfer request delivered on any Business Day after the applicable Cutoff Time, or on a non-Business Day, will be deemed received on the following Business Day. You must deliver Transfer requests by the applicable Tax Transfer Deadline.
5. **Authorized reporting agent.** If you are a taxpayer required by federal law to make electronic Federal Tax Deposit (FTD) payments to the Internal Revenue Service (IRS) and submit FTD information through the U.S. Department of the Treasury's Electronic Federal Tax Payment System (EFTPS), we will make your Transfers as FTD payments submitted through EFTPS, regardless of any other instructions from you. In performing the Service, we are acting as your authorized reporting agent. You authorize us to accept debit Entries from the IRS to make the Transfers, and to debit your Account for the amount of such payments.
6. **Payment for Transfers.** You authorize us to debit your Account before we process a Transfer. We may refuse to process a Transfer if the Transfer would exceed the available funds in the Account on the Tax Transfer Deadline.
7. **Rejected Transfers.** We also reserve the right to delay or reject any Transfer if we believe the Transfer may violate Applicable Law or if we believe the Transfer will present a risk to you and/or us, or for other reasons. If we do not accept a Transfer request or must delay making a requested Transfer, we will attempt to notify you.
8. **No verification of Transfer Requests.** We are under no obligation whatsoever at any time to verify any Transfer and will have no liability for failing to investigate or verify any Transfer request.
9. **Confirmations.** We will confirm each Transfer on your account statement or on any bank information reporting service that we provide you. You must immediately inform us of any Transfer that is incorrect or unauthorized.
10. **Amendments and cancellations of transfer requests.** You may cancel a Transfer request before the Cutoff Time if we have not processed the Transfer. After we have processed a Transfer, it cannot be canceled, amended or reversed.
11. **Records, information and audits.** You will verify the accuracy of all records and information regarding the Service or any Transfer and you will notify us immediately of any errors. Nothing in the Service Documentation will relieve you of:
 - a. Any responsibility imposed by law, regulation or contract with regard to the maintenance of records, or
 - b. Any responsibility to perform audits and account reviews customarily conducted by persons or entities whose businesses are similar to your business.
12. **Responsibility for paying taxes.** Any interruption in the Service will not relieve you of any obligation to pay any tax to the IRS, or any other government agency or entity owed the tax, and we will have no liability to you for your failure in such circumstances to pay any tax.

Glossary

Account means your account(s) with us used in connection with the Service.

Account Agreement means the applicable account agreement governing the Account.

Account Currency is defined in section 8 (Currency conversion) of the Master Agreement.

ACH means Automated Clearing House.

ACH Rules means the Nacha Operating Rules and any applicable local ACH rules.

Applicable Exchange Rate is defined in section 8 (Currency conversion) of the Master Agreement.

Applicable Law is defined in section 3 (Changes to service) of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, “Business Day” means each day on we are open for business related to that Service.

CEO® portal means our *Commercial Electronic Office®* portal.

Concentration Account means your Account designated in the Concentration Account Services Set-up Form.

Cutoff Time means our cutoff time each Business Day we separately disclose to you for the applicable Service.

Entry is defined in the ACH Rules.

File is defined in the ACH Rules.

Foreign Currency is defined in section 8 (Currency Conversion) of the Master Agreement.

Gateway or Gateway Operator is defined in the ACH Rules.

Initiation Method is defined in section 6 (Security procedures) of the Master Agreement.

International Entry means an Entry to an account outside the United States.

Item is defined in the Account Agreement.

Log-on Credentials is defined in section 9 (CEO portal) of the Master Agreement.

Losses means liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

NOC or Notification of Change is defined in the ACH Rules.

ODFI (Originating Depository Financial Institution) is defined in the ACH Rules.

Originator is defined in the ACH Rules.

Payment Order means an instruction to us in your name to transfer funds from your Account (and includes any communication cancelling or amending an instruction).

RDFI (Receiving Depository Financial Institution) is defined in the ACH Rules.

Receiver is defined in the ACH Rules.

Remote Account means one or more accounts owned or controlled by you in the United States.

Representatives is defined in section 11(f) (Liability and indemnification) of the Master Agreement.

Reversal or **Reversing Entry** is defined in the ACH Rules.

Security Procedure is defined in the Product Enrollment Form and in section 6 (Security procedures) of the Master Agreement.

Settlement Date is defined in the ACH Rules.

Tax Transfer Deadline means a date at least one Business Day prior to the date the tax payment is due to the applicable tax authority.

Third Party Sender is defined in the ACH Rules.



Check Disbursements and Fraud Prevention Services Service Description

Treasury Management Services

Table of contents

03	Introduction	09	Payment Authorization	13	Centralized Disbursements Manager
04	Fraud Prevention and Related Services	09	Account Reconciliation Plan	19	Payable Through Draft
04	Positive Pay	10	Controlled Disbursement Account	21	Third Party Drafts
07	Reverse Positive Pay	13	Specialized Disbursements Services	25	Glossary

Introduction

The Service Documentation contains the terms and conditions under which Wells Fargo Bank, N.A. ("Bank") provides you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The services (each a "Service") covered by this Service Description are:

Fraud Prevention and Related Services

- Positive Pay Service
- Reverse Positive Pay Service
- Payment Authorization Service
- Account Reconciliation Plan Service
- Controlled Disbursement Account Service

Specialized Disbursement Services

- Centralized Disbursements Manager Service
- Payable Through Draft Service
- Third Party Drafts Service

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Services),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing your account(s) that you use for the Service ("Account"),
- e. The Product Enrollment Form ("Set-up Form") (which contains set-up information for the service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The separate documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Fraud Prevention and Related Services:

As further described in the Account Agreement, we offer certain Services to help reduce the risk of fraud, including the Services below.

Positive Pay Service

1. **Description of service.** With this Service you can instruct us to pay or return counterfeit Checks, Checks otherwise not validly issued and certain altered Checks presented to us for payment on the Accounts you enroll in this Service. For purposes of this Positive Pay Service Description, “Check” refers to each check presented for payment on your Account, whether it is counterfeit, not validly issued, altered or validly issued by you. Except as otherwise provided in this Service Description, enrollment in our Account Reconciliation Plan Service is required.
 - a. **Service summary.** Each Business Day, either before or after posting the Check to your Account, based on the Service option you choose as described in section 1b below:
 - i. We electronically compare the serial number and numeric amount of each Check presented to us for payment before our Cutoff Time on the prior Business Day to your Check Issue Data (see section 2),
 - ii. We will provide you with a report (“Exception Report”) of each Check that does not match your Check Issue Data (an “Exception Check”) (see section 4),
 - iii. We review each Exception Check, and either correct or reverse and repost each Exception Check with errors that we can correct, depending on the Service option you choose as described in section 1b,
 - iv. We will pay or return each Exception Check (see section 5), and
 - v. We separately review each “directly-presented Check” (see section 8).
 - b. **Service options.** You may enroll an Account in one of two options of the Service:
 - i. **Perfect Presentment® Positive Pay.** We electronically compare a Check to your Check Issue Data prior to posting the Check to your Account. Each Check with error(s) that we can correct, such as an encoding error, will be corrected, so that the Exceptions Report includes only unresolved Exception Checks. This option is offered only on an Account enrolled in our Controlled Disbursement Service.
 - ii. **Positive Pay and Positive Pay Only.** We electronically compare a Check to your Check Issue Data after posting the Check to your Account. We then review each Exception Check, and reverse and repost each Exception Check with error(s) that we can correct, such as encoding errors, so that the Exception Report includes only unresolved Exception Checks. Enrollment in our ARP Service is not required for Positive Pay Only.
2. **Check Issue Data.** You will provide us with the Check Issue Data for all issued Checks, in the format, through the communications channel, and at the place we specify no later than our Cutoff Time. You will not distribute any Check before you have included the Check in the Check Issue Data you have provided to us. In performing this Service:
 - a. We will use only the Check Issue Data you provide to us,
 - b. If the Check Issue Data includes a post-dated Check (a check you issue with a date in the future), we will not compare that Check against the Checks presented for payment on the Account until that date, and
 - c. We will not accept Check Issue Data for Checks with an issue date more than forty-five (45) calendar days in the future.
3. **Payment of Matching Checks.** For each Matching Check, we will make final payment on the Check and charge the Check to your Account (subject to section 11).

4. **Notifying you of Exception Items; providing images.** When we identify an Exception Check through our electronic comparison, we notify you through the Exceptions Report. This report is available on our *CEO* portal. We will use reasonable efforts to provide an image of any Exception Check (including a Holdover Exception Check) to you, but we will have no liability if we are unable to do so before the Decision Deadline.
 - a. **Holdover Exception Checks.** This subsection applies when you have enrolled your Controlled Disbursement Account in our Perfect Presentment Positive Pay Service. A “Holdover Exception Check” is an Exception Check we identify after we prepare and transmit the Exceptions Report to you. We will use our best efforts to notify you by calling you at the number we have on file for you.
5. **Decision Deadline.** You will make your pay or return decision based on the information about the serial number and amount of the Exception Check in the Exceptions Report, and if you use our Payee Validation Service (see section 7), on any payee information we provide to you.
 - a. **Instructions before the Decision Deadline.** If, before the Decision Deadline, you instruct us to pay or return an Exception Check, we will follow your instructions (subject to section 11). You will use the same communications channel to instruct us that we used to notify you of the Exception Check, except that if we included the Exception Check on the Exception Report we post on the *CEO* portal, you will use the *CEO* portal to communicate your instruction regarding the Exception Check to us.
 - b. **No instructions before the Decision Deadline.** If you do not instruct us before the Decision Deadline regarding an Exception Check, we will process the Check in accordance with your Default Option. If we are unable to obtain your instructions prior to the Decision Deadline regarding a Holdover Exception Check described in subsection 4(a) we will process the Holdover Exception Check in accordance with your Default Option.
6. **Default Options.** Your “Default Option” is the action we take for each Exception Check listed in the Exceptions Report (see subsection 5) if you do not instruct us to pay or return it before the Decision Deadline (see subsection 5(b)). You may choose one of these Default Options:
 - a. **“Return all.”** We return the Exception Check to the bank of first deposit marked “refer to maker” even if you validly issued the Exception Check (and do not charge it to your Account). We recommend the “return all” Default Option because it reduces the risk of unauthorized Checks being paid on your Account (even though it may result in valid Checks being returned unpaid).
 - b. **“Pay all.”** We charge the Exception Check to your Account. This Default Option presents a higher risk of unauthorized checks being paid on your Account. If you elect this Default Option, you assume full liability for any losses resulting from counterfeit, altered or Checks otherwise not validly issued as described in section 9 below.
7. **Payee Validation Service.**
 - a. **Description of Payee Validation Service.** When you enroll in our optional Payee Validation Service, we will do the following:
 - i. On each Check that is greater than the Payee Validation Threshold, we electronically compare the payee’s name on your check to your Check Issue Data. The “Payee Validation Threshold” is the dollar amount we choose above which we will perform the payee validation service.
 - ii. If (1) there is a difference between the two names that is not within guidelines we establish, or (2) a notation or legend on the Check prevents the electronic comparison of the payee’s name, we will include the Check as an Exception Check in your Exceptions Report.
 - iii. If you notify us you have incurred a loss as a result of an unauthorized alteration of the payee’s name, we will reimburse you for the face amount of any Check we pay under the Payee Validation Threshold except as provided below, provided that you notify us of your loss in writing within 3 years after the statement or Check is made available to you.

NOTE: When you enroll in our optional Payee Validation Service, you are charged a per-Check fee for each Check presented on your Account during a monthly billing cycle. This fee is separately disclosed to you. The per-Check fee is assessed on each Check presented including without limitation Checks not exceeding the Payee Validation Threshold.

- b. **When we do not perform payee validation.** We will not perform any payee validation review with respect to a Check if:
 - i. The Check is less than the Payee Validation Threshold,
 - ii. The payee's name on the Check is handwritten instead of machine-printed,
 - iii. You fail to include the payee's name on the Check in your Check Issue Data,
 - iv. We do not receive your Check Issue Data for the Check before our Cutoff Time, or
 - v. You request we add the payee's name manually to Check Issue Data you have previously provided to us.
 - c. **Exceptions to reimbursement.** We will not reimburse you for losses resulting from an unauthorized alteration in the payee's name if:
 - i. The Check with the unauthorized alteration is hand-written, or
 - ii. We fail to identify an alteration or other discrepancy in the payee's name because:
 - 1. The payee name in your Check Issue Data did not exactly match the payee name on the Check, or
 - 2. You used customized zone formatting.
8. **Directly-presented checks.** A "directly-presented Check" is a Check we receive for deposit or cashing at our branch or through another depository channel that may present higher risk. The risk is we may be required to make proceeds from a directly-presented Check available before you can review and make a timely decision on the directly-presented Check identified as an Exception Check in our Exceptions Report. When your Check Issue Data on file with us does not include a directly-presented Check, at the time we receive the Check we will:
- a. Take those steps as we, in our sole discretion, determine are commercially reasonable, to review and accept the Check for deposit or cashing, or
 - b. Refuse to accept the Check for deposit or cashing.

We may vary these steps depending on the depository channel through which we receive a directly-presented Check. You may instruct us to exclude all directly-presented Checks from this process. In that case, each directly-presented Check will be considered a Matching Check, even if it is not included in your Check Issue Data on file with us at the time we receive it, and we will pay it without further inquiry.

9. **Limitation of liability and indemnification.**
- a. **Liability limit.** We will pay each Check you have authorized us to pay as described in this Service Description (including each Matching Check) and each Check you are considered to have authorized us to pay (including each Check we pay according to your Default Option) without performing any Check verification procedure other than those procedures described with this Service Description. We will have no liability for paying a Matching Check or an Exception Check you are considered to have approved if:
 - i. There is an alteration in its serial number or amount,
 - ii. It is counterfeit, bears a forged or unauthorized signature, or
 - iii. It was otherwise not validly issued.
 - b. **Indemnification.** Each Check that we pay according to this Service Description will be considered properly payable, and each Check that we return as provided in this Service Description will be considered not properly payable. Without limiting the indemnification provisions contained in the other Service Documentation, you:
 - i. Indemnify and hold us harmless from any and all Losses that we may suffer or incur as a result of our payment or return of a Check at your instruction or otherwise according to sections 5 or 8 of this Service Description, and

- ii. Release and forever discharge us from all claims and damages, whether known or unknown, liquidated or unliquidated, contingent, direct or indirect, which you have, or claim to have against us relating to the payment or return of any Check as provided in this Service Description.

10. Stop payment; cancel and void instructions; stale-dated Checks.

- a. You will not use this Service as a substitute for our stop payment service. You will follow our standard stop payment procedures described in the applicable Account Agreement if you wish to stop payment on a Check that was validly issued. You will use:
 - i. A cancel instruction only to delete an outstanding Check included in your Check Issue Data, and
 - ii. A void instruction only to notify us that a Check included in your Check Issue Data has been destroyed and will not be re-issued.
- b. Using notations or legends on a Check is not an effective stop payment order or void instruction. We will not be liable for failing to follow your cancel or void instruction for any Check on which we have made final settlement.
- c. If you choose to use our “stale-dated” feature, we will return each Matching Check (other than a directly presented Check) that is dated past your specified stale-date, unless you instruct us to pay the Check.

11. Our right to return checks. Nothing in this Service description will limit our right to return any Check you have authorized us to pay as part of this Service if we determine that:

- a. The Check is not properly payable for any reason (without us agreeing to, or being required to, make such determination in any circumstance), or
- b. There are insufficient collected and available funds in your Account to pay the Check.

You agree that our determination not to pay a Check will not constitute wrongful dishonor of that Check.

12. Survival. Sections 4, 7, 9, 10 and 11 will survive termination of Services.

Reverse Positive Pay Service

1. Description of Service. Our Reverse Positive Pay Service is an alternative to our Positive Pay Service that we provide to select customers, including customers that issue Drafts. The Reverse Positive Pay Service is required when you enroll in the Third Party Drafts or Payable Through Drafts Services. With this Service:

- a. You can detect fraudulent Checks by reviewing information we provide to you each Business Day about Checks that have posted to your Account from the prior Business Day (“Paid Items Report”) (see section 2),
- b. You can request we edit Checks that have posted incorrectly to your Account,
- c. If you have elected our Teller Match Service, we may perform a positive pay verification of certain directly-presented Checks (see section 3) as we determine in our sole discretion from time to time, and
- d. You can instruct us to return unauthorized Checks.

For purposes of this Reverse Positive Pay Service Description, a “Check” is a check, Draft or other paper instrument purportedly issued on your Account, whether it is counterfeit, not validly issued, altered or validly issued by you.

2. Paid Items Report. Each Business Day, we will provide you with the Paid Items Report through our *CEO* portal or by other methods you may elect. Each Business Day, you will compare the Paid Item Report to your Check Issue Data and before the Decision Deadline, notify us through the *CEO* portal of any edit requests or return instructions for those Checks described on the Paid Items Report for that Business Day. You will include in your notification the serial number and amount of each Check you wish to edit and the reason for returning each Check you wish to return.

3. **Teller match service.**

- a. You may separately elect to have us perform a positive pay verification on certain directly-presented Checks, in which case the provisions in section 8 (Directly-presented Checks) of the Positive Pay Service Description are incorporated here by reference and shall apply and govern. If you enroll in this Service option, you will provide the Check Issue Data for each Check to us before you issue the Check.
- b. With respect to a directly-presented Check, we will have no liability to you for not performing:
 - i. Any positive pay verification, if we do not receive and have a reasonable amount of time to act on your Check Issue Data for the Check before we receive the directly-presented Check, or
 - ii. Payee validation, if you fail to include the payee's name in your Check Issue Data for the directly-presented Check.

4. **Your failure to give us timely instructions.** If we do not receive your edit requests and/or return instructions by the Decision Deadline on any Business Day, we will pay each Check described in the Paid Items Report for that Business Day, unless you have already instructed us by effective stop payment order to return that Check unpaid.

5. **Checks to be paid; liability limit and indemnification.**

- a. We will pay each Check you are deemed to have authorized us to pay in accordance with this Service Description without performing any further review of such Check. We will have no responsibility whatsoever for paying such a Check even if its serial number or amount is altered, it is counterfeit, bears forged or unauthorized signature, or is not validly issued. You waive and release us from and agree to protect us against any Losses resulting from a claim that such a Check was not properly payable.
- b. We will have no liability if you instruct us to return a Check (including without limitation a Check that is counterfeit, not validly issued or altered) but your instruction does not reach us in a time and manner affording us a reasonable opportunity to return the Check before we pay, accept, certify, cash or otherwise become obligated to pay the Check as provided in the Uniform Commercial Code.
- c. You will promptly reimburse us for any loss we incur when we make the proceeds from a Check available in accordance with Reg CC prior to our receipt of your instructions regarding the Check.

6. **Edit requests and return instructions.**

- a. **Edit requests.** We reserve the right to deny any of your edit requests based on our evaluation of the edit request. We will not accept edit requests with respect to any Checks that you attempt to communicate to us by any means other than the CEO portal.
- b. **Return instructions.** We reserve the right to decline your return instruction based on our evaluation of the return instruction. If your reason for returning a Check is fraud, your return instruction alone will not constitute a claim for a fraudulent transaction. You must file a separate claim with us relating to the fraudulent transaction.

7. **Stop payment and our right to return Checks.** Sections 10a and b (Stop payment and void instructions) and 11 (Our right to return Checks) of the Positive Pay Service Description are incorporated here by reference and shall apply and govern.

8. **Survival.** Sections 3, 5, 6 and 7 will survive termination of Services.

Payment Authorization Service

NOTE: If you have the ability to write checks on your Account, we recommend that you use the Positive Pay Services to prevent check fraud. You understand that the Payment Authorization Service does not provide the same level of protection as the Positive Pay Services. If you decide not to implement the Positive Pay Services, or you do not properly use it, you assume the risk of loss for unauthorized checks.

1. **Description of service.** With this Service you can set limits on paper Items that may be drawn on your Accounts based on the options you choose. You may also prevent any paper checks being paid on your Accounts by choosing to set the applicable limit to zero.

2. **Available options.**

Option (on Product Enrollment Form)	Action we will take
Maximum Check Amount Authorized	We will automatically return unpaid Items drawn against the Account which are presented to us but exceed the "Maximum Check Amount Authorized" you provide us with. These Items are marked "Refer to Maker."
Maximum Check Cashing Amount	We will refuse to cash checks drawn against the Account and presented to us through our branch network, if they exceed the "Maximum Check Cashing Amount" you specify.
Maximum over the Counter Withdrawal Amount	We will refuse withdrawal requests against the Account which are presented to us through our branch network, if they exceed the "Maximum over the Counter Withdrawal Amount" you specify.
Checks to Individuals	We will refuse to cash checks drawn against the Account which are presented to us through our branch network, and which are made payable to an individual.

Account Reconciliation Plan (ARP) Service

1. **Description of Service.** With our ARP Service, you can receive automated reporting to help you reconcile your Accounts. With this Service you can:
 - a. Receive Account information reporting, based on the Service options you select,
 - b. Store information about Items you issue on your Accounts, and
 - c. Process the information in accordance with the Service options that you elect in the Set-up Form. Our User Guide for the Service details the Service options.
2. **Issued check information.** If you elect our full ARP Service, each Business Day prior to the Cutoff Time, you will provide us with the Issued Check Information using the communication channel(s) you elect. For purposes of this Service Description, "Issued Check Information" is the issue date, serial number and dollar amount of each Item (as defined in the applicable Account Agreement) that you issue on your Account. If you elect our Deposit Location Reporting Service, you will provide us with a list of your location numbers and names and may amend the list from time to time by notifying us in writing.

3. **Stop payment orders.** If you use the ARP Service to place a stop payment order on any Item, you understand that:
 - a. The Account Agreement governs the stop payment order,
 - b. Each stop payment order is subject to our verification that the Item described in the stop payment order has not been paid, and
 - c. This verification may occur a minimum of ninety (90) minutes after the time you transmit the stop payment order to us.

Controlled Disbursement Account Service

1. **Description of Service; required Accounts.** The Controlled Disbursement Account (“CDA”) Service is available to select customers that qualify based on their credit and other considerations. With the CDA Service, you will establish and maintain:
 - a. One or more demand deposit accounts with us (each, a “Funding Account”),
 - b. One or more checking accounts with us linked to a Funding Account (each, a “Disbursement Account”), and
 - c. The information reporting service specified by us (“Information Reporting Service”).

Each Funding Account and Disbursement Account and the Information Reporting Service will be identified in the Set-up Form for this Service. You will enroll each Disbursement Account in our Positive Pay Service. You will use each Disbursement Account solely to issue Checks, Drafts and electronic debits (each, a “Debit”) in accordance with this Service Description. You will not issue any Debits on any Disbursement Account until we notify you that such Disbursement Account is operational.

2. **Determination of Total Net Presentment.** Each Business Day by the Cutoff Time, we will make the Total Net Presentment for each Disbursement Account available to you through the Information Reporting Service. The “Total Net Presentment” consists of the total dollar amount of:
 - a. Debits that have posted in the first and, if applicable, second presentment on that Business Day, and
 - b. Adjustments to the Disbursement Account reported on our CD Summary report, including without limitation Debits posted after the last presentment on the prior Business Day (these Debits are referred to collectively as the “Prior Day Funding Adjustments”).

If the Total Net Presentment is not available to you through the Information Reporting Service by the Cutoff Time, we will have no liability, and you will estimate the Total Net Presentment.

3. **Your obligation to deposit funds in Funding Account.**
 - a. Each Business Day before the Cutoff Time, you will deposit good and collected funds in your Funding Account so that the balance in the Funding Account, as determined in accordance with the Account Agreement, is sufficient to cover either:
 - i. The Total Net Presentment or your estimate of the Total Net Presentment, and
 - ii. The total of any Debits that have been memo posted to your Disbursement Account before the Cutoff Time on the current Business Day as set forth in the intra-day composite report we make available to you.
 - b. If you fail to transfer funds as required in subsection 3(a) above or if such transfer was based on your estimate of the Total Net Presentment and such estimated amount was less than the actual Total Net Presentment, we may, at our sole option:
 - i. Advance to the Funding Account(s) sufficient funds to pay the Debits presented for payment on the Disbursement Account and transfer such funds to the Disbursement Account, or
 - ii. Return Debits, in any order, unpaid (even though we may have previously established a pattern of paying such Debits).

4. **Transfer of funds to Disbursement Account.** Each Business Day, we will:
 - a. Transfer from the Funding Account to the Disbursement Account the amount necessary to cover the Total Net Presentment as shown on the CD Summary Report for that Business Day, and
 - b. Advance funds to the Disbursement Account in the amount sufficient to cover Debits that posted to Disbursement Account after the last presentment on that Business Day (and the amount advanced by us will be reported on the CD Summary Report for the next Business Day as the Prior Day Funding Adjustments).
5. **Our obligation to pay debits.** We will have no obligation to pay any Debit if the balance of good and collected funds in the Disbursement Account on which the Debit is drawn is not sufficient to cover the Debit at the time we make our payment decision.
6. **Your agreement to repay our advances to Disbursement Account.** You will unconditionally pay us on demand without setoff or counterclaim in good and collected funds the full amount of any advance we make pursuant to sections 3 and 4 plus our fees and costs incurred in connection with such advance.
7. **Security interest.** As security for the Obligations, you pledge to us, and grant us a lien on and a security interest in, the following property and all proceeds thereof (collectively, the "Collateral") as security for the prompt satisfaction of the Obligations:
 - a. Each Funding Account, each Disbursement Account, and all of your other accounts with us and our affiliates, and
 - b. Any of your property now or at any time delivered, conveyed, transferred, assigned, pledged or paid to us in any manner whatsoever.

Our receipt at any time of any kind of security, including cash, will not be a waiver of any of our rights or powers under any agreement between us. Upon our request, you will sign and deliver to us, any security, control or other agreements and documents as we determine are necessary or desirable (in our sole opinion) to grant us or perfect our security interest in the Collateral. At the time any Obligation becomes due and payable, we may apply or dispose of any and all Collateral, received or to be received, at any time or place, for any price and upon terms and conditions as we determine. We may apply the amounts on deposit or net proceeds of the sale or other disposition (together with any sums credited by or due from us to you), to the payment of the Obligations, all without prejudice to our rights with respect to any portion of the Obligations which remain unpaid. You expressly waive any right to require us to make any presentment or demand, or give any notices of any kind, including, but not limited to, any notice of nonpayment or nonperformance, protest, notice of protest, notice of dishonor, notice of intent to accelerate or notice of acceleration. If we are required by Applicable Law to give you reasonable notice before the sale or other disposition of Collateral, that requirement is met if notice is given at least 5 calendar days before the date any sale, application or other disposition will be made. Our rights and remedies under any agreements between us or instruments signed by you in our favor are in addition to, and not exclusive of, any other rights or remedies we have under Applicable Law.

8. **Fraud prevention.** Enrollment in one of our Positive Pay Services is required for enrollment in this Service. You acknowledge there is a growing risk of losses resulting from unauthorized Items. You recognize that Controlled Disbursement Service customers are especially susceptible to losses from unauthorized checks. You are aware that we offer an additional service known as "Payee Validation," which is an effective means of controlling risk from counterfeit checks, altered checks and certain other types of fraudulent checks. We have advised you that if you do not enroll in and properly use our Payee Validation Service, we will be unable to prevent losses from counterfeit, altered and certain other types of fraudulent checks and you will be treated as having assumed the risk of these losses.

9. **Liability and indemnification.** In addition to the liability and indemnification provisions in the Master Agreement, we will not be liable for any Losses paid, suffered or incurred by you, and you will indemnify us from and hold us harmless against any Losses that we suffer or incur, arising directly or indirectly and relating to:
- a. Your performance or failure to perform your obligations in accordance with this Service Description,
 - b. Us acting on any information you provide us in any Service Documentation or otherwise,
 - c. If we return any Check unpaid because you have not deposited good and collected funds in the Funding Account related to the Disbursement Account on which a Debit is drawn sufficient to cover the Total Net Presentment,
 - d. Our dishonor and return of any Debit unpaid if you issue the Debit before we notify you the Disbursement Account on which it was drawn is operational,
 - e. Our nonpayment of a Debit, unless the nonpayment results directly and proximately from our gross negligence or willful misconduct,
 - f. If any Debit fails which has not been tested and approved by us to satisfy our check specifications, our late return of that Debit and any presentment-related problem resulting from the failure of that Debit,
 - g. Except as otherwise provided in the Positive Pay, Reverse Positive Pay, ARP, Payable-Through Draft or Third-Party Draft Service Descriptions, if we provide you with one or more of these Services, our payment of any Check or Draft for which there is an alteration in serial number or amount, is counterfeit, bears a forged or unauthorized signature, or is otherwise not validly issued, or
 - h. The exercise of our rights or the performance of our obligations in accordance with this Service Description or the Positive Pay, Reverse Positive Pay, ARP, Payable-Through Draft or Third-Party Draft Service Descriptions, if we provide you with one or more of these Services.
10. **Termination.** In addition to our right to terminate this Service under the Master Agreement, we may terminate this Service and close the Funding Account and Disbursement Account immediately upon sending you written or oral notice (confirmed in writing) of such action if:
- a. You fail at any time to fund the Funding Account as required in this Service Description,
 - b. A lawsuit or other proceeding is commenced by any federal or state agency alleging, or we receive an opinion of counsel, that this Service or any material term or condition of this Service Description violates any law or regulation, or
 - c. You default in your obligations under the other Service Documentation or under any other agreement or instrument signed by you in our favor including without limitation any loan agreement or promissory note.
- Upon termination of this Service, you will, in accordance with our instructions, stop issuing Debits on the Disbursement Accounts, and we will close the Disbursement Accounts and stop processing Debits. You will continue to be liable for all Debits issued on the Disbursement Accounts prior to termination and for all Debits we are obligated to pay.
11. **Survival.** Sections 2 and 5 – 9 will survive the termination of this Service.

Specialized Disbursements Services

Centralized Disbursements Manager Service

1. **Your relationship to clients.** You have represented to us that you function as claims administrator, property manager, or accounts payable administrator with respect to your clients (each individually a “Client” and collectively, “Clients”), who may be (i) insurance companies or business organizations maintaining a program of self-insurance, (ii) owners of commercial real property, or (iii) other business organizations with a need for administrative services related to accounts payable and other disbursements. The services you provide to your Clients may include (without limitation) evaluation, resolution, and/or payment of claims or other types of accounts payable on behalf of your Clients, facilitating the funding of payments related to claims or other accounts payable, and reconciliation and reporting with regard to the payment process.
2. **Centralized Disbursements Manager (“CDM”) desktop.** You will interact with our electronic system for operating the Service through our “CDM Desktop” function, which you will access through the applicable treasury management services internet portal maintained by us.
3. **Account structure.** To facilitate your disbursement and payment funding activities on behalf of your Clients, you will establish and maintain with us, in your name and taxpayer identification number: (i) a zero-balance controlled disbursement account against which all checks you issue on behalf of your Clients will be drawn (“Disbursement Account”), (ii) a master account linked to the Disbursement Account for the purpose of funding payment of items presented against the Disbursement Account (“Master Funding Account”), (iii) at your option, one or more accounts linked to the Master Funding Account and associated with an individual Client for the purpose of funding disbursements for the benefit of such Client (each an “Individual Client Funding Account”), (iv) an account against which exception items that you instruct us to pay are to be temporarily posted (“Default Account”), and (v) one or more accounts to serve as recovery, refund or adjustment-related transactional accounts; alternative funding sources for payment of checks when the appropriate Individual Client Funding Account lacks adequate funds; or for electronic payment settlement (each, a “Recovery Account”).
4. **Accounts for the benefit of individual clients.** At your option, you may open one or more Individual Client Funding Accounts in your name, each for the benefit of an individual Client, in a way that permits the Client’s taxpayer identification number to be associated with the Account for tax reporting or other purposes. This type of Individual Client Funding Account is referred to herein as a “Beneficial Owner Account”, and may be used for the broader purposes of receiving, holding, managing and/or disbursing Client funds. Beneficial Owner Accounts must be non-interest-bearing. For each Beneficial Owner Account that you open, you represent and warrant to us that you have valid and proper authorization from the applicable Client to open the Account for the benefit of such Client, and to receive, hold, manage and/or disburse funds in such Account. In no event will any Client be considered a party to, or a third party beneficiary of, this Service Description or the Master Agreement.
5. **Client profiles.** For each Client for which you make disbursements, you will establish and maintain through the CDM Desktop an electronic client profile (each a “Client Profile”). As part of each Client Profile, you will assign the applicable Client a unique alpha/numeric identifier (a “Client ID”) no more than ten characters in length. We will electronically associate each Client ID with an Individual Client Funding Account to facilitate funding of disbursements from the proper funding source.

6. **Client set-up forms.** For each Individual Client Funding Account you open under the Service (including each Beneficial Owner Account), you will, prior to opening the Account, deliver to us a form (each a “Client Set-up Form”) in a format approved by us, containing information about the Client for whose benefit Company is opening the Account, including, without limitation, the Client’s name, physical address (including zip code, and country, if other than the United States), taxpayer identification number, and business type. If we determine at any time that we do not have a Client Set-up Form for a particular Account, you will upon our request promptly cause such a form to be prepared and forwarded to us.

7. **Delivery of W-9 or W-8 forms.** For each Individual Client Funding Account you open under the Service, you will, prior to opening the Account, deliver to us an original Internal Revenue Service Form W-9, “Request for Taxpayer Identification Number and Certification” (each a “W-9 Form”) or Form W-8BEN, “Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding” or other appropriate W-8 series form (each a “W-8 Form”), properly completed and executed by (i) the Client for whose benefit you are opening the Account, or (ii) if the Client lacks legal capacity to execute the W-9 Form or W-8 Form, by an individual whom the appropriate taxing authority and applicable law recognizes as being authorized to execute a W-9 Form or W-8 Form on the Client’s behalf (an “Authorized Representative”). You represent and warrant that each W-9 Form or W-8 Form which you deliver to us in relation to an Account has been duly and lawfully executed by the Client for whose benefit the Account is opened or an Authorized Representative of such Client. If we determine at any time that we do not have a W-9 Form or W-8 Form for a particular Client, you will upon our request promptly cause such a form to be prepared and forwarded to us.

8. **Disbursements by check; use of Positive Pay.** All checks you issue in payment of claims or other obligations on behalf of your Clients (“CDM Checks”) must be drawn on the Disbursement Account, which will be a controlled disbursement account governed by our standard Controlled Disbursement Service Description. You may not draw checks, or authorize the drawing or presentment of checks, drafts or other instruments against any of the Accounts other than the Disbursement Account or the Recovery Accounts. You must at all times use our Positive Pay Service in connection with the Disbursement Account. Your use of our Positive Pay Service will be governed by our Positive Pay Service Description and other documentation in effect from time to time with respect to that Service.

9. **CDM check issuance; Issue Files.** You must identify and describe each CDM Check you issue in an electronic issue file (each an “Issue File”), which you must transmit to us in connection with the CDM’s Check issuance. You must create and transmit each Issue File to us in compliance with our published standards for creation and transmission of issue files for use with the Service. You must include in each entry for a CDM Check listed in a particular Issue File (each an “Issue Record”) the appropriate Client ID for the Client on whose behalf you issued the CDM Check. You agree that you will not mail, transmit, send, deliver or otherwise issue or distribute any CDM Check until you have properly transmitted to us an Issue File containing the corresponding Issue Record for that check. We will compile the information in each Issue File and incorporate that information in our cumulative CDM data base of issued and outstanding CDM Checks (the “Issue File Data Base”).

10. **Presentment and payment of CDM checks.** Upon presentment of a check against the Disbursement Account, we will, as part of our Positive Pay Service, compare certain data fields on such item with certain information in the Issue File Data Base. If we identify the item as a CDM Check that matches a corresponding Issue Record in the Issue File Data Base (a “Matching Check”), we will ascertain the Client ID accompanying the Issue Record. To the extent that the Individual Client Funding Account associated with the Client ID contains sufficient collected and available funds to pay all Matching Checks presented on the same Business Day which are associated with the same Client ID, we will pay all such Matching Checks. We will cause the applicable Individual Client Funding Account to be debited, with the resulting credit made to the Master Funding Account. To the extent that the Individual Client Funding Account associated with the Client ID does not contain sufficient collected and available funds to pay all Matching Checks associated with such Client ID which are presented on the same Business Day, we may, in our sole discretion (i) return all such Matching Checks unpaid, unless specific alternative funding arrangements have been made between you and us in advance, or (ii) pay such Matching Checks and cause the applicable Individual Client Funding Account to be overdrawn in the amount of the shortfall. Any overdraft on an Individual Client Funding Account is immediately due and payable from you to us.
11. **Default Account.** If, after comparison with the Issue File Data Base, a presented item cannot be associated with an Issue Record, but you nevertheless instructs us to pay the item, we will cause the item to be posted to the Default Account. For each item posted to the Default Account that causes the Default Account to become overdrawn, you will promptly provide us with instructions via CDM Desktop or in the form of an Issue Record incorporated in an Issue File, to repost the item to an Individual Client Funding Account.
12. **Minimum balance requirement for Recovery Accounts.** You must at all times maintain in one or more Recovery Accounts an aggregate balance of collected and available funds which equals or exceeds the aggregate amount of negative balances, if any, maintained in Individual Client Funding Accounts and the Default Account. Any positive balances maintained in any Individual Client Funding Accounts and/or the Default Account are expressly excluded from this calculation. We may return unpaid any CDM Checks presented for payment against the Disbursement Account during any period in which you fail to maintain the balance requirement set forth in this section 12. We may at any time, in our sole discretion, set off some or all of the balances in the Recovery Accounts against any negative balances in any Individual Client Funding Accounts or the Default Account.
13. **Funding basis.** Each Issue File, as it pertains to each Client on whose behalf you issue CDM Checks, will be funded on either an “Issue Funding” basis or a “Presentment Funding” basis. You must identify the funding basis for each Client as part of the Client Profile for such Client. Once the funding basis for a particular Client has been established, you agree that it will not be changed without our written consent.
 - a. **Issue Funding Basis.** If you are funding the Issue File for a particular Client on an Issue Funding basis, then the funding of the corresponding Individual Client Funding Account is determined with reference to our receipt of each Issue File from you that pertains to the Client.
 - b. **Presentment Funding Basis.** If you are funding the Issue File for a particular Client on a Presentment Funding basis, then the funding of the corresponding Individual Client Funding Account is determined with reference to presentment against the Disbursement Account of items related to the Client.
14. **Funding method.** You will fund each Individual Client Funding Account by using one of the funding methods set forth in this section 14. The process of funding by any of these funding methods will be governed by the Master Agreement, this Service Description and other Service Documentation. **YOU WILL NOT, AT ANY TIME OR UNDER ANY CIRCUMSTANCES, FUND OR PERMIT FUNDING OF ANY INDIVIDUAL CLIENT FUNDING ACCOUNT, IN WHOLE OR IN PART, BY MEANS OF A CASH DEPOSIT OR A DEPOSIT MADE BY A THIRD PARTY.** Each Client Debit account must be owned by your Client. As used in this section 14, the term “Funding Day” has the meaning given to it in section 15.

- a. **ACH Debit Entries.** You may use ACH debit entries to debit the account of the corresponding Client with us or at another financial institution ("Debit Account"). If you use this funding method, then prior to sending an Issue File for a particular Client, you will ensure that the corresponding Client Profile contains adequate information about that Client's Debit Account to enable us to generate an ACH debit entry from the Debit Account. Provided that we have adequate information about the Debit Account, we will transmit an ACH debit entry file to the designated receiving depository financial institution through the applicable clearing house channel on the same day that (i) we receive an Issue File for a particular Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client. However, if that day is not a Funding Day, then the debit entry file will be created and transmitted on the next Funding Day. You authorize us to create and transmit each such debit entry file, and represent and warrant to us that each debit entry created using information you provide to us in a Client Profile and/or an Issue File is properly authorized by the owner of the account to be debited. Funds in the amount of an ACH debit entry must be received in the applicable Individual Client Funding Account on the Business Day following our transmission of the file containing such ACH debit entry.
- b. **ACH credit entries.** You may use ACH credit entries to transfer funds to an Individual Client Funding Account from an account of the applicable Client with us or another financial institution. Provided that we have adequate address information about the Client on whose behalf the Individual Client Funding Account is maintained, we will transmit an automatic ACH credit entry funding notice, by e-mail and/or fax at your option, to you and the Client on the same day that (i) we receive an Issue File for the Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client. However, if that day is not a Funding Day, then the funding notice will be transmitted on the next Funding Day. Funds in the amount specified in a funding notice must be received in the applicable Individual Client Funding Account on the Business Day following our transmission of the funding notice.
- c. **Wire credit transfers.** You may use wire credit transfers to transfer of funds to an Individual Client Funding Account from an account of the applicable Client with us or another financial institution. Provided that we have adequate address information about the Client on whose behalf the Individual Client Funding Account is maintained, Bank will transmit an automatic wire credit transfer funding notice, by e-mail and/or fax at your option, to Company and the Client on the same day that (i) we receive an Issue File for the Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client. However, if that day is not a Funding Day, then the funding notice will be transmitted on the next Funding Day. Funds in the amount specified in a funding notice must be received in the applicable Individual Client Funding Account on the same day we transmit the funding notice.
- d. **Drawdown wires.** You may use drawdown wires to debit the Debit Account. If you use this funding method, prior to sending an Issue File for a particular Client, you will ensure that the corresponding Client Profile contains adequate information about that Client's Debit Account to enable us to generate a drawdown wire from the Debit Account. Provided that we have adequate information about the Debit Account, we will cause a drawdown wire to be automatically initiated and transmitted to the designated depository financial institution through the applicable channel on the same day that (i) we receive an Issue File for a particular Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client. However, if such day is not a Funding Day, then the drawdown wire will be initiated on the next Funding Day. You authorize us to create and transmit each drawdown wire, and represent and warrant to us that each drawdown wire created using information you provide to us in a Client Profile and/or an Issue File is properly authorized by the owner of the account to be debited. Funds in the amount of the drawdown wire must be received in the applicable Individual Client Funding Account on the same day we initiate the drawdown wire.

- e. **Internal book transfers.** You may use internal book transfers to debit the Debit Account, so long as the Debit Account is maintained with us. If you use this funding method, then prior to sending an Issue File for a particular Client, you will ensure that the corresponding Client Profile contains adequate information about such Client's Debit Account to enable us to generate an internal book transfer from the Debit Account. Provided that we have adequate information about the Debit Account, we will cause an internal book transfer to be initiated from the Debit Account on the same day that (i) we receive an Issue File for a particular Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if Company is using a Presentment Funding Basis for the Client. However, that if that day is not a Funding Day, then the internal book transfer will be initiated on the next Funding Day. You authorize us to initiate and execute each such internal book transfer, and represent and warrant to us that each internal book transfer initiated using information you provide to us in a Client Profile and/or an Issue File is properly authorized by the owner of the account to be debited. Funds in the amount of the internal book transfer must be received in the applicable Individual Client Funding Account on the same day we initiate the internal book transfer.

15. **Funding Frequency.** You will fund each Individual Client Funding Account according to one of the funding frequency options set forth in this section 15. Each day on which funding is to occur under a particular funding frequency option is hereinafter referred to as a "Funding Day."

- a. **Daily funding.** Under the "Daily Funding Frequency Option", funding will occur (i) each day that we receive an Issue File for a particular Client, if you are using an Issue Funding Basis for the Client, or (ii) each day on which one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client.
- b. **Weekly funding.** Under the "Weekly Funding Frequency Option", funding will occur once a week, on the same day of the week as you select.
- c. **Monthly funding.** Under the "Monthly Funding Frequency Option", funding will occur one day each month, on either (i) the same numeric day of the month, or (ii) the first or last day of the month, as you select.
- d. **Semi-monthly selected date funding.** Under the "Semi-Monthly Funding Frequency Option", funding will occur twice each month, on the same two numeric days, as selected by you.
- e. **P.A.L. funding.** The "P.A.L. Funding Frequency Option" is only available for accounts you are funding on an Issue Funding Basis. Under this option, funding will occur each time an aggregate dollar amount of items accumulates within one or more Issue Files, with a dollar limit you specify.
- f. **Threshold funding.** The "Threshold Funding Frequency Option" is only available for accounts you are funding on a Presentment Funding Basis. Under this option, funding will occur each time an aggregate dollar amount of items is presented for payment in relation to a particular Client, with a dollar limit you specify.

16. **Supplemental funding days.** You may, at your option, establish one or more additional Funding Days that supplement the funding frequency options chosen for a particular Client under section 15 above. Each additional funding day may be designated as either a "Clean-up Date" or "End-of-Contract Date", depending on the purpose of the supplemental funding. Funding on each supplemental Funding Day will take place according to the Funding Basis and Funding Method previously selected for the applicable Client.

17. **Right of setoff.** In the event that any negative balance is maintained in an Individual Client Funding Account or the Default Account, whether created by action of you or us, we may at any time, and without prior notice to you, set off the amount of such negative balance against funds on deposit in any Recovery Account or any other deposit account you maintain with us; provided, however, that we may not set off against any other Individual Client Funding Account.

18. **Security interest in Recovery Accounts.** As security for the Obligations, you grant us a security interest in and lien on the Recovery Accounts, and all amounts from time to time on deposit in, or withdrawable from, the Recovery Accounts (the "Collateral"). Our receipt at any time of any kind of security, including cash, will not be a waiver of any of our rights or powers under any agreement between us. Upon our request, you will sign and deliver to us, any security, control or other agreements and documents as we determine are necessary or desirable (in our sole opinion) to grant us or perfect our security interest in the Collateral. At the time any Obligation becomes due and payable, we may apply or dispose of any and all Collateral, received or to be received, at any time or place, for any price and upon terms and conditions as we determine. We may apply the amounts on deposit or net proceeds of the sale or other disposition (together with any sums credited by or due from us to you), to the payment of the Obligations, all without prejudice to our rights with respect to any portion of the Obligations which remain unpaid. You expressly waive any right to require us to make any presentment or demand, or give any notices of any kind, including, but not limited to, any notice of nonpayment or nonperformance, protest, notice of protest, notice of dishonor, notice of intent to accelerate or notice of acceleration. If we are required by Applicable Law to give you reasonable notice before the sale or other disposition of Collateral, that requirement is met if notice is given at least 5 calendar days before the date any sale, application or other disposition will be made. Our rights and remedies under any agreements between us or instruments signed by you in our favor are in addition to, and not exclusive of, any other rights or remedies we have under Applicable Law.
19. **Account closure or debit block.** We reserve the right to either close or place a debit block on any Individual Client Funding Account which, in our sole judgment, is subject to repeated overdrafts or overdrafts of an excessive amount, or in the event that the Client associated with such Account is subject to a bankruptcy proceeding or makes a general assignment for the benefit of creditors.
20. **Business Associate Agreement.** If you are an organization that performs any function or activity involving the use, transmission, or disclosure of individually identifiable health information, you and we must enter into a Business Associate Agreement (addressing certain requirements of Subtitle F of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations) in form and substance satisfactory to us.
21. **Compliance with Applicable Laws.** You represent, warrant, and covenant to us that you will at all times comply with all Applicable Laws governing the receipt, holding, management and/or disbursement of funds in any Beneficial Owner Account.
22. **Indemnification.** You agree to indemnify, defend, and hold us harmless from and against any and all Losses which we suffer or incur as a result of or in connection with (i) your failure to have proper authorization to act on behalf of any Client, (ii) any Client Set-up Form or related information you provide to us which is incomplete or erroneous, and (iii) your failure to comply with Applicable Laws governing the receipt, holding, management and/or disbursement of funds for the benefit of Clients.
23. **Ownership dispute.** In the event that any Client asserts ownership rights to an Account held for the benefit of such Client, or any of the funds therein, then absent the mutual written consent of both you and the Client to dispose of the Account and related funds, we reserve the right, in its sole discretion, to suspend all activity on that Account and to interplead the funds into court.

24. **Termination.** Unless terminated sooner in accordance with the terms of the Master Agreement or this Service Description, this Service Description and the Service will continue in effect until terminated by either party upon ninety (90) days prior written notice to the other party. We may terminate the Service following notice to you (i) if you breach any material provision of the Master Agreement or this Service Description and fail to cure the breach within fifteen (15) days after we give notice of the breach, or (ii) notwithstanding the foregoing, if you fail at any time to maintain the minimum balance in the Recovery Accounts required under section 12 of this Service Description. Termination of the Service will not affect your or our rights with respect to transactions which occurred before termination.
25. **Survival.** Sections 4, 10, 12, 14, 17- 19, 22- 24 will survive termination of the Services.

Payable Through Draft Service

1. **Description of Service.** With this Service, we provide you with information about payable-through Drafts that are purportedly drawn on you and received by us so that you can determine if you will pay, edit or dishonor each Draft.
2. **Requirements for Draft stock.** You will ensure each Draft contains:
 - a. The legend “*PAYABLE THROUGH WELLS FARGO BANK, N.A.*”; and
 - b. Our routing number on the MICR line of the Draft. You will also comply with all other requirements we communicate to you. You will not issue any Draft until we notify you that your Draft stock meets our specifications.
3. **Electronic presentment.** Each Business Day, we will present to you each Draft we receive before the Cutoff Time. We will electronically present you with a report or transmission (“Activity Report”) containing the serial number and amount of each Draft available to you through your chosen information reporting service. No physical delivery of a Draft or of a substitute check or a purported substitute check in lieu of a Draft will occur.
4. **Images of Drafts; identifying Unauthorized Drafts.** We will make an electronic image of each Draft available to you through our *CEO*® portal. If for any reason we cannot make an electronic image of a Draft available to you, you remain solely responsible for determining whether a Draft described in each Activity Report is an Unauthorized Draft.
5. **Funding.** You will maintain immediately available funds in your Account sufficient to cover the full amount of Drafts you issue. We have no obligation to honor any Draft if you do not have immediately available funds in your Account sufficient to cover the full amount of the Draft. If an arbitrator or a court determines a Draft has been paid under circumstances that we incur any liability for the Draft under Applicable Law or any agreement having the force of law, you will pay us on demand for the amount of the Draft.
6. **Decisioning.** You must notify us of any presented Draft that is to be edited (section 8 [Edits to Drafts]) or dishonored (section 9 [Drafts to be dishonored]) by the Cutoff Time on the next Business Day following the Business Day on which we made the Activity Report available to you (“Decision Deadline”). You will notify us through our *CEO* portal as set forth in the Reverse Positive Pay Service Description or, in the case of dishonor instructions only, through a means acceptable to us. If we do not receive your edit requests or dishonor instructions by the applicable Decision Deadline, you will be deemed to have instructed us to pay each Draft described in the Activity Report(s) for that Business Day, and you will be obligated to pay the amount of each Draft..

7. **Provisional payment of Drafts.** Any payment or other settlement for a Draft, except a Draft cashed in accordance with section 10, will be provisional and subject to revocation by:
 - a. You, if you direct us to dishonor a Draft before the applicable Decision Deadline, or
 - b. Us at any time before midnight of the day we presented the Draft to you.
8. **Edits to Drafts.** You may request edits of the serial number and/or amount of any Draft described on the Activity Report(s) for any current Business Day. You will notify us of each edit request by means acceptable to us. We may deny your edit request based on our evaluation.
9. **Drafts to be dishonored.**
 - a. **General.** We are subject to requirements regarding the return of Drafts under Applicable Law, including the requirement to provide notice of a dishonored Drafts. We may be liable for the amount of the Draft and other damages if we do not meet these requirements. You are solely responsible for dishonoring any Draft including any Unauthorized Draft. If you decide to dishonor any Draft we present to you, you will notify us prior to the Decision Deadline in accordance with the Reverse Positive Pay Service Description.
 - b. **Reimbursement obligation; revocation instructions.** You will promptly reimburse us for any Losses we suffer or incur as a result of our dishonor of a Draft in accordance with your notice to us. Any payment or other settlement of a Draft will be provisional and can be revoked by:
 - i. You, if you direct us to dishonor a Draft before the Decision Deadline, and
 - ii. Us, at any time before midnight of the first Business Day after the day we presented the Draft to you.

To be effective, we must receive your revocation instruction in a time and manner that gives us a reasonable opportunity to act on it before the payee deposits, cashes or otherwise negotiates the Draft.
 - c. **Fraud.** If your reason for dishonoring a Draft is fraud, your return instruction alone will not constitute a claim for a fraudulent transaction. You must file a separate claim with us relating to the fraudulent transaction.
10. **Draft Cashing.** We offer a Draft Cashing Service (see our User Guide for more information). If you enroll in this Service, you waive any rights to dishonor or issue an edit request with respect to any Draft we cash at our teller line.
11. **Liability and Indemnification.**
 - a. **Indemnification.** You will indemnify, defend, and hold us, and our Representatives harmless from and against all Losses arising out of or relating to:
 - i. (1) our failure to identify an Unauthorized Draft, (2) our refusal to cash a Draft, (3) our failure to meet any requirement to which section 9 (Drafts to be dishonored) of this Service Description refers, (4) our payment of an Unauthorized Draft, or (5) our exercise of our rights, or our performance of our obligations, in accordance with this Service Description,
 - ii. A breach of either the Image Quality Warranty or the No Double Debit Warranty (as defined below),
 - iii. Our obligation to indemnify and reimburse a depository bank that accepts the original paper check from which an electronic check is created, if the loss is due to the check having already been paid, and
 - iv. If we transfer or present an “electronically-created item” and receive settlement or other consideration for it, our obligation to indemnify and reimburse each transferee bank, any subsequent collecting bank, the paying bank, and any subsequent returning bank against Losses that result from the fact that:
 1. The electronic image or electronic information of the electronically-created item is not derived from a paper check,
 2. The person on whose account the electronically-created item is drawn did not authorize the issuance of the electronically-created item or to the payee stated on the item, and

3. A person receives a transfer, presentment, or return of, or otherwise is charged for an electronically-created item in such a way that the person is asked to make payment based on an item or check it has paid.

“Electronically-created item” means an electronic image that has all the attributes of an electronic check or electronic returned check but was created electronically and not derived from a paper check. “Image Quality Warranty” means our guarantee that the electronic image of the check accurately represents all of the information on the front of the check as of the time the original check is truncated, and the electronic information includes an accurate record of all MICR line information required for a substitute check and the amount of the check. “No Double Debit Warranty” means our guarantee that the warrantee will not receive a presentment of or otherwise be charged for an electronic check, an electronic returned check, the original check, a substitute check, or a paper or electronic representation of a paper substitute check, in a way that the warrantee will be asked to make payment on a check that it has already paid.

When we transfer an electronic check for collection or payment, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee bank, any subsequent collecting bank, the paying bank, and the drawer. When we transfer an electronic returned check for return, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee returning bank, the depository bank, and the owner. For purposes of this section 11.a, the term “check” and “electronically created item” includes a Draft.

- b. **Unauthorized Draft.** With respect to each Draft, we:
 - i. Will be deemed to be a collecting bank and not a drawee bank, and
 - ii. Disclaim all liability applicable to a payor bank under the Transfer and Presentment Warranties in Articles 3 and 4 of the UCC.

In the event any Draft paid by you is subsequently determined to be an Unauthorized Draft, we will take any action reasonably requested by you to enforce against prior parties (including prior collecting banks, endorsers and other holders) whatever rights you may have against those prior parties, but we will not be liable to you with respect to the Unauthorized Draft and will not be obligated to take any action with respect to the Unauthorized Draft unless you first indemnify us for all costs, expenses and liabilities, including reasonable attorneys’ fees and legal expenses, which we may incur as a result of such action.

- c. **Delayed Return.** You are responsible to any party that incurs a loss in connection with a Draft, if:
 - i. The loss is due to a delay in the return of the Draft, and
 - ii. The delay is caused, in whole or in part, by any presentment-related problem resulting from:
 1. The failure of any Draft to meet our draft specifications (section 2), or
 2. Material appearing on the back of the Draft when it was issued by you including without limitation carbon blanks, blacked-out areas and printed or written text or numbers.

12. **Survival.** Sections 3, 4, 6, 9, 10, and 11 of this Service Description will survive termination of the Service.

Third Party Drafts Service

1. **Description of Service.** You provide draft stock to your customers (each, a “third party”) that issue third party drafts. With this Service, we will provide you with a controlled disbursement service for third party drafts. You will establish and maintain:
 - a. One or more demand deposit accounts with us (each, a “Funding Account”), and
 - b. One or more demand deposit accounts with us (each, a “Disbursement Account”), each of which is linked to a Funding Account and assigned to one of our controlled disbursement end points (each, an “End Point”).

2. **Requirements for Draft stock.** You will ensure each Draft contains:
 - a. The legend “*PAYABLE THROUGH WFB, N.A.*”; and
 - b. Our routing number on the MICR line of the Draft. You will also comply with all other requirements we communicate to you. You will not provide Draft stock to any third party until we notify you that your Draft stock meets our specifications.
3. **Electronic presentment.** Each Business Day, we will present to you each Draft we receive before the Cutoff Time. We will electronically present you with a report or transmission (“Activity Report”) containing the serial number and amount of each Draft available to you through your chosen information reporting service. No physical delivery of a Draft or of a substitute check or a purported substitute check in lieu of a Draft will occur.
4. **Images of Drafts; identifying Unauthorized Drafts.** We will make an electronic image of each Draft available to you through our *CEO*® portal. If for any reason we cannot make an electronic image of a Draft available to you, you remain solely responsible for determining whether a Draft described in each Activity Report is an Unauthorized Draft.
5. **Funding.** You will maintain immediately available funds in your Account sufficient to cover the full amount of Drafts you issue. We have no obligation to honor any Draft if you do not have immediately available funds in your Account sufficient to cover the full amount of the Draft. If an arbitrator or a court determines a Draft has been paid under circumstances that we incur any liability for the Draft under Applicable Law or any agreement having the force of law, you will pay us on demand for the amount of the Draft.
6. **Decisioning.** You must notify us of any presented Draft that is to be edited (section 8) or dishonored (section 9) by the Cutoff Time on the next Business Day following the Business Day on which we made the Activity Report available to you (“Decision Deadline”). You will notify us through our CEO portal as set forth in the Reverse Positive Pay Service Description or, in the case of dishonor instructions only, through a means acceptable to us. If we do not receive your edit requests or dishonor instructions by the applicable Decision Deadline, you will be deemed to have instructed us to pay each Draft described in the Activity Report(s) for that Business Day, and you will be obligated to pay the amount of each Draft that is not timely returned by us.
7. **Provisional payment of Drafts.** Any payment or other settlement for a Draft, except a Draft cashed in accordance with section 10 [Draft cashing], will be provisional and subject to revocation by:
 - a. You, if you direct us to dishonor a Draft before the applicable Decision Deadline, or
 - b. Us at any time before midnight of the day we presented the Draft to you.
8. **Edits to Drafts.** You may request edits of the serial number and/or amount of any Draft described on the Activity Report(s) for any current Business Day. You will notify us of each edit request by means acceptable to us. We may deny your edit request based on our evaluation.
9. **Drafts to be dishonored.**
 - a. **General.** We are subject to requirements regarding the return of Drafts under Applicable Law, including the requirement to provide notice of a dishonored Draft. We may be liable for the amount of the Draft and other damages if we do not meet these requirements. You are solely responsible for dishonoring any Draft including any Unauthorized Draft. If you decide to dishonor any Draft we present to you, you will notify us prior to the Decision Deadline in accordance with the Reverse Positive Pay Service Description.

- b. **Reimbursement obligation; revocation instructions.** You will promptly reimburse us for any Losses we suffer or incur as a result of our dishonor of a Draft in accordance with your notice to us. Any payment or other settlement of a Draft will be provisional and can be revoked by:

- i. You, if you direct us to dishonor a Draft before the Decision Deadline, and
- ii. Us at any time before midnight of the first Business Day after the day we presented the Draft to you.

To be effective, we must receive your revocation instruction in a time and manner that gives us a reasonable opportunity to act on it before the payee deposits, cashes or otherwise negotiates the Draft.

- c. **Fraud.** If your reason for dishonoring a Draft is fraud, your return instruction alone will not constitute a claim for a fraudulent transaction. You must file a separate claim with us relating to the fraudulent transaction.

- 10. **Draft cashing.** We, or an affiliate, will not cash any Draft presented for encashment at our teller line, except at our own discretion.

11. **Liability and indemnification.**

- a. **Indemnification.** You will indemnify, defend, and hold us, and our Representatives harmless from and against all Losses arising out of or relating to:
 - i. (1) our failure to identify an Unauthorized Draft, (2) our refusal to cash a Draft, (3) our failure to meet any requirement to which section 9 (Drafts to be dishonored) of this Service Description refers, (4) our payment of an Unauthorized Draft, or (5) our exercise of our rights, or our performance of our obligations, in accordance with this Service Description,
 - ii. A breach of either the Image Quality Warranty or the No Double Debit Warranty (as defined below),
 - iii. Our obligation to indemnify and reimburse a depository bank that accepts the original paper check from which an electronic check is created, if the loss is due to the check having already been paid, and
 - iv. If we transfer or present an “electronically-created item” and receive settlement or other consideration for it, our obligation to indemnify and reimburse each transferee bank, any subsequent collecting bank, the paying bank, and any subsequent returning bank against Losses that result from the fact that:
 - 1. The electronic image or electronic information of the electronically-created item is not derived from a paper check,
 - 2. The person on whose account the electronically-created item is drawn did not authorize the issuance of the electronically-created item or to the payee stated on the item, and
 - 3. A person receives a transfer, presentment, or return of, or otherwise is charged for an electronically-created item in such a way that the person is asked to make payment based on an item or check it has paid.

“Electronically-created item” means an electronic image that has all the attributes of an electronic check or electronic returned check but was created electronically and not derived from a paper check. “Image Quality Warranty” means our guarantee that the electronic image of the check accurately represents all of the information on the front of the check as of the time the original check is truncated, and the electronic information includes an accurate record of all MICR line information required for a substitute check and the amount of the check. “No Double Debit Warranty” means our guarantee that the warrantee will not receive a presentment of or otherwise be charged for an electronic check, an electronic returned check, the original check, a substitute check, or a paper or electronic representation of a paper substitute check, in a way that the warrantee will be asked to make payment on a check that it has already paid.

When we transfer an electronic check for collection or payment, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee bank, any subsequent collecting bank, the paying

bank, and the drawer. When we transfer an electronic returned check for return, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee returning bank, the depository bank, and the owner. For purposes of this section 11.a, the term “check” and “electronically created item” includes a Draft.

- b. **Unauthorized Draft.** With respect to each Draft, we:
 - i. Will be deemed to be a collecting bank and not a drawee bank, and
 - ii. Disclaim all liability applicable to a payor bank under the Transfer and Presentment Warranties in Articles 3 and 4 of the UCC.

In the event any Draft paid by you is subsequently determined to be an Unauthorized Draft, we will take any action reasonably requested by you to enforce against prior parties (including prior collecting banks, endorsers and other holders) whatever rights you may have against those prior parties, but we will not be liable to you with respect to the Unauthorized Draft and will not be obligated to take any action with respect to the Unauthorized Draft unless you first indemnify us for all costs, expenses and liabilities, including reasonable attorneys’ fees and legal expenses, which we may incur as a result of such action.

- c. **Delayed return.** You are responsible to any party that incurs a loss in connection with a Draft, if:
 - i. The loss is due to a delay in the return of the Draft, and
 - ii. The delay is caused, in whole or in part, by any presentment-related problem resulting from:
 - 1. The failure of any Draft to meet our draft specifications (section 2), or
 - 2. Material appearing on the back of the Draft when it was issued by you including without limitation carbon banks, blacked-out areas and printed or written text or numbers.

- 12. **Anti-money laundering and sanctions controls.** While this Service Description is in effect, you will:
 - a. Be solely responsible for monitoring, interpreting and complying with all laws, regulations, judicial and administrative decisions, and executive orders that apply to you as a provider of accounts to your customers on which Drafts are issued, including the U.S. anti-money laundering and anti-terrorist financing (“AML”) and sanctions laws and regulations;
 - b. Maintain policies and procedures to reasonably ensure compliance with applicable provisions of the U.S. AML laws and regulations, including but not limited to the USA PATRIOT Act (“PATRIOT Act”), and regulations promulgated by the Office of Foreign Assets Control (“OFAC”) of the United States Department of the Treasury;
 - c. Where you qualify under section 314(b) of the PATRIOT Act, maintain an effective notice with FinCEN evidencing your intent to engage in information sharing pursuant to section 314(b) of the PATRIOT Act;
 - d. If subject to the PATRIOT Act, maintain policies and procedures that include a risk assessment of its products and services, designate a Board-approved AML Compliance Officer responsible for overseeing the components of the AML Program, and include processes for training, monitoring of Drafts, recordkeeping and reporting;
 - e. Provide copies of your policies, procedures and practices designed to comply with this section 12, as we may request from time to time; and (b) upon our request and sole expense, allow us, or our designee, to make such on-site visits to you as we deem necessary or appropriate to review your policies, procedures and practices designed to comply with this section 12; and
 - f. Work with us in good faith to minimize the number of on-site visits and to limit the impact of the on-site visits on your business.

- 13. **Survival.** Sections 3, 4, 6, 9, 10 and 11 of this Service Description will survive termination of the Service.

Glossary

Account Agreement means the applicable account agreement governing your Account.

Applicable Law is defined in section 3 of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, “Business Day” means each day on we are open for business related to that Service.

Check Issue Data means for any Check or Draft, the complete serial number and numeric amount. If you have elected the Payee Validation service option under the Positive Pay Service, Check Issue Data also includes the payee’s name.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Decision Deadline means on any Business Day, (i) for the Positive Pay Service, the time we establish by which you must choose to pay or return each Exception Check, and (ii) for the Reverse Positive Pay Service, the time we establish by which you must choose to edit or return each Check on the Paid Items Report.

Draft means each payable-through draft or third party draft we present to you in accordance with this Service Description and includes an Unauthorized Draft.

Item has the meaning given in the Account Agreement.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

Matching Check is a Check presented to us that matches the Check Issue Data you have provided to us.

Obligations means any and all advances, debts, loans, obligations and liabilities that you owe us and our affiliates pursuant to the terms of this Service Description, including any advances we make to the Funding Account pursuant to Section 3 of the Controlled Disbursements Service Description and any advances we make to the Disbursement Account pursuant to Section 4 of the Controlled Disbursements Service Description.

Representatives is defined in section 11(f) of the Master Agreement.

Unauthorized Draft means a counterfeit or altered Draft, a reproduction of a duly authorized Draft, a Draft with a forged or other unauthorized signature, or a forged, unauthorized, incorrect or illegible endorsement.



Wire Transfer Service Description

Treasury Management Services

Introduction

The Service Documentation contains the terms and conditions under which we provide you the services described below. “You,” “your” or “yours” refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in the Service (“Acceptance”). The terms “we,” “us,” or “our” refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The service (“Service”) covered by this Service Description is:

- Wire Transfer

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing the Account,
- e. The Product Enrollment Form (which contains set-up information for each service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office*® (CEO®) portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Wire Transfer Service

1. **Description of service.** With this Service you can instruct us to transfer funds by wire. You agree to comply with all applicable payment system rules, including the national payment system rules and any other Applicable Laws and regulations of the receiving country of the transaction.
2. **Preparation of payment orders; processing schedules.** You will prepare each Payment Order according to guidelines we separately make available from time to time. You will use the applicable Security Procedure when you send a Payment Order to us.

We will execute each Payment Order in accordance with our then current processing schedule and any accompanying instructions you include regarding the date a Payment Order is to be executed. A Payment Order will be deemed received by us when we have verified it in compliance with the Security Procedure.

- a. If we receive a Payment Order after our Cutoff Time on any Business Day, we will treat the Payment Order as having been received before our applicable Cutoff Time on our next Business Day.
- b. If we execute your Payment Order by sending instructions to another financial institution, we may send the Payment Order by any transmission method and by any route we in our sole discretion consider reasonable.

3. **Inconsistency in name and number.**

- a. If a Payment Order describes the person to receive the funds under the Payment Order both by name and identifying number, we or another financial institution through which the Payment Order is routed may rely solely on the identifying number to identify the person, even if the number identifies a person other than the one named.
- b. If a Payment Order describes a financial institution both by name and identification number, we or another financial institution through which the Payment Order is routed may rely solely on the identification number to identify the financial institution, even if the identification number refers to a financial institution other than the one named.

4. **Authorization to pay.** You authorize us to:

- a. Execute any Payment Order we verify in accordance with the applicable Security Procedure, and
- b. Debit the account specified in the Payment Order even if a debit results in an overdraft on the execution date. If no account is specified, we will debit your Account or any other of your account(s) with us or one of our affiliates.

You will maintain sufficient available funds in the account specified in the Payment Order at the time of each debit.

5. **Your duty to report erroneous or unauthorized transfer instructions.** You will exercise reasonable care to:

- a. Determine whether a Payment Order accepted by us was either erroneous or not authorized, and
- b. To notify us of the relevant facts within a reasonable time not exceeding 14 days after we notify you that the Payment Order was accepted or that the Account was debited for the Payment Order, whichever is earlier.

If you do not notify us within 14 days, we will not be liable for any loss of interest or for any other loss relating to an erroneous or unauthorized debit to your account or because of any other discrepancy in the notice.

6. **Rejected payment orders.** If a Payment Order is rejected for any reason, we will attempt to notify you promptly so you can cure the defect. However, we will have no liability to you for a rejected Payment Order or any loss resulting from our delay or failure to notify you.

7. **Cancellation, amendment, reversal.** A Payment Order will be final and not subject to cancellation, amendment or reversal by you, except we may, at your request, make an effort to cancel, amend or reverse a Payment Order without incurring any liability for our failure or inability to do so.

8. **Drawdown requests.** A “drawdown request” is an instruction from you to another depository institution to debit:

- a. An account at that institution and transfer the funds to us (an “outgoing drawdown request”), or
- b. The Account and transfer the funds to that institution (an “incoming drawdown request”).

In this Service description, “Payment Order” includes drawdown requests. We may execute an incoming drawdown request that conforms with instructions we receive through Fed Wire, SWIFT, CHIPS or any other funds transfer system, provided those instructions are not inconsistent with instructions you separately provide in writing. The authority to execute the incoming drawdown request will continue until we receive your express written notice that such authority is revoked and have a reasonable time to act on it.

9. **Limitation of liability.** We will not be liable for any third party's failure to or delay or error in processing a Payment Order. If the beneficiary bank does not pay the beneficiary specified in the Payment Order, a refund will be made only after we have received confirmation of the effective cancellation of the Payment Order and we are in free possession of the funds debited or earmarked in connection with the Payment Order. If we are notified the beneficiary bank did not credit the Account for the full amount stated in a Payment Order, our sole obligation will be to promptly execute a second Payment Order in the amount of the stated deficiency.

If we execute a Payment Order that is more than the amount stated in the Payment Order, to the extent you do not receive the benefit of the full amount of the Payment Order, we will only be liable for any loss of the principal amount transferred in excess of the amount stated in the Payment Order. Additionally, we will be liable for the amount of interest you have lost due to the transfer of the excess amount, computed at the Federal Funds rate or as otherwise agreed. However, our liability for loss of interest will be limited to 20 calendar days' interest. This section sets forth our complete liability for a Payment Order issued or received under this Wire Transfer Service description.

10. **Survival.** Sections 5, 6, 7 and 9 will survive the termination of the Services.

Glossary

Account means your account(s) with us used in connection with the Service.

Account Agreement means the applicable account agreement governing the Account.

Applicable Law is defined in section 3 of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, "Business Day" means each day on we are open for business related to that Service.

Cutoff Time means our cutoff time each Business Day we separately disclose to you for the applicable Service.

Master Agreement means the Master Agreement for Treasury Management Services.

Payment Order means an instruction to us in your name to transfer funds from your Account (and includes any communication cancelling or amending an instruction).

Security Procedure is defined in the Product Enrollment Form and in section 6 of the Master Agreement.



Check Collections Service Description

Treasury Management Services

Introduction

The Service Documentation contains the terms and conditions under which Wells Fargo Bank, N.A. ("Bank") provides you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The services (each a "Service") covered by this Service Description are:

- Returned Items Service
- Wells Fargo Remote Deposit Capture Service

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing your account that you use for the Service ("Account"),
- e. The Product Enrollment Form ("Set-up Form") (which contains set-up information for the service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The separate documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office*® (CEO®) portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Returned Items Service

1. **Description of service.** This Service includes:

- a. Special Instructions regarding the handling of your Returned Items (section 2),
- b. Returned Item Decisioning through our CEO portal (section 3),
- c. Electronic Returns through which we submit your Returned Items as RCK entries in accordance with the ACH Rules (section 4),
- d. Centralized Return Processing through which we process your Returned Items as your centralized return processor (sections 5),
- e. Returned Item Forwarding through which we forward Returned Items you receive on your Accounts to your centralized returns processor (section 6), and
- f. Returned Item Service Fee Recovery through which we issue MICR drafts to recover service fees you charge your customers in connection with Returned Items (section 7).

We will provide the Returned Item Service to you in accordance with the Service Documentation, including the User Guide for the Service that we make available to you, and Applicable Law.

2. **Special instructions.** We will process your Returned Items in accordance with any special instructions you communicate to us from time to time as described further in the User Guide for the Service.

3. **Returned Item decisioning; access to images.**

- a. **Returned Item decisioning.** If you elect this Service option, you can send us processing instructions through the *CEO* portal for Returned Items we received prior to the applicable Cutoff Time each Business Day. Each message related to the processing of a Returned Item (your “Decisioning Instruction”) must be received by us by the decisioning Cutoff Time each Business Day. If we do not receive your Decisioning Instruction by the decisioning Cutoff Time, we will handle the Returned Item in accordance with your Default Instruction. “Default Instruction” means your election for us to take one of the following actions for a Returned Item, as specified in your Set-Up Form for the Service:
 - i. “Redeposit,” meaning we redeposit the Returned Item, or
 - ii. “Chargeback,” meaning we chargeback the Returned Item to one of your accounts in accordance with section 9 below.
- b. **Access to images.** If you elect this option, we will make images of Returned Items available to you through the *CEO* portal or other channels or transmission methods you and we agree to. These images are retained for the time period set forth in our retention policy for the Service.

4. **Electronic returns.** If you elect this Service option, we will submit RCK entries for your Returned Items that we have determined (using a data-based decisioning method) qualify as RCK entries under the ACH Rules.

- a. **Warranties.** The ACH Rules require the originator of an RCK entry to make certain representations and warranties with respect to the original Item for which the RCK entry is initiated. If we incur any liability for breaching these warranties, you will reimburse us and not hold us responsible or liable.
- b. **Rejected entries.** The financial institution on which a Returned Item was drawn may reject any RCK entry without liability to us. In the event any RCK entry submitted on your behalf is rejected by the ACH for any reason and we have sufficient data to permit us to repair the RCK entry, we will make the repair. Upon our request, you will provide us with all information necessary to repair any RCK entry or file of RCK entries.
- c. **Provisional credit.** Any credit to your Account in connection with an RCK entry is provisional until such time as settlement for the RCK entry becomes final. In the event any RCK entry is returned or an adjustment memorandum is received with respect to the RCK entry, you will immediately deposit with us sufficient funds to cover the returned RCK entry or adjustment memorandum. You authorize us to debit the Account or any other accounts you maintain with us for the amount of any returned RCK entry or adjustment memorandum.

5. **Centralized check return.** If you elect this Service option and it is available to you, we will process Returned Items from your Account and accounts with other financial institutions with which you arrange for us to provide this Service.

- a. **Centralized return endorsement.** You will place a Centralized Return Endorsement on the back of each check or other Item you intend to deposit with a financial institution other than us that, upon dishonor, you wish to have returned to the Account you designate for this Service. Upon your request, we will supply you with an endorsement stamp or examples of endorsement stamps that satisfy the requirements of this section.
- b. **Relation of multiple endorsements.** You agree that the Centralized Return Endorsement:
 - i. Is in addition to and not in place of the endorsement placed on an Item by the depository bank,
 - ii. Could obscure, in whole or in part, the endorsement placed on the Item by the depository bank, and
 - iii. Could be obscured by, in whole or in part, the endorsement placed on each deposited Item by the depository bank.

6. **Returned item forwarding.** If you elect this Service option:

- a. You will notify us of the financial institution you choose as your centralized return processor,
- b. You will place your Centralized Return Endorsement identifying your centralized return processor on the back of each check or other Item you deposit to your Account that, upon dishonor and subsequent receipt by us, you want us to forward to your centralized return processor, and

- c. We will forward the Returned Items that we receive to your centralized return processor.
7. **Returned Item service fee recovery.** If you elect this Service option, you may issue a MICR draft on the account of the issuer of a Returned Item in the amount that you and we separately agree will be your Returned Item service fee.
 8. **Delayed returns.** Under Applicable Law, paying and returning banks may rely on any routing number that appears on a returned check as that of the bank of first deposit. This means a Returned Item may be returned to either us or to the actual depository bank and there could be a significant delay in our receipt of a Returned Item. You, not us, are solely responsible for any and all Losses that may arise in connection with any delay in the return of any Returned Item under this Service Description, including any Item to be returned to your centralized return processor under section 5.
 9. **Chargebacks.** We may chargeback a Returned Item to any account you maintain with us without regard to whether the Returned Item was initially deposited to your Account or at another financial institution.
 10. **Representations and warranties.** You represent and warrant to us and agree as follows:
 - a. **Authorization.** The issuer of any Returned Item has authorized you to represent the Returned Item electronically and that authorization is legally sufficient under Applicable Law.
 - b. **Representment/Returned Item fees.** You acknowledge that the ACH Rules do not allow collection of fees associated with a represented item by means of a single RCK entry in the amount of both the represented item and the related fees. You agree that each Item you deposit to your Account or another financial institution will only be for the amount of the Item, and will not include any amount for a representment/returned item fee or similar fee.
 - c. **Returned Item service fees.** You have properly disclosed to all your customers that you charge a service fee for Items returned unpaid for any reason as described in section 7.
 11. **Indemnification.** You will indemnify, defend, and hold us and our Representatives harmless from Losses arising directly or indirectly from or related to:
 - a. Any material breach in any of your representations, warranties and agreements contained in this Service Description,
 - b. The violation of any Applicable Laws in the performance of your obligations under this Service Description,
 - c. A breach of any warranty we make under the ACH Rules in connection with our Electronic Returns Service option as described in section 4,
 - d. Any action you ask us to take in connection with this Service, except to the extent that any such Losses are directly caused by our gross negligence or willful misconduct, and
 - e. A delay in the return of any Item deposited to your account at another financial institution as described in section 8.
 12. **Survival.** Sections 4, 8, 9, 10 and 11 of this Service Description will survive termination of the Service.

Wells Fargo Remote Deposit Capture Service

(Wells Fargo Electronic DepositSM, Desktop Deposit[®] and CEO Mobile Deposit)

1. **Description of service.** With this Service you can create Electronic Checks from eligible paper checks and transmit the Electronic Checks (and where applicable an Electronic File) to us to deposit in your Account in accordance with the Service Documentation. For each Electronic Check we determine is eligible for processing, we will:

- a. Include the Electronic Check in an electronic file for presentment directly or indirectly to the Paying Bank,
 - b. Post or present any Electronic Check for which we are the Paying Bank, or
 - c. Create a Substitute Check (as defined in the applicable Account Agreement) that we will present directly or indirectly to the Paying Bank.
2. **Creating Electronic Checks.** To create Electronic Checks (and where applicable send us Electronic Files), you will use either software and certified or approved hardware that we provide to you, or hardware and software capable of creating Electronic Checks that meet our standards and specifications. We will review each Electronic Check and process the Electronic Checks we determine are eligible for processing:
 - a. On the Business Day you transmit the Electronic Checks (or if applicable, your Electronic File) to us, if we received the Electronic Checks before the Cutoff Time, and
 - b. On the next Business Day if you transmit the Electronic Checks (or if applicable, your Electronic File) to us after the Cutoff Time.
3. **Exception Checks.** Our User Guide for this Service lists eligible U.S. Dollar checks (as well as ineligible checks). We may, without liability to you, reject Electronic Checks we determine are ineligible for this Service or that Applicable Law prohibits us from accepting through this Service (an "Exception Check"). We will notify you of each Exception Check through our CEO portal or other communication channel. You will deposit an Exception Check to your Account only by depositing the corresponding original paper check or as otherwise agreed between you and us.

Even if we do not identify an Exception Check during processing, a Substitute Check may be returned to us because the Paying Bank determines it is not eligible. Our failure to identify an Exception Check will not limit your obligations to us under section 7.

4. **Deposits to your account.** We will be deemed to have accepted each Electronic Check (other than any Exception Check) for deposit to your Account (a) on the Business Day we process the Electronic Check (b) at our office where your Account is maintained. Funds from these Electronic Checks will be made available as provided in our Funds Availability Policy applicable to your Account and will be deemed to be collected as set forth in our Electronic Deposit Collected Funds Schedule. We will provide these documents (as amended from time to time) to you upon request.

Any check you deposit that is returned to you may be returned in the form of a Substitute Check. If we receive a notice of nonpayment from Paying Bank for an Electronic Check or Substitute Check presented for payment, we have no obligation to provide this notice to you or your customers.

5. **Third-party processors.**
 - a. **General.** You are a "third-party processor" when you use this Service either to (a) create and process an Electronic Check on behalf of your customer or (b) process an Electronic Check one of your customers has created and transmitted to you.
 - b. **Customer due diligence.** Before acting as a third-party processor for any customer, you will conduct due diligence appropriate to the type of customer (consumer or business). As part of your due diligence, when a customer opens an account with you, you will obtain the customer's name, Taxpayer Identification Number, and address. In addition, you will comply with any obligations under Applicable Law for:
 - i. Establishing and maintaining a Customer Identification Program and an Anti-Money Laundering Program,
 - ii. Establishing and maintaining written procedures reasonably designed to identify and verify beneficial owners of legal entity customers and to include such procedures in your Anti-Money Laundering Program, and

- iii. Suspicious activity monitoring and reporting.
 - c. **Customer agreements.** You will also enter into an agreement with each of your customers which includes:
 - i. Provisions paralleling those in this Service description relating to creating Electronic Checks and maintaining the security of original paper checks,
 - ii. Warranties paralleling each of the warranties you make to us in this Service description,
 - iii. An acknowledgement that we may at any time refuse to process Electronic Checks for that customer, and
 - iv. If the customer is a business entity, an obligation that customer, upon your request, will provide you the information you require to understand the nature of the customer's business.
 - d. **Risk parameters; ongoing monitoring.** For each of your customers, you will use reasonable commercial standards to monitor the customer's deposits for suspicious activity including out-of-pattern, duplicate and suspicious Electronic Checks on an ongoing basis. You will take appropriate actions with respect to the customer's account, up to and including refusing to process Electronic Checks for the customer and/or preventing the customer from transacting on its account(s) with you. We will establish and maintain confidential internal risk parameters for your Electronic Checks but you are solely responsible for monitoring your customer's Electronic Checks.
6. **Your representations and warranties.** You represent and warrant to us and agree that you will:
- a. Use this Service only for eligible paper checks payable to or endorsed for deposit by you or your customers (unless we expressly agree otherwise),
 - b. Transmit to us only Electronic Checks eligible for processing including legible Electronic Checks containing machine-readable MICR data,
 - c. Not transmit to us any Electronic Check that duplicates an Electronic Check previously transmitted to us or that did not originate as an eligible paper check,
 - d. Ensure that each original paper check for which you or one of your customers has created an Electronic Check is securely retained and then securely destroyed (including all nonpublic personal information on the original paper check) and properly secure all hardware you use in connection with this Service,
 - e. Not transmit to us, deposit to your Account, or otherwise negotiate any original eligible paper check for which you have transmitted an Electronic Check to us, unless we have notified you that the Electronic Check is an Exception Check, and
 - f. If you use an agent to create Electronic Checks and/or transmit your Electronic Files to us, you will ensure your agent transmits only Electronic Checks payable to you, unless we expressly agree to permit the agent to include Electronic Checks payable to multiple customers of ours.
7. **Indemnification.** You will indemnify, defend, and hold us and our Representatives harmless from and against all of our Losses arising directly or indirectly from or related to:
- a. Any negligent or intentional act or omission by you in the performance of your obligations under this Service description including breaching your obligation under section 6(d) above, in which event Losses will include consequential damages,
 - b. Any material breach in your representations, warranties, covenants, or obligations in this Service description,
 - c. Us acting as a "reconverting bank" under the Check Clearing for the 21st Century Act through the creation of Substitute Checks, in which event Losses will include consequential damages,
 - d. Us posting or presenting an Electronic Check for which we are Paying Bank or presenting an Electronic Check to the Paying Bank for payment,
 - e. The transfer or return of an Electronic Check or an Electronic Returned Check on your behalf,
 - f. A breach of either the Image Quality Warranty or the No Double Debit Warranty (as defined below),
 - g. Our obligation to indemnify and reimburse a depository bank that accepts the original paper check from which an Electronic Check is created, if the loss is due to the check having already been paid, and

- h. If we transfer or present an “electronically-created item” and receive settlement or other consideration for it, our obligation to indemnify and reimburse each transferee bank, any subsequent collecting bank, the Paying Bank, and any subsequent returning bank against Losses that result from the fact that:
 - i. The electronic image or electronic information of the electronically-created item is not derived from a paper check,
 - ii. The person on whose account the electronically-created item is drawn did not authorize the issuance of the electronically-created item or to the payee stated on the item, and
 - iii. A person receives a transfer, presentment, or return of, or otherwise is charged for an electronically-created item in such a way that the person is asked to make payment based on an item or check it has paid.

“Electronically-created item” means an electronic image that has all the attributes of an Electronic Check or Electronic Returned Check but was created electronically and not derived from a paper check. “Image Quality Warranty” means our guarantee that the electronic image of the check accurately represents all of the information on the front of the check as of the time the original check is truncated, and the electronic information includes an accurate record of all MICR line information required for a Substitute Check and the amount of the check. “No Double Debit Warranty” means our guarantee that the warrantee will not receive a presentment of or otherwise be charged for an Electronic Check, an Electronic Returned Check, the original check, a Substitute Check, or a paper or electronic representation of a paper Substitute Check, in a way that the warrantee will be asked to make payment on a check that it has already paid.

When we transfer an Electronic Check for collection or payment, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee bank, any subsequent collecting bank, the Paying Bank, and the drawer. When we transfer an Electronic Returned Check for return, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee returning bank, the depository bank, and the owner.

- 8. **Termination.** In addition to our rights to suspend or terminate Services under the Master Agreement, we may suspend or terminate this Service immediately upon notice if we determine in our sole discretion that you have breached any of your obligations under sections 6 or 7 of this Service description.
- 9. **Additional controls.**
 - a. **General.** We may upon reasonable prior notice to you to:
 - i. Mandate specific internal controls at your locations,
 - ii. Periodically audit or require audits of your RDC operations including your IT infrastructure at your expense, and
 - iii. Request additional information about you.
 - b. **Your internal controls.** You will establish internal controls related to your RDC operations. Upon reasonable request, you will provide us with information about your internal controls and will work in good faith with us to resolve any concerns that that we have regarding these controls.
 - c. **Your consumer complaints.** With reasonable prior notice to you, you will provide us with information about consumer complaints you receive relating to your RDC product (“consumer complaints”), including:
 - i. Your procedures for handling consumer complaints,
 - ii. The number of consumer complaints you received in the prior calendar quarter, and
 - iii. The current status of each consumer complaint.
- 10. **Survival.** Sections 6 and 7 of this Service Description will survive termination of the Service.

Glossary

Account Agreement means the applicable account agreement governing your Account.

ACH means the Automated Clearing House.

ACH Rules means the Nacha Operating Rules and any applicable local ACH rules.

Applicable Law is defined in section 3 of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, “Business Day” means each day on we are open for business related to that Service.

Centralized Return Endorsement means a special endorsement on a Returned Item which (a) includes all of the information required by 12 CFR §229.35 (as amended from time to time) to be included in an endorsement made by a bank of first deposit, (b) to the extent possible, conforms to applicable formatting specifications, and (c) is more prominent than the endorsement of the actual depository bank.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Electronic Check means an electronic image of, and electronic information derived from a paper check.

Electronic File means the electronic file you (or your vendor) create and send us when transmitting Electronic Checks using the Wells Fargo Electronic Deposit Service.

Electronic Returned Check means an Electronic Check derived from a paper returned check.

Item is defined in the Account Agreement.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Paying Bank means the bank on which the original paper check to which the Electronic Check relates is drawn or through which the original paper check is payable.

Master Agreement means the Master Agreement for Treasury Management Services.

RCK entry is defined in the ACH Rules.

Representatives is defined in section 11(f) of the Master Agreement.

Returned Item means an Item that is returned to us unpaid after you deposit it to your Account.

Security Procedure is defined in the Product Enrollment Form and in section 6 of the Master Agreement.

Service Documentation is defined in section 1 of the Master Agreement.



Information Reporting and Image Delivery Service Description

Treasury Management Services

November 8, 2019

Introduction

The Service Documentation contains the terms and conditions under which we provide you the services described below. “You,” “your” or “yours” refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in the Service (“Acceptance”). The terms “we,” “us,” or “our” refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The service (“Service”) covered by this Service Description is:

- Information Reporting and Image Delivery

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing the Account,
- e. The Product Enrollment Form (which contains set-up information for each service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office*® (CEO®) portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Information Reporting and Image Delivery

1. Description of services.

- a. With this Service we make data regarding transactions and/or images of Items posted to or processed through your Accounts available to you in order to provide you with timely information on your Account activity. We refer to the data and images as “information.” The information and reports you can access are described in the User Guide for the Service. If you elect to use the Cash Flow Analysis Service (described further in the User Guide for the Service), you may also manually populate external data you want to view through this Service.
- b. The methods we use to make information available to you (and we may remove or add methods from time to time) include without limitation BAI File Transfer, InfoFax fax/email, SWIFT messaging, ISO 20022 XML transmission, physical media (CD-ROM and DVD), Machine-to-Machine, our CEO portal, and an Application Programming Interface (“API”) through the Wells Fargo Gateway.
- c. The information may include images of Items or other instruments that are:
 - i. Posted to or processed through the Account,
 - ii. Cashed or collected by us or accepted for deposit to the Account, and
 - iii. Returned unpaid to the Account.

Images of posted paper Items that have been converted to ACH Entries pursuant to the ACH Rules may not be available through this Service.

2. **Accuracy of Information.**
 - a. We will not verify the accuracy or completeness of: (i) information from other financial institutions, (ii) information you manually populate, or (iii) cash forecasting information. Forecasting information is not a guarantee of actual performance.
 - b. Account balances and other information that reflect intraday activity on your Account may differ from the available balance as determined under our funds availability policy (as described in the Account Agreement) and by our internal risk parameters.
3. **Software Sublicense.** If a software license or sublicense is required for you to access the Service (“Software Sublicense”), we will make the terms of the Software Sublicense available to you as part of the set up process for the Service. You will be required to accept the Software Sublicense before being allowed to access the Service. We may terminate any Service requiring use of a Software Sublicense immediately on written notice to you, including without limitation if you fail to comply with the Software Sublicense.
4. **Stop payment orders.** If you elect a service option through which you can place stop payment orders, your rights and our obligations regarding any stop payment order will be determined as provided in the Account Agreement.

Glossary

Account means your account(s) with us used in connection with the Service.

Account Agreement means the applicable account agreement governing the Account.

ACH means automated clearing house.

ACH Rules means the Nacha Operating Rules and any applicable local ACH rules.

Item is defined in the Account Agreement.

Master Agreement means the Master Agreement for Treasury Management Services.

Merchant Services

Program Guide

Together we'll go far



PREFACE

Thank you for selecting us for your payment processing needs. Accepting numerous payment options provides a convenience to your customers, increases your customers' ability to make purchases at your establishment, and helps speed payment to your account.

Your Merchant Processing Application will indicate the types of payments and Services you have elected to accept. These Program Terms and Conditions (the "Program Guide") present terms governing such payments and Services, including, as applicable, terms governing the acceptance of Visa®, Mastercard® and Discover®, PayPal in-store payments Credit Card, Non-PIN Debit Card payments and American Express® transactions and applicable Non-Bank Services.

This Program Guide, together with your Merchant Processing Application and the schedules thereto (collectively, the "Agreement"), including, without limitation, the Interchange Qualification Matrix, American Express Program Pricing and the Interchange Schedules applicable to your pricing method as set forth in the Merchant Processing Application, contains the terms and conditions under which Processor and/or Bank and/or other third parties, will provide services to you. We will not accept any alterations or strike-outs to the Agreement and, if made, any such alterations or strike-outs shall not apply. Please read this booklet completely.

IMPORTANT INFORMATION ABOUT BANK'S RESPONSIBILITIES:

For certain Card transactions Bank does not provide services to you, but rather they are provided by Processor and/or third parties. For example, you may elect to participate in the Discover EDC program, and/or the American Express EDC program, for each of which you must enter into a direct agreement with Discover and/or American Express.

The provisions of this Agreement regarding such non-Bank Discover Card and American Express transactions and other Non-Bank Services constitute an agreement solely between you and Processor and/or third parties. Bank is not a party to any such agreements, and further Bank is not responsible, and shall have no liability, to you in any way with respect to such Discover Card and American Express Card transactions and Non-Bank Services.

OTHER IMPORTANT INFORMATION:

Cards present risks of loss and non-payment that are different than those with other payment systems. In deciding to accept Credit Cards, you should be aware that you are also accepting these risks.

Visa U.S.A., Inc. ("Visa") and Mastercard Worldwide ("Mastercard"), Discover Financial Services LLC ("Discover"), PayPal, Inc. ("PayPal") and American Express Company, Inc. ("American Express") are payment card networks that electronically exchange Sales Drafts and Chargebacks for Card sales and Credits. Sales Drafts are electronically transferred from banks (in the case of Visa and Mastercard transactions) or network Acquirers (in the case of Discover and PayPal in-store Card transactions) that acquire them from merchants such as yourself (these banks and network acquirers are referred to as "Acquirers") through the appropriate Card Organization, to the Issuers. These Issuers then bill their Cardholders for the transactions. The Card Organizations charge the Acquirers interchange, fees and/or assessments for submitting transactions into their systems.

In order to speed up the payment process, the Issuer transfers the funds back through the Card Organization to the Acquirer at approximately the same time that the Issuer receives the electronic Sales Drafts. Even though the payments under this system are made simultaneously, all payments made through the Card Organizations are conditional and subject to reversals and adjustments.

Each Card Organization has developed Card Organizations Rules that govern each of their Acquirers and Issuers and the procedures, responsibilities and allocation of risk for this process. Merchants are also bound by Card Organization Rules and applicable laws and regulations. The Card Organization Rules and applicable laws and regulations give Cardholders and Issuers certain rights to dispute transactions, long after payment has been made to the merchant, including Chargeback rights.

We do not decide what transactions are charged back and we do not control the ultimate resolution of the Chargeback. While we can attempt to reverse a Chargeback to the Issuer, we can only do so if the Issuer agrees to accept it or the Card Organization requires the Issuer to do so after a formal appeal process. Sometimes, your customer may be able to successfully charge back a Credit Card transaction even though you have provided your goods or services and are otherwise legally entitled to payment from your customer. While you may still be able to pursue claims directly against that customer, neither we nor the Issuer will be responsible for such transactions.

You will be responsible for all Chargebacks and adjustments associated with the transactions that you submit for processing.

Please refer to the Glossary for capitalized terms used in the Agreement, including this Preface (if not defined above).

PART I: CONFIRMATION PAGE

Please read the Program Guide in its entirety. It describes the terms under which we will provide merchant processing Services to you.

From time to time you may have questions regarding the contents of your Agreement (which includes your Merchant Processing Application, the foregoing Program Guide, and the schedules thereto and documents incorporated herein) with Bank and/ or Processor. The following information summarizes portions of your Agreement in order to assist you in answering some of the questions we are most commonly asked.

1. Your fees for certain Services set forth in this Agreement are based on the interchange rates set by the Card Organization. Any transactions that fail to qualify at your Anticipated Interchange Levels will be charged an additional fee (See Section 5 of the Program Guide).

2. We may debit your bank account from time to time for amounts owed to us under the Agreement.

3. There are many reasons why a Chargeback may occur. When they occur we will debit your settlement funds or Settlement Account. For a more detailed discussion regarding Chargebacks, see Section 36 of the Program Guide.

4. If you dispute any charge or funding, you must notify us within 60 days of the date of the statement where the charge or funding appears for Card Processing.

5. The Agreement limits our liability to you. For a detailed description of the limitation of liability, see Section 7 of the Card General Terms.

6. We have assumed certain risks by agreeing to provide you with Card processing or check services. Accordingly, we may take certain actions to mitigate our risk, including termination of the Agreement, and/or hold monies otherwise payable to you (see Card General Terms in Section 10, Term; Events of Default and Section 11, Reserve Account; Security Interest), under certain circumstances.

7. By executing this Agreement with us you are authorizing us to obtain financial and credit information regarding your business and the signers and guarantors of the Agreement until all your obligations to us are satisfied.

8. The Agreement contains a provision that in the event you terminate the Agreement prior to the expiration of the applicable term, you may be responsible for the payment of an early termination fee as set forth in Section 42.3 under "Additional Important Information".

9. Third Party Services. To the extent you have elected to obtain any third party services package, please ensure that you review and understand the terms and conditions contained in Part III (Third Party Agreements) relevant to such third party services.

10. Card Organization Disclosure

Member Bank Information: Wells Fargo Bank

The Bank's mailing address is Wells Fargo Bank, PO Box 6079, Concord, CA 94524 and its phone number is 1-800-451-5817.

Important Member Bank Responsibilities:

(a) The Bank is the only entity approved to extend acceptance of Card Organization products directly to a merchant.

(b) The Bank must be a principal (signer) to the Agreement.

(c) The Bank is responsible for educating merchants on pertinent Visa and Mastercard Rules with which merchants must comply; but this information may be provided to you by Processor.

(d) The Bank is responsible for and must provide settlement funds to the merchant.

(e) The Bank is responsible for all funds held in reserve that are derived from settlement.

Important Merchant Responsibilities:

(a) Ensure compliance with cardholder data security and storage requirements.

(b) Maintain fraud and chargebacks below Card Organization thresholds.

(c) Review and understand the terms of the Agreement.

(d) Comply with Card Organization Rules and applicable law and regulations.

(e) Retain a signed copy of this Confirmation Page.

(f) You may download "Visa Regulations" from Visa's website at: <https://usa.visa.com/support/merchant.html>

(g) You may download "Mastercard Regulations" from Mastercard's website at: <http://www.mastercard.com/us/merchant/support/rules/html>.

City of Palo Alto

Print Client's IRS Filing Name: _____

By its signature below, Client acknowledges that it received (either in person, by facsimile, or by electronic transmission) Merchant Processing Application, and read the complete Program Guide (version WFB2210) consisting of 68 pages (including this Confirmation Page and the applicable Third Party Agreement(s)), Interchange Qualification Matrix and American Express Program Pricing and Interchange Schedule which is incorporated into its Agreement, and agrees to comply with all terms set forth therein.

Upon receipt of a signed original of this Confirmation Page by us, your Application for merchant processing services will be reviewed. Client understands that its Application is subject to approval by us. Client understands that a copy of the Program Guide is also available for downloading from the internet at: www.wellsfargo.com/biz/programguide

CLIENT'S BUSINESS PRINCIPAL

X DocuSigned by:
Ed Shikada
F2DCA19CC8D4F9...

Signature (Please sign above)

Ed Shikada

Please Print Name of Signer

City Manager

Title

10/1/2020

Date

CITY ATTORNEY'S OFFICE
APPROVED AS TO FORM
SIGNATURE *Cassie Coleman*
DATE 10/1/2020

PART I: CONFIRMATION PAGE

Please read the Program Guide in its entirety. It describes the terms under which we will provide merchant processing Services to you.

From time to time you may have questions regarding the contents of your Agreement (which includes your Merchant Processing Application, the foregoing Program Guide, and the schedules thereto and documents incorporated herein) with Bank and/ or Processor. The following information summarizes portions of your Agreement in order to assist you in answering some of the questions we are most commonly asked.

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7. By executing this Agreement with us you are authorizing us to obtain financial and credit information regarding your business and the signers and guarantors of the Agreement until all your obligations to us are satisfied.

8. The Agreement contains a provision that in the event you terminate the Agreement prior to the expiration of the applicable term, you may be responsible for the payment of an early termination fee as set forth in Section 42.3 under "Additional Important Information".

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Important Member Bank Responsibilities:

- (a) The Bank is the only entity approved to extend acceptance of Card Organization products directly to a merchant.
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- (c) The Bank is responsible for educating merchants on pertinent Visa and Mastercard Rules with which merchants must comply; but this information may be provided to you by Processor.
- (d) The Bank is responsible for and must provide settlement funds to the merchant.
- (e) The Bank is responsible for all funds held in reserve that are derived from settlement.

Important Merchant Responsibilities:

- (a) Ensure compliance with cardholder data security and storage requirements.
- (b) Maintain fraud and chargebacks below Card Organization thresholds.
- (c) Review and understand the terms of the Agreement.
- (d) Comply with Card Organization Rules and applicable law and regulations.
- (e) Retain a signed copy of this Confirmation Page.
- (f) You may download "Visa Regulations" from Visa's website at: <https://usa.visa.com/support/merchant.html>
- (g) You may download "Mastercard Regulations" from Mastercard's website at: <http://www.mastercard.com/us/merchant/support/rules/html>.

City of Palo Alto

Print Client's IRS Filing Name: _____

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Upon receipt of a signed original of this Confirmation Page by us, your Application for merchant processing services will be reviewed. Client understands that its Application is subject to approval by us. Client understands that a copy of the Program Guide is also available for downloading from the internet at: www.wellsfargo.com/biz/programguide

CLIENT'S BUSINESS PRINCIPAL

DocuSigned by:
Ed Shikada
F2DCA19CCC8D4F9...

Signature (Please sign above)

Ed Shikada

Please Print Name of Signer

City Manager

Title

10/1/2020

Date

CITY ATTORNEY'S OFFICE
APPROVED AS TO FORM
SIGNATURE *Cassie Coleman*
DATE 10/1/2020

PART II: CARD SERVICES

A. Card General Terms	8
1. Services	8
2. Operating Procedures; Card Organization Rules and Compliance	8
3. Settlement of Card Transactions	8
4. Exclusivity	8
5. Fees; Adjustments; Collection of Amounts Due	8
6. Chargebacks	9
7. Representations; Warranties; Covenants; Limitations on Liability; Exclusion of Consequential Damages	10
8. Confidentiality	10
9. Assignments	11
10. Term; Events of Default	12
11. Reserve Account; Security Interest	13
12. Financial and Other Information	14
13. Indemnification	14
14. Special Provisions Regarding Non-Bank Services	14
15. Special Provisions for Debit Card	15
16. Special Provisions Regarding Electronic Benefit Transfer (EBT)	16
17. Special Provisions Regarding Wireless Services	18
18. Terms of Equipment Purchase or Rental	20
19. Special Provisions Regarding Gift Card Services	22
20. Special Provisions Regarding TransArmor Solution	25
21. Special Provisions Regarding Fraud Detection Services	28
22. Special Provisions Regarding Buyer Initiated Payments	29
23. Special Provisions Regarding Payeezy SM Gateway Services	29
24. Choice of Law, Venue; Waiver of Jury Trial; Limitation on Claims	32
25. Other Terms	32
B. Operating Procedures	34
26. Mastercard, Visa, Discover, PayPal and American Express Card Acceptance	34
26.1. Card Descriptions	34
26.2. Effective/Expiration Dates	36
26.3. Valid Signature	36
26.4. Users Other Than Cardholders	36
26.5. Special Terms	36
26.6. Delayed Delivery Transactions or Deposit Balance	36
26.7. Recurring Transaction and Preauthorized Order Regulations	37
26.8. Payments by Installments	38

26.9. Certain Rules and Requirements	38
26.10. Card Acceptance	39
26.11. Deposits of Principals	39
26.12. Merchants in the Lodging Industry	39
26.13. Customer Activated Terminals and Self-Service Terminals	40
26.14. Displays and Advertising	40
26.15. Cash Payments by and Cash Disbursements to Cardholders	40
26.16. Discover Cash Over Transactions	41
26.17. Telecommunication Transactions	41
27. Suspect Transactions	41
28. Completion of Sales Drafts and Credit Drafts	42
28.1. Information Required	42
28.2. Mail/Telephone/ Internet(Ecommerce) Orders and Other Card Not Present Sales	43
28.3. Customer Service Telephone Numbers	44
29. Data Security	44
29.1. Payment Card Industry Data Security Standards (PCI DSS)	44
29.2. Data Security Requirements	45
29.3. Compliance Audits	45
29.4. Immediate Notice Required	45
29.5. Investigation	45
29.6. Required Information for Discover Network and PayPal Security Breaches	45
29.7. Merchant Providers	45
29.8. Reserved	46
29.9. Costs	46
30. Authorizations	46
30.1. Card Not Present Transactions	46
30.2. Authorization via Telephone (Other Than Terminal / Electronic Device Users)	47
30.3. Authorization via Electronic Devices	47
30.4. Third Party Authorization System	47
30.5. Automated Dispensing Machines	47
30.6. Pre-Authorization for T&E (Travel & Entertainment) and Restaurant Merchants	48
30.7. Discover and PayPal Procedure for Request for Cancellation of Authorization	48
30.8. Partial Authorization and Authorization Reversal	48
31. Submission/Deposit of Sales Drafts and Credit Drafts	48
31.1. Submission of Sales for Merchants Other Than Your Business	48
31.2. Timeliness	48

31.3. Electronic Merchants: Daily Batching Requirements & Media Submission	49
32. Settlement.....	49
33. Refunds / Exchanges (Credits).....	49
33.1. Refunds	49
33.2. Exchanges	50
34. Retention of Records for Retrievals and Chargebacks.....	50
34.1. Retain Legible Copies.....	50
34.2. Provide Sales and Credit Drafts.....	50
35. Lost/Recovered Cards.....	50
36. Chargebacks, Retrievals and Other Debits	50
36.1. Chargebacks.....	50
36.2. Summary (Deposit) Adjustments/Electronic Rejects.....	54
36.3. Disputing Other Debits and Summary Adjustments	54
37. Account Maintenance.....	54
37.1. Change of Settlement Account Number	54
37.2. Change in Your Legal Name or Structure.....	54
37.3. Change in Company DBA Name, Address or Telephone / Facsimile Number.....	54
37.4. Other Changes in Merchant Profile.....	54
37.5. Charges for Changes to Account Maintenance.....	54
38. Card Organization Monitoring.....	54
39. Supplies.....	54
40. Special Provisions for American Express	54
40.1. Treatment of the American Express Brand.....	54
40.2. Treatment of American Express Marks	55
40.3. Treatment of the American Express Card Member Information.....	55
40.4. American Express Transaction Data	55
40.5. Treatment of American Express Cardholder Information	55
40.6. Disclosure and Use of Data Collected Under Agreement.....	55
40.6.1. Consent for American Express to Contact You by Phone, eMail, Text or Facsimile	55
40.6.2. Opt-Out.....	55
40.7. Conversion to a Direct Relationship with American Express.....	55
40.8. Reserved.....	55
40.9. Third Party Beneficiary Rights	55
4.10. Your Right to Opt Out of American Express Card Acceptance.....	56
40.11. Collections from American Express Cardholder.....	56
40.12. American Express Key-Entered Charges.....	56
40.13. Keyed No Imprint for American Express Transactions	56

40.14. Merchant Website Information Display Guidelines	56
40.15. Aggregated Charges	56
40.16. American Express Excessive Disputes	56
40.17. American Express Right to Modify or Terminate Agreement.....	56
40.18. Acceptance Procedures for American Express Travelers and Gift Cheques.....	56
41. Glossary.....	56
42. Additional Important Information Pertaining to this Entire Agreement	60
42.1. Electronic Funding Authorization.....	60
42.2. Funding Acknowledgement Automated Clearing House (ACH).....	60
42.3. Additional Fees and Early Termination.....	60
42.4. Addresses For Notices.....	61
Part III: Third Party Agreements	62
1.0. TeleCheck Solutions Agreement	62

PART II: CARD SERVICES

A. Card General Terms

1. Services

Subject to Card Organization Rules, Services may be performed by us or our agents, including, without limitation, our respective Affiliates, including the provision of terminals or other equipment and local support functions in connection with this Agreement.

2. Operating Procedures; Card Organization Rules and Compliance

You agree to follow all requirements of this Agreement in connection with each Card transaction and to comply with all applicable Card Organization Rules, including, without limitation, the data security requirements described in Section 29. From time to time, we may amend the Operating Procedures, by providing you with at least twenty (20) days' prior written notice, and those provisions will be deemed incorporated into this Agreement. However, for changes in the Card Organization Rules or for security reasons, certain changes in Card procedures may become effective on shorter notice. If there are any inconsistencies between the General Terms and the Operating Procedures, the Card General Terms will govern. You are responsible for staying apprised of all applicable changes to the Card Organization Rules and maintaining compliance with the Card Organization Rules. Card Organization Rules may be available on websites such as <https://usa.visa.com> www.mastercard.us/en-us/merchants.html, www.discovernetwork.com/en-us/ and <https://www.paypal.com/us/webapps/mpp/accept-payments-online>.

The above links may change from time to time.

3. Settlement of Card Transactions

3.1. We will only be required to settle Card transactions for Card types specified in your Application. Promptly after presentment of Sales Drafts pursuant to the Operating Procedures, we will initiate a transfer of the applicable settlement funds to you.

3.2. Unless otherwise agreed to in writing to the contrary, all fees for Services are deducted as disclosed in accordance to your pricing disclosures or subsequent communications. All settlements for Visa, Mastercard Discover, PayPal and American Express Card transactions will be net of Credits, Summary Adjustments, applicable discount fees when due, Chargebacks and any other amounts then due from you. We may also set off from any payments otherwise due, any amounts owed to any of our respective Affiliates, whether or not arising out of or related to this Agreement.

3.3. All credits to your Settlement Account or other payments to you are provisional and are subject to, among other things, our right to deduct fees, our final audit, Chargebacks (including our related losses), fees and fines imposed on us by the Card Organizations as a result of your acts or omissions. You agree that we may debit or credit your Settlement Account for any deficiencies, overages, fees and pending Chargebacks and any other amounts owed to us or any of our respective Affiliates, or we may deduct such amounts from settlement funds or other amounts due to you from us, or our respective Affiliates. You further agree we can offset any amounts owed to us or our Affiliates related to activity in other accounts maintained in your name or accounts guaranteed by you, any of your principals, guarantors or authorized signors.

3.4. We will not be liable for any delays in receipt of funds or errors in debit and credit entries caused by you or any other Person.

3.5. In addition to any other remedies available to us under this Agreement, you agree that should any Event of Default (see Section 10.4) occur, we may, with or without notice, change processing or payment terms and/or suspend credits or other payments of any and all funds, money and amounts now due or hereafter to become due to you pursuant to the terms of this Agreement, until we have had reasonable opportunity to investigate such event.

3.6. You acknowledge and agree that transfers to and from the Settlement Account shall be based on the account number and routing number supplied by you. We are not responsible for detecting errors in any Settlement Account information you provide, including the account numbers and routing numbers, even if any of those numbers do not correspond to the actual account or financial institution identified by name.

3.7. This Agreement is a contract whereby we are extending financial accommodations to you within the meaning of Section 365(c) of the U.S. bankruptcy code. Your right to receive any amounts due or to become due from us is expressly subject and subordinate to Chargeback, setoff, lien, security interest and our rights to withhold settlement funds under this Agreement, without regard to whether such Chargeback, setoff, lien, security interest and the withholding of settlement funds rights are being applied to claims that are liquidated, unliquidated, fixed, contingent, matured or unmatured.

4. Exclusivity

During the term of this Agreement, you shall use us as your exclusive provider of all Services.

5. Fees; Adjustments; Collection of Amounts Due

5.1. In consideration of the Services provided by us, you shall be charged, and hereby agree to pay us any and all fees set forth in this Agreement (for purposes of clarity, this includes the Application and any additional pricing disclosures or subsequent communications), all of which will be calculated and payable pursuant to the terms of this Agreement and any additional pricing disclosures or subsequent communications.

If a transaction fails to qualify for your anticipated interchange programs or you inadvertently or intentionally accept a transaction other than anticipated for your account (including a different Card type), then, as applicable to your pricing method, you may be charged higher fees as disclosed in your pricing disclosures or subsequent communications, as well as any applicable surcharge for that transaction, all as further described in Section 42.3 of this Agreement and in the Application. With respect to inadvertent or intentional acceptance of a transaction other than the type anticipated for your account (including a different Card type), you will also be subject to payment to us of our then-current transaction fee(s) with respect to such Card and/or transaction and be liable, obligated and responsible under this Agreement for any such transaction to the same extent as you would be if it was of a Card type elected and approved. For more information on Visa's and Mastercard's interchange rates, please go to www.visa.com and www.mastercard.com.

5.2. Should you have questions regarding any Non-Qualified fees (including Non-Qualified Interchange Fees or Non-Qualified Surcharge), submit a Non-Qualified Fee Inquiry (NFI) request in writing (either letter, fax or email) within 60 days from the mail date (post mark) of the monthly statement in question. Note that NFI requests received after the 60 day limit may not be considered for refund review. The subject line or reference at the top of your NFI request must state "Non-Qualified Fee Inquiry." Your NFI request must include your merchant name, merchant number, billing address, and the month of the processing statement on which the non-qualified fees appeared. When possible, also include a copy of the statement on which the fees in question appear. Written fee inquiries should be submitted by email to nfirequest@wellsfargomERCHANTservicesllc.com; via fax to (954) 509-1822; or if mailed, sent to: Wells Fargo Merchant, Services, LLC, P.O. Box 6699, Hagerstown, MD 21740, Attn: NFI Investigations Unit.

We will provide a written response to your NFI with an explanation. If through our research, we find that a refund is due, we will credit your account within 30 days from the date our research was completed. NFI requests not received in accordance with the foregoing shall not be subject to the response times set forth in this Section.

5.3. All Authorization fees will be charged for each transaction that you attempt to authorize. All capture fees will be charged for each transaction that you transmit to us for settlement. If you are billed a combined fee

for both the authorization and capture of a transaction, the authorization and capture must be submitted as a single transaction, otherwise the authorization and the capture will each be charged separately. You are responsible for utilizing software or services that will correctly submit these transactions to achieve the indicated billing.

5.4. The fees for Services set forth in this Agreement are based upon assumptions associated with the anticipated annual volume and average transaction size for all Services as set forth in this Agreement and your method of doing business. If the actual volume or average transaction size are not as expected or if you significantly alter your method of doing business, we may adjust your fees for Services without prior notice.

5.5. The fees for Services set forth in this Agreement may be adjusted to reflect increases or new fees imposed by Card Organizations, including without limitation, interchange, assessments and other Card Organization fees, or to pass through increases or new fees charged to us by third parties related to the Services. All such adjustments shall be your responsibility to pay and shall become effective upon the date any such change or addition is implemented by the applicable Card Organization or third party as specified in our notice to you.

5.6. Subject to Section 10.3, we may also increase our fees or add new fees for Services for any other reason at any time by notifying you thirty (30) days prior to the effective date of any such change or addition.

5.7. If you receive settlement funds by wire transfer, we may charge a wire transfer fee per wire.

5.8. To the extent the Automated Clearing House (ACH) settlement process is used to effect debits or credits to your Settlement Account, you agree to be bound by the terms of the operating rules of the National Automated Clearing House Association, as in effect from time to time. You hereby authorize us to initiate credit and debit entries and adjustments to your account through the ACH network and/or through direct instructions to the financial institution where your Settlement Account is maintained for amounts due under this Agreement and under any agreements with us or our respective Affiliates for any products or services, as well as for any credit entries in error. You hereby authorize the financial institution where your Settlement Account is maintained to effect all such debits and credits to your account. This authority will remain in full force and effect until we have given written notice to the financial institution where your Settlement Account is maintained that all monies due under this Agreement and under any other agreements with us or our respective Affiliates for any products or services have been paid in full.

5.9. You agree to pay any fines imposed on us by any Card Organization resulting from Chargebacks and any other fees or fines imposed by a Card Organization with respect to your acts or omissions. You are responsible for any fines or fees imposed on us as a result of acts or omissions by your agents or third parties.

5.10. If your Chargeback percentage for any line of business exceeds the estimated industry Chargeback percentage, you shall, in addition to the Chargeback fees and any applicable Chargeback handling fees or fines, pay us an excessive Chargeback fee for all Chargebacks occurring in such month in such line(s) of business. Each estimated industry Chargeback percentage is subject to change from time to time by us in order to reflect changes in the industry Chargeback percentages reported by Visa, Mastercard, American Express, Discover or PayPal. Your Chargeback percentage will be calculated as the larger of (a) the total Visa, Mastercard, American Express, Discover and PayPal Chargeback items in any line of business in any calendar month divided by the number of Visa, Mastercard, American Express, Discover and PayPal transactions in that line of business submitted that month, or (b) the total dollar amount of Visa, Mastercard, American Express, Discover and PayPal Chargebacks in any line of business received in any calendar month divided by the total dollar amount of your Visa, Mastercard, American Express, Discover and PayPal transactions in that line of business submitted in that month.

5.11. You agree to promptly and carefully review your merchant statements or other documents provided or made available to you

(physically, electronically or otherwise provided by Us or others) reflecting Card transaction activity, including activity in your Settlement Account. If you believe any adjustments should be made with respect to your Settlement Account, you must notify us in writing within sixty (60) days after any debit or credit is, or should have been effected or such shorter period as provided in the terms and conditions that govern such account. If you notify us after sixty (60) days, we shall have no obligation to investigate or effect any adjustments. Any voluntary efforts by us to assist you in investigating such matters shall not create any obligation to continue such investigation or any future investigation.

5.12. If you do not pay us all fees and any other amounts due under this Agreement within thirty (30) days of the date of our merchant statement or other statement setting forth the amount due, then we may, in our sole discretion, charge you interest, for such time that the amount and all accrued interest remain outstanding at the lesser of (i) the per annum rate equal to Bank's then current prime rate plus two percent (2%), based on a 360 day year, or (ii) the maximum rate permitted by applicable law.

5.13. Other Debits. We may also debit your Settlement Account or your settlement funds in the event we are required to pay Card Organization fees, charges, fines, penalties or other assessments as a consequence of your sales activities. Such debits shall not be subject to any limitations of time specified elsewhere in the Agreement, including, without limitation the following, which we may add to or delete from this list as changes occur in the Card Organization Rules or our Operating Procedures pursuant to Section 2:

- Card Organization fees, charges, fines, penalties, registration fees, or other assessments including any fees levied against us or any amount for which you are obligated to indemnify us.
- Currency conversion was incorrectly calculated. NOTE: For Discover Network transactions, you are not permitted to convert from your local Discover Network approved currency into another currency, nor may you quote the price of a transaction in U.S. Dollars if completed in another approved currency.
- Fees for Services not previously charged.
- Reversal of deposit posted to your account in error.
- Debit for Summary Adjustment not previously posted.
- Reversal of Credit for deposit previously posted.
- Debit for Chargeback never posted to your account.
- Debit for EDC batch error fee.
- Card Organization Merchant Chargeback/fraud monitoring fees – excessive Chargeback handling fees.
- Failure of transaction to meet Member Controller Authorization Service ("MCAS") – Cardholder account number on exception file.
- Original transaction currency (foreign) not provided.
- Travel voucher exceeds maximum value.
- Debit and/or fee for investigation and/or Chargeback costs related to this Agreement, or for costs related to our collection activities in an amount no less than \$100.00.
- Costs arising from replacement or damage to equipment rented.
- Payment of current or past due amounts for any equipment purchase, rental or lease.
- Incorrect merchant descriptor (name and/or city, state) submitted.
- Incorrect transaction date submitted.
- Shipping and handling fees.
- Costs or expenses associated with responding to any subpoena, garnishment, levy or other legal process associated with your account in an amount no less than \$150.00.

6. Chargebacks

6.1. You shall be responsible for reimbursing us for all transactions you

submit that are charged back. See the Operating Procedures for additional information regarding Chargebacks and Chargeback procedures.

6.2. You shall reimburse us for any Chargebacks, return items, or other losses resulting from your failure to produce a Card transaction record requested by us within the applicable time limits.

7. Representations; Warranties; Covenants; Limitations on Liability; Exclusion of Consequential Damages

7.1. Without limiting any other warranties, representations or covenants hereunder, you represent, warrant and covenant to us, and with the submission of each sales Draft reaffirm, the following representations, warranties and/or covenants:

7.1.1. each Card transaction is genuine and arises from a bona fide transaction permissible under the Card Organization Rules by the Cardholder directly with you, represents a valid obligation for the amount shown on the Sales Draft, preauthorized order, or Credit Draft, and does not involve the use of a Card for any other purpose;

7.1.2. each Card transaction represents an obligation of the related Cardholder for the amount of the Card transaction;

7.1.3. the amount charged for the Card transaction is not subject to any dispute, setoff or counterclaim;

7.1.4. each Card transaction amount is only for respective merchandise or services (including taxes, but without any surcharge) sold, leased or rented by you pursuant to your business as indicated on the Application and, except for any delayed delivery or advance deposit Card transactions expressly authorized by this Agreement, the merchandise or service was actually delivered to or performed for the person entering into the Card transaction simultaneously upon your accepting and submitting the Card transaction for processing;

7.1.5. with respect to each Card transaction, you have no knowledge or notice of any fact, circumstances or defense which would indicate that such Card transaction is fraudulent or not authorized by the related Cardholder or which would otherwise impair the validity or collectibility of the Cardholder's obligation arising from such Card transaction or relieve the Cardholder from liability with respect thereto;

7.1.6. each Card transaction is made in accordance with these Card General Terms, Card Organization Rules and the Operating Procedures;

7.1.7. each Sales Draft is free of any alteration not authorized by the related Cardholder;

7.1.8. you have completed one Card transaction per sale; or one Card transaction per shipment of goods for which the Cardholder has agreed to partial shipments;

7.1.9. you are validly existing, in good standing and free to enter into this Agreement;

7.1.10. each statement made on the Application or other information provided to us in support of this Agreement is true and correct;

7.1.11. you are not doing business under a name or style not previously disclosed to us;

7.1.12. you have not changed the nature of your business, Card acceptance practices, delivery methods, return policies, or types of products or services sold requiring a different Merchant Category Code ("MCC") under Card Organization Rules, in a way not previously disclosed to us;

7.1.13. you will use the Services only for your own proper business purposes and will not resell, directly or indirectly, any part of the Services to any Person;

7.1.14. you have not filed a bankruptcy petition not previously disclosed to us;

7.1.15. you own and control the Settlement Account, and no third party security interest or lien of any type exists regarding the Settlement Account or any Card transaction.

7.1.16. you will not at any time during the term of this Agreement, or until all amounts due under this Agreement have been paid in full, grant or pledge any security interest or lien in the Reserve Account, Settlement Account or transaction proceeds to any Person without our consent;

7.1.17. the Card transaction is not a payment for a product or service that violates federal, state or local law in any jurisdiction that may be applicable.

7.2. THIS AGREEMENT IS A SERVICE AGREEMENT. WE DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO YOU OR ANY OTHER PERSON, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OR OTHERWISE OF ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE SERVICES PROVIDED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY SERVICES OR ANY GOODS PROVIDED BY A THIRD PARTY.

7.3. IN NO EVENT SHALL EITHER PARTY, OR THEIR AFFILIATES OR ANY OF OUR OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR SUBCONTRACTORS, BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL THEORY FOR LOST PROFITS, LOST REVENUES, LOST BUSINESS OPPORTUNITIES, EXEMPLARY, PUNITIVE, 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. CLIENT ACKNOWLEDGES AND AGREES THAT PAYMENT OF ANY EARLY TERMINATION FEE OR LIQUIDATED DAMAGES AS PROVIDED ELSEWHERE IN THIS AGREEMENT SHALL NOT BE PROHIBITED BY THIS PARAGRAPH.

7.4. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY (INCLUDING BUT NOT LIMITED TO SECTIONS 13 or 7.5), OUR CUMULATIVE LIABILITY FOR ALL LOSSES, CLAIMS, SUITS, CONTROVERSIES, BREACHES OR DAMAGES FOR ANY CAUSE WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, THOSE ARISING OUT OF OR RELATED TO THIS AGREEMENT), REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY SHALL NOT EXCEED, (I) \$50,000; OR (II) THE AMOUNT OF FEES RECEIVED BY US PURSUANT TO THIS AGREEMENT FOR SERVICES PERFORMED IN THE IMMEDIATELY PRECEDING 12 MONTHS, WHICHEVER IS LESS.

7.5. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY (INCLUDING BUT NOT LIMITED TO SECTION 13), OUR LIABILITY FOR ANY DELAY IN FUNDING TRANSACTIONS TO YOU FOR ANY REASON, OTHER THAN FOR ANY REASON DESCRIBED IN SECTIONS 3.4, 3.6 OR 22.1, WILL BE LIMITED TO INTEREST COMPUTED FROM THE DATE THAT YOU SUBMIT THE TRANSACTION TO THE DATE THAT WE FUND THE TRANSACTION AT THE RATE OF THE FEDERAL FUNDS, AS SET BY THE FEDERAL RESERVE BANK OF NEW YORK, NEW YORK FROM TIME TO TIME.

7.6. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, BANK IS NOT RESPONSIBLE, AND SHALL HAVE NO LIABILITY, TO YOU IN ANY WAY WITH RESPECT TO NON-BANK SERVICES.

8. Confidentiality

8.1. Unless you obtain consents from us and each applicable Card Organization, Issuer and Cardholder, you must not use, disclose, store, sell or disseminate any Cardholder information 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 limit access to, and render unreadable prior to discarding, all records containing Cardholder account numbers and Card imprints. You may not retain or store Magnetic Stripe data or Card Validation Codes after a transaction has been authorized. If you store any electronically captured signature of a Cardholder, you may not reproduce such signature except upon our specific request.

8.2. You acknowledge that you will not obtain ownership rights in any information relating to and derived from Card transactions. Cardholder account numbers, personal information and other Card transaction information, including any databases containing such information, may not be sold or disclosed to a third party as an asset upon a bankruptcy, insolvency or failure of Client's business. Upon a bankruptcy, insolvency or failure of Client's business all Card transaction information must be returned to Servicers or acceptable proof of the destruction of all Card transaction information must be provided to Servicers.

8.3. You will treat this Agreement, the Card Organization Rules and any information supplied or otherwise made accessible by us or our agents as confidential, including without limitation, (i) information about the products, services, operations, procedures, customers, suppliers, sales, pricing, business plans and marketing strategies of Servicers, their respective Affiliates and the customers, clients and suppliers of any of them; (ii) any scientific or technical information, design, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords Servicers a competitive advantage over its competitors; and (iii) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, inventions, know-how, show-how and trade secrets, whether or not patentable or copyrightable and will not disclose the same to any third parties, provided, however, that these restrictions do not apply to information: (a) rightfully obtained on a non-confidential basis from a Person and your agents and representatives, which Person was not subject to a duty of confidentiality, (b) rightfully and independently known by you on a non-confidential basis prior to its disclosure or (c) generally available to the public other than through any disclosure by or fault of you, your agents or representatives.

8.3.1. Our confidential information shall be used by you only to exercise your rights and to perform your obligations hereunder. Client shall receive our confidential information in confidence and not disclose the confidential information to any third party, except as may be agreed upon in writing by us. Client shall safeguard all of our confidential information using a reasonable degree of care, but not less than that degree of care used by it in safeguarding its own similar information or material. Upon request by us or upon termination of this Agreement, Client shall return to us or destroy all of our confidential information in its possession or control.

8.3.2. The obligations of confidentiality and restrictions on use in this Section shall not apply to any confidential information that: (i) was in the public domain prior to the date of the Agreement or subsequently came into the public domain through no fault of Client; (ii) was received from a third party free of any obligation of confidence of Client to the third party and which third party, to Client's knowledge, was not under an obligation to keep the information confidential; (iii) was already in Client's possession prior to receipt from us; (iv) is required to be disclosed by law, regulation or court order after giving us as much advance notice as practical of the possibility of disclosure; or (v) is subsequently and independently developed by Client's employees, consultants or agents without use of or reference to our confidential information.

8.3.3. Except as specifically provided for herein, this Section does not confer any right, license, interest or title in, to or under our confidential information to Client. Except as specifically provided for herein, no license is hereby granted to Client under any patent, trademark, copyright, trade secret or other proprietary rights of ours.

8.3.4. Client acknowledges that breach of the restrictions on use or disclosure of any of our confidential information would result in immediate and irreparable harm to us, and money damages would be inadequate to compensate for that harm. We shall be entitled to seek equitable relief, in

addition to all other available remedies, to redress any breach.

8.4. We will keep confidential any information we receive from Client via its use of the Services. Exceptions are that we may disclose such information (a) to third parties as appropriate to provide the Services (b) to our internal and external auditors, attorneys and regulators (c) as required or permitted by law, regulation or court order (d) to our respective Affiliates as appropriate. In addition, we may use data collected as part of performing payment processing or other transaction-related services for you for the purpose of providing additional products and services to you ("Transaction Data"), other merchants, or third parties. This includes collecting, using, and de-identifying cardholder information, dates, amounts, and other Transaction Data to provide you with analytic products and services as well as collecting and using Transaction Data anonymized and aggregated with other merchants' transaction data to provide you, other merchants, and third parties with analytic products and services.

8.5. You shall not assign to any Person, the rights to use the Marks of Servicers, our agents or the Card Organizations.

8.6. All rights, title, and interest in and to all intellectual property related to the Services (including without limitation, the content of any materials, web screens, layouts, processing techniques, procedures, algorithms, and methods), owned, developed or licensed by us prior to, during the term of, or after the Agreement, or employed by us in connection with the Services and any updates, changes, alterations, or modifications to or derivative works from such intellectual property, shall be and remain, as among the Parties, our exclusive property.

8.7. Client agrees that we may obtain relevant information from any applicable telecommunications provider utilized by Client, as necessary to investigate any allegation of fraud, suspected fraud or other actual or alleged wrongful act by Client in connection with the Services.

8.8. Client will not: (a) use the Services in any way other than in accordance with this Agreement, any supplied documentation, or as otherwise instructed by us in writing; (b) use the Services, either directly or indirectly, to develop any service or product that competes with the Services; (c) disassemble, decompile, decrypt, extract, reverse engineer, or otherwise attempt to access, ascertain, reconstruct, derive, or appropriate for any reason or purpose (i) the source code for any software, or (ii) any algorithm, process, procedure, idea, or other information contained in the Services; (d) modify, translate, or alter the Services in any manner; (e) create derivative works of or based on the Services; (f) disclose or provide the Services to, or permit the Services to be accessed or used (in any format or by any means) by, any third party other than your authorized employees and contractors who are subject to written confidentiality obligations binding upon such employees and contractors that are no less restrictive than the confidentiality provisions hereunder; (g) directly or indirectly make any copies of the Services, except for (i) backup/archival purposes, or (ii) only with respect to any supplied documentation, as reasonably necessary to facilitate use of the Services as long as any such copies contain all appropriate proprietary notices; (h) remove, relocate, or modify any proprietary rights notices relating to the Services; (i) attempt to access, or actually access, portions of the Services not authorized by us for use; (j) rent, lease, sell, assign, sublicense, or otherwise transfer to any third party, whether by operation of law or otherwise, any of the rights granted hereunder; (k) use the Services for any unlawful purpose; (l) use, access, transfer, move, relocate, ship, or transship the Services outside of the United States without obtaining our advance written consent; or (m) circumvent, or attempt to circumvent, any applicable security measures of the Services.

9. Assignments

9.1. Any transfer or assignment of this Agreement by you, without our prior written consent, by operation of law or otherwise, is voidable by us. Any transfer of voting control of you or your parent shall be considered an assignment or transfer of this Agreement. Furthermore, you shall indemnify and hold us harmless from all liabilities, Chargebacks, expenses, costs, fees and fines arising from such transferee's or assignee's Submission

of Card transactions to us for processing. For purposes of this Section 9, any transfer of voting control shall be considered an assignment or transfer of this Agreement.

9.2. The payment services provided by us require access to a single bank account in which we may initiate both credits and debits. You may not enter into any agreement that would require, in any circumstance or event, the transfer of any payments or proceeds from Card transactions covered by this Agreement to the custody or control of any third party. You may not assign any rights, including the right of payment under this Agreement, to any other person. In the event that you make an assignment of (or provide a security interest in) of receivables covered by this Agreement, then we may, at our option, elect to (a) refuse to acknowledge such assignment unless accompanied by an authorization to both initiate debits or credits to the bank account of the assignee, (b) terminate this Agreement immediately, or (c) charge for any transfers that we are called upon to make manually to fulfill such an assignment at the rate of \$100 per transfer.

9.3. Another Visa and Mastercard member may be substituted for Bank under whose sponsorship this Agreement is performed with respect to Visa and Mastercard transactions. Upon substitution, such other Visa and Mastercard member shall be responsible for all obligations required of Bank for Visa and Mastercard transactions, including without limitation, full responsibility for its Card program and such other obligations as may be expressly required by applicable Card Organization Rules. Subject to Card Organization Rules, we may assign or transfer this Agreement and our rights, duties and obligations hereunder and/or may delegate or subcontract our rights, duties and obligations hereunder, in whole or in part, to any third party, whether in connection with a change in sponsorship, as set forth in the preceding paragraph, or otherwise, without notice to you or your consent.

9.4. Except as set forth elsewhere in this Section and as provided in the following sentence, this Agreement shall be binding upon 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, or other person charged with taking custody of a party's assets or business, shall have any right to continue, assume or assign this Agreement.

10. Term; Events of Default

10.1. This Agreement shall become effective upon the date this Agreement is approved by our Credit Department.

10.2. The initial term of this Agreement shall commence as of the date of the first transaction submitted for processing to us and shall continue in force for three years. Thereafter, it shall renew for successive one year terms unless and until you provide written notice at least ninety (90) days prior to the end of the then current term or we provide you with notice in accordance with the Agreement. Should you fail to notify us in writing of your request to terminate you acknowledge and agree you will continue to be charged fees pursuant to this Agreement notwithstanding non-use of your account. If you have an equipment lease, termination of the Agreement will not terminate your lease or change any of your obligations under that lease (including your obligation to make monthly lease payments).

10.3. Notwithstanding the above or any other provisions of this Agreement, we may terminate this Agreement at any time and for any reason by providing 20 days' advance notice to you. We may terminate this Agreement immediately or with shorter notice upon Event of Default as provided under Section 10.4 of this Agreement. You may terminate this Agreement without penalty in the event of a material breach of this Agreement by Servicers. In the event we provide notice to you of any new fees or increases in existing fees for Services, pursuant to Section 5.6, you may terminate this Agreement without further cause or penalty by notifying us that you are terminating this Agreement prior to the effective date of such new fees or increases. However, maintaining your merchant account or your continued use of the Services after the effective date of any such fee changes shall be deemed your acceptance of such fee changes for

the Services, throughout the term of this Agreement.

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

10.4.1. a material adverse or other change in your business, financial condition or business prospects; or

10.4.2. any assignment or transfer of voting control of you or your parent; or

10.4.3. a sale of all or a substantial portion of your assets; or

10.4.4. irregular Card sales by you, excessive Chargebacks, noncompliance with any applicable data security standards, as determined by Servicers, or any Card Organization, or any other Person, or an actual or suspected data security breach, nonconformance with any applicable data security standards, as determined by Servicers, any Card Organization, or any other entity, or any other circumstances which, in our sole discretion, may increase our exposure for your Chargebacks or otherwise present a financial or security risk to us (including your processing transactions for a business type we have designated as unqualified for processing with us); or

10.4.5. any of your representations, warranties or covenants in this Agreement are breached in any respect; or

10.4.6. you default in any material respect in the performance or observance of any term, covenant, condition or agreement contained in this Agreement, including, without limitation, the establishment or maintenance of funds in a Reserve Account, as detailed in Section 11; or

10.4.7. you default in any material respect in the performance or observance of any term, covenant or condition contained in any agreement with any of our respective Affiliates;

10.4.8. you default in the payment when due, of any material indebtedness for borrowed money; or

10.4.9. you file a petition or have a petition filed by another party under the U.S. bankruptcy code or any other laws relating to bankruptcy, insolvency or similar arrangement for adjustment of debts; consent to or fail to contest in a timely and appropriate manner any petition filed against you in an involuntary case under such laws; apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of you or of a substantial part of your property; or make a general assignment for the benefit of creditors; or take any corporate action for the purpose of authorizing any of the foregoing; or

10.4.10. your independent certified accountants shall refuse to deliver an unqualified opinion with respect to your annual financial statements and your consolidated subsidiaries; or

10.4.11. a violation by you of any applicable law or Card Organization Rule or our reasonable belief that termination of this Agreement or suspension of Services is necessary to comply with any law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury or your breach, as determined by Servicers, of Section 25.2 ("Compliance with Laws"); then, upon the occurrence of (1) an Event of Default specified in subsections 10.4.4, 10.4.9 or 10.4.11, we may consider this Agreement to be terminated immediately, without notice, and all amounts payable hereunder shall be immediately due and payable in full without demand or other notice of any kind, all of which are expressly waived by you, and (2) any other Event of Default, this Agreement may be terminated by us giving not less than 10 days' notice to you, and upon such notice all amounts payable hereunder shall be due and payable on demand.

10.5. Neither the expiration nor termination of this Agreement shall terminate the obligations and rights of the parties pursuant to provisions of this Agreement which by their terms are intended to survive or be perpetual or irrevocable. Such provisions shall survive the expiration or termination of this Agreement. All obligations by you to pay or reimburse us for any obligations associated with transactions you have submitted to us will survive termination of this Agreement until finally and

irrevocably paid in full and settled.

10.6. If any Event of Default occurs and regardless of whether such Event of Default has been cured, we may, in our sole discretion, exercise all of our rights and remedies under applicable law and this Agreement, including, without limitation, exercising our rights under Section 11.

10.7. In the event you file for protection under the U.S. bankruptcy code or any other laws relating to bankruptcy, insolvency, assignment for the benefit of creditors or similar laws, and you continue to use our Services, it is your responsibility to open new accounts to distinguish pre and post filing obligations. You acknowledge that as long as you utilize the accounts you established prior to such filing, we will not be able to systematically segregate your post-filing transactions or prevent set-off of the pre-existing obligations. In that event, you will be responsible for submitting an accounting supporting any adjustments that you may claim.

10.8. The Card Organizations often maintain lists of merchants who have had their merchant agreements or Card Acceptance rights terminated for cause. If this Agreement is terminated for cause, you acknowledge that we may be required to report your business name and the names and other information regarding its principals to the Card Organizations for inclusion on such list(s). You expressly agree and consent to such reporting if you are terminated as a result of the occurrence of an Event of Default or for any reason specified as cause by Visa, Mastercard, Discover, PayPal or American Express. Furthermore, you agree to waive and hold us harmless from and against any and all claims which you may have as a result of such reporting.

10.9. After termination of this Agreement for any reason whatsoever, you shall continue to bear total responsibility for all Chargebacks, fees, Card Organization fines imposed on us as a result of your acts or omissions, Credits and adjustments resulting from Card transactions processed pursuant to this Agreement and all other amounts then due or which thereafter may become due under this Agreement.

10.10. After the initial term of this Agreement, if your merchant account is determined to be inactive as determined in our sole discretion, we may cancel this Agreement without further notice. Inactivity will be determined by an extended period of time with no transactions processed by us on your behalf.

In the event we close this Agreement for inactivity, the early termination fee will not apply.

11. Reserve Account; Security Interest

11.1. You expressly authorize us to establish a Reserve Account to help mitigate our risk exposure under this Agreement. The decision to establish a Reserve Account (and the amount thereof) lies exclusively with us, and you understand that you are obligated to fund such account pursuant to the terms and conditions set forth in this Section 11. The amount of such Reserve Account shall be set by us, in our sole discretion, based upon your processing history (where applicable) and the potential risk of loss to us as we may determine from time to time.

11.2. The Reserve Account shall be fully funded upon three (3) days' notice to you, or in instances of fraud or suspected fraud or an Event of Default, Reserve Account funding may be immediate. Such Reserve Account may be funded by all or any combination of the following: (i) one or more debits to your Settlement Account or any other accounts held by Bank or any of its Affiliates at any financial institution maintained in the name of Client, any of its principals, or any of its guarantors, or if any of the same are authorized signers on such account; (ii) any payments otherwise due to you, including any amount due from TeleCheck; (iii) your delivery to us of a letter of credit; or (iv) if we so agree, your pledge to us of a freely transferable and negotiable certificate of deposit. Any such letter of credit or certificate of deposit shall be issued or established by a financial institution acceptable to us and shall be in a form satisfactory to us. In the event of termination of this Agreement by any party, an immediate Reserve Account may be established without notice in the manner provided above. Any Reserve Account will be held by us for the greater of ten (10) months after termination of this Agreement or for such longer period of time as is

consistent with our liability for your Card transactions and Chargebacks in accordance with Card Organization Rules. We will hold funds pursuant to this Section 11 in master account(s) with your funds allocated to separate subaccounts. Unless specifically required by law, you shall not be entitled to interest on funds held by us in a Reserve Account.

11.3. If your funds in the Reserve Account are not sufficient to cover the Chargebacks, adjustments, fees and other charges and amounts due from you, or if the funds in the Reserve Account have been released, you agree to promptly pay us such sums upon request.

11.4.1. To secure your obligations to us and our respective Affiliates under this Agreement and any other agreement for the provision of equipment products or services (including any obligations for which payments on account of such obligations are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause), you grant to us a first priority lien and security interest in and to (i) the Reserve Account and (ii) any of your funds pertaining to the Card transactions contemplated by this Agreement now or hereafter in our possession, whether now or hereafter due or to become due to you from us. Any such funds, money or amounts now or hereafter in our possession may be commingled with other funds of ours, or, in the case of any funds held pursuant to the foregoing paragraphs, with any other funds of other customers of ours. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, we 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 us and our respective Affiliates under this Agreement and any other agreement with us or any of our respective Affiliates for any related equipment or related services (including any check warranty and check verification services), whether such obligations are liquidated, unliquidated, fixed, contingent, matured or unmatured. You agree to duly execute and deliver to us such instruments and documents as we may reasonably request to perfect and confirm the lien, security interest, right of set off, recoupment and subordination set forth in this Agreement.

11.4.2. To the extent funds are held in a separate Reserve Account, the Reserve Account shall be subject to (i) Servicers' security interest pursuant to this subsection 11.4, and (ii) an account control agreement (as defined by the applicable sections of the Uniform Commercial Code, hereinafter referred to as "Control Agreement") among you, the institution at which the Reserve Account is held (such institution hereinafter referred to as "Settlement Account Bank") and Servicers (such investment account hereinafter referred to as the "Control Account"). The Control Agreement shall be in form and substance satisfactory to Servicers. The Settlement Account Bank shall be a national bank which is mutually acceptable to you and Servicers.

11.4.3. For sake of clarification and notwithstanding anything in the Agreement to the contrary, in the event Servicers deduct, holdback, suspend, off set or set off any settlement monies or amounts otherwise due you pursuant to the terms of this Agreement (collectively, Set Off Funds), you acknowledge that such Set Off Funds will be held in a commingled Reserve Account(s) of Servicers unless such Set Off Funds are wired or deposited by Servicers into any Control Account, pursuant to a Control Agreement in which case Servicers will transfer Set Off Funds from their commingled Reserve Account(s) to the Control Account as soon as practicable using commercially reasonable efforts.

11.4.4. If in replacement of or in addition to the first priority lien and security interest in the Reserve Account, you grant to Servicers a first priority lien and security interest in and to one or more certificates of deposit, the certificates of deposit shall be uncertificated and shall be subject to an Acknowledgement of Pledge of Certificate of Deposit and Control Agreement (the "Certificate of Deposit Control Agreement") by, between and among Customers, Servicers and the financial institution that has established and issued the certificate of deposit. The form of the

Certificate of Deposit Control Agreement and the financial institution that will establish and issue the certificate of deposit shall be satisfactory and acceptable to Servicers.

12. Financial and Other Information

12.1. Upon request, you will provide us and our Affiliates, quarterly financial statements within 45 days after the end of each fiscal quarter and annual audited financial statements within 90 days after the end of each fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles. You will also provide such other financial statements and other information concerning your business and your compliance with the terms and provisions of this Agreement as we may reasonably request. You authorize us and our Affiliates to obtain from third parties financial and credit information relating to you in connection with our determination whether to accept this Agreement and our continuing evaluation of your financial and credit status. We may also access and use information which you have provided to Bank for any other reason. Upon request, you shall provide, and/or cause to be provided, to us and our Affiliates, or our representatives or regulators (as well as those of the Card Organizations) reasonable access to your or your providers' facilities and records for the purpose of performing any inspection and/or copying of your books and/or records deemed appropriate. In such event, you shall pay the costs incurred by us or our Affiliates for such inspection, including, but not limited to, costs incurred for airfare and hotel accommodations. Section 12.1 shall not be in force as long as you provide Wells Fargo Bank, N.A. with your current financial statements (e.g., as a requirement of your lending or other commercial relationship with Wells Fargo Bank, N.A. or its Affiliate) and Wells Fargo Bank, N.A. is permitted to disclose your financial statements to Wells Fargo Merchant Services upon request. In the event you terminate your commercial lending relationship with Wells Fargo Bank, N.A., you shall be obligated to satisfy the requirements of this Section 12.1.

12.2. You will provide us with written notice of any judgment, writ, warrant of attachment, execution or levy against any substantial part (25% or more in value) of your total assets not later than three (3) days after you become aware of same.

13. Indemnification

13.1. You agree to indemnify and hold us and the Card Organizations harmless from and against all losses, liabilities, damages and expenses:

(a) resulting from the inaccuracy or untruthfulness of any representation or warranty, breach of any covenant or agreement or any misrepresentation by you under this Agreement;

(b) arising out of your or your employees' or your agents' negligence or willful misconduct, in connection with Card transactions or otherwise arising from your provision of goods and services to Cardholders;

(c) arising out of your use of the Services; or

(d) arising out of any third party indemnifications we are obligated to make as a result of your actions (including indemnification of any Card Organization or Issuer).

13.2. We agree to indemnify and hold you harmless from and against all losses, liabilities, damages and expenses resulting from any breach of any warranty, covenant or agreement or any misrepresentation by us under this Agreement or arising out of our or our employees' gross negligence or willful misconduct in connection with this Agreement; provided that this indemnity obligation shall not apply to Bank with respect to Non-Bank Services.

14. Special Provisions Regarding Non-Bank Services

14.1. Certain Card transactions may be provided to you by Processor and not by Bank. These are considered "Non-Bank Services", and may include certain Discover, American Express, Voyager and WEX Card transactions. This Section 14 applies to such Non-Bank Services. Services provided, transactions processed and other matters contemplated under this Section 14 are subject to the rest of the Agreement, as applicable, except to the extent the terms of this Section 14 directly conflict with another provision

of this Agreement, in which case the terms of this Section 14 will control for purposes of Non-Bank Services; provided, however, that (i) Bank is not a party to this Agreement insofar as it relates to Non-Bank Card transactions, and Bank is not liable in any way with respect to such Non-Bank Services and related services and (ii) you agree to pay Processor any per item processing, authorization and other fees described in the application for any Non-Bank Services you receive from Processor. For the purposes of this Section 14, the words "we", "our" and "us" refer only to Processor and not to the Bank. You authorize us to share information from your Application with American Express and any other Non-Bank Services related organization.

14.2. If you accept American Express under the American Express EDC Program, you understand that if, based upon your anticipated Card transaction volume you do not qualify for our full service program but have otherwise been approved for accepting American Express transactions, then (a) your authorizations will be obtained from and funded by American Express, (b) American Express will provide you with its own agreement that governs those transactions, and (c) you understand and agree that (i) we are not responsible and assume absolutely no liability with regard to any such transactions, including but not limited to the funding and settlement of American Express transactions, and (ii) American Express will charge additional fees for the services they provide. If, based on your anticipated Card transaction volume, you do qualify for our full service program, then your acceptance of American Express will be governed exclusively by this Agreement.

14.3. If you accept JCB, Diners Club International, UnionPay, BCard, and Dinacard cards, you agree to be bound by the Discover provisions of this Agreement. You also acknowledge and agree that JCB, Diners Club International, UnionPay, BCard, and Dinacard transactions will be processed under and will be subject to Discover Card Organization Rules.

14.4. If you accept Voyager and/or WEX Cards, you agree to be bound by the WEX and/or Voyager rules. You also agree to be bound by all other provisions of this Agreement which are applicable to WEX and/or Voyager.

14.5. If you execute a separate WEX Merchant Agreement, (WEX Non Full Service Program), you understand that we will provide such agreement to WEX, but that neither we nor WEX shall have any obligation whatsoever to you with respect to processing WEX Cards unless and until WEX executes your WEX Merchant Agreement. If WEX executes your WEX Merchant Agreement and you accept WEX Cards, you understand that WEX transactions are processed, authorized and funded by WEX. You understand that WEX is solely responsible for all agreements that govern WEX transactions and that we are not responsible and assume absolutely no liability with regard to any such agreements or WEX transactions, including but not limited to the funding and settlement of WEX transactions. You understand that WEX will charge additional fees for the services that it provides.

14.6. If you elect to participate in the WEX Full Service Program, the following terms and conditions shall apply:

a) You shall provide, at your own expense, all equipment necessary to permit the electronic acceptance of the WEX Cards, including the operation and maintenance of the equipment, telecommunication link, and provision of all networking services;

b) All authorization request data for WEX Card sales must include WEX Cardholder account number, vehicle number, Card expiration date, driver identification number; and the amount of the transaction, date and time of the transaction, quantity of goods sold, unit price, and product code (the "Authorization Request Data"). All manual WEX

Card sales (i.e., sales facilitated by a card imprinter) must include an Authorization number or other approval code from WEX along with the aforementioned Authorization Request Data;

c) You shall not submit a WEX Card sale for processing when a WEX Card is not presented at the time of the WEX Card sale;

d) You shall complete a WEX Card sale only upon the receipt of an Authorization approval message and not accept a WEX Card when an

expired Card/decline message is received;

e) You shall not submit a WEX Card sale for processing until the goods have been delivered or services performed;

f) You shall not accept a WEX Card where the WEX Card appears to be invalid or expired or there is reasonable belief that the WEX Card is counterfeit or stolen;

g) You shall provide a copy of the receipt for a WEX Card sale, upon the request of the Cardholder, to the extent permitted by applicable law, which shall not include the full account number or driver identification number;

h) You shall require the Cardholder to sign a receipt when a WEX Card sale is not completed by an island Card reader;

i) You shall take all commercially reasonable efforts to protect manual WEX Card sales data from fraud or misuse;

j) You shall not divide the price of goods and services purchased in a single WEX Card sale among two or more sales receipts or permit a WEX Card sale when only partial payment is made by use of the WEX Card and the balance is made with another bank Card;

k) You shall securely maintain a record of all WEX Card sales, including the Authorization Request Data, for a period of one year and produce such records upon the reasonable request of WEX;

l) You shall notify Processor of any errors contained within a settlement report within forty five (45) days of receipt of such report. Processor will not accept reprocessing requests for WEX transactions older than 90 days;

m) You shall allow WEX to audit records, upon reasonable advance notice, related to the WEX Full Service; and

n) You shall retransmit WEX Card sales data when reasonably requested to do so.

o) Client acknowledges and agrees that its sole remedies with respect to the WEX Full Acquiring services shall be against Processor for the WEX Full Acquiring Services and not WEX, except to the extent that WEX knows of any fraud related to the WEX Cards and fails to provide notice of such fraud or WEX commits fraud in respect to the WEX Full Acquiring Services.

14.7. If you accept Voyager Cards:

- In addition to the information stated in Section 26 (Mastercard, Visa and Discover, PayPal and American Express Acceptance) of the Operating Procedures, you should check Fleet Cards for any printed restrictions at the point of sale.

- In addition to the information provided under Section 26.5 (Special Terms) of the Operating Procedures, you shall establish a fair policy for the exchange and return of merchandise. You shall promptly submit Credits to us for any returns that are to be credited to a Voyager Card holder's account. Unless required by law, you shall not give any cash refunds to any Voyager Card holder in connection with a sale.

- In addition to the information required under Section 28.1 (Information Required) of the Operating Procedures, the following information must be contained on the single page document constituting the Sales Draft for Voyager transactions:

- Time of transaction.

- Type of fuel sold.

- As permitted by the applicable POS device, odometer reading.

- For all cashier-assisted Sales Drafts and Credit Drafts processed manually using a card Imprinter if required, the identification number from the source credentials provided by Cardholder to validate Cardholder's identity (e.g., Driver's License number).

- If an increase in the number of Voyager transaction authorization calls from you not due to our or Voyager system outages in excess of 15% for a given month as compared to the previous month occurs, we may, in our discretion, deduct telephone charges, not to exceed \$.25 (25 cents) per call, for the increased calls, from your settlement of your Voyager transactions.

- In addition to the information provided under Section 32 (Settlement) of the Operating Procedures, settlement of Voyager transactions will generally occur by the fourth banking day after we process the applicable card transactions. We shall reimburse you for the dollar amount of sales submitted for a given day by you, reduced by the amount of Chargebacks, tax exemptions, discounts, Credits, and the fees set forth in the Application. Neither we nor Voyager shall be required to reimburse you for sales submitted more than sixty (60) days from the date of purchase.

- For daily transmission of sales data, you shall securely maintain true and complete records in connection with the information required to be provided under this paragraph for a period of not less than thirty-six (36) months from the date of the generation of the data. You may store records on electronic media, if secure. You are responsible for the expense of retaining sales data records and Sales Drafts.

- In addition to the scenarios identified in Section 36.1.4 of the Operating Procedures that could cause an authorization related Chargeback to occur with respect to Voyager transactions, Chargebacks shall be made in accordance with any other Voyager rules. Notwithstanding termination or expiration of this paragraph or the Agreement, you shall remain liable for all outstanding Chargebacks on Voyager transactions.

- In addition to the information provided under Section 7 (Representations; Warranties; Covenants; Limitations of Liability; Exclusion of Consequential Damages) of the Card General Terms, in no event shall our cumulative liability to you for losses, claims, suits, controversies, breaches or damages for any cause whatsoever in connection with Voyager transactions exceed the lesser of \$10,000.00 or the Voyager Transaction Fees paid by you to us for the two months prior to the action giving rise to the claim.

- Notwithstanding anything in this Agreement to the contrary, our obligation to provide services to you relating to any Fleet Card will terminate automatically without penalty to us or the related Card Organization upon the earlier of (i) the termination or expiration of our agreement with such Card Organization, (ii) at least twenty (20) days prior written notice by us to you; (iii) your failure to comply with material terms relating to such Fleet Card transactions, or (iv) written notice, if an Card Organization discontinues its Card.

14.8. If you accept PayPal Cards you understand that the following requirements apply to PayPal Card transactions in addition to the information required in this Agreement:

- Only PayPal's in-store, Card present transactions are eligible for processing under this Agreement. Online, cash over, cash advance, quasi cash transactions, international transactions or manually entered transactions may not be processed (you must contact us or PayPal for information related to services that are not covered in this Agreement).

- You will provide us with information about the Card transactions you conduct including data related to your Authorization requests, Card transactions, and transaction dispute responses.

- You will provide us with aggregate and individual information about the Card transactions you accept; including, the number, type and kind of transactions you conduct, your disputes, your business operations, your merchant category code information, and any other information you are required to provide under this Agreement.

- You will not use, store, retain or otherwise disclose any of PayPal's confidential information, Cardholder data, magnetic stripe track data, or PayPal Card transaction data (other than as necessary to complete a transaction).

- You will not use a PayPal Cardholder's personal information for marketing and/or other purposes without explicit consent from the Cardholder.

15. Special Provisions for Debit Card

The special provisions outlined in this Section 15 apply only to those Debit Card transactions that are processed by a Cardholder entering a PIN unless the transaction is a debit network supported PINless Transaction.

A PINless transaction is a Debit card transaction that a merchant submits to us for settlement/ funding transactions with neither a PIN nor Signature. The Services provided, transactions processed and other matters contemplated under this Section 15 are subject to the rest of this Agreement, as applicable, except to the extent the terms of this Section 15 directly conflict with another provision of this Agreement, in which case the terms of this Section 15 will control.

15.1. Debit Card Acceptance. Most, but not all, Debit Cards can be accepted at the point of sale at participating locations. Examine the back of the Debit Card to determine if the Card participates in a network that you are authorized to accept. The Network mark(s) will usually be printed on the back of the Card. If the Debit Card is valid and issued by a participating network, you must comply with the following general requirements for all participating networks, in addition to any specific requirements of the network.

- You must honor all valid Debit Cards when presented that bear authorized network marks.
- You must treat transactions by Cardholders from all Issuers in the same manner.
- You may not establish a minimum or maximum transaction amount for Debit Card acceptance.
- You may process cash back or store credit on PIN Debit Cards on a merchandise return according to your store policy.
- You may not require additional information, beside the PIN, for the completion of the transaction unless the circumstances appear suspicious. A signature is not required for Debit Card transactions.
- You shall not disclose transaction related information to any party other than your agent, a network, or issuing institution and then only for the purpose of settlement or error resolution.
- You may not process a Credit Card transaction in order to provide a refund on a Debit Card transaction.

15.2. Transaction Processing. The following general requirements apply to all Debit Card transactions.

- All Debit Card transactions must be authorized and processed electronically. There is no voice authorization or Imprinter procedure for Debit Card transactions.
- You may not complete a Debit Card transaction that has not been authorized. The Cardholder should be instructed to contact the Issuer to find out why a transaction received a Referral or decline response. If you cannot obtain an authorization at the time of sale, you should request another form of payment from the customer or process the transaction as a Store and Forward or Resubmission, in which case you assume the risk that the transaction fails to authorize or otherwise declines. The Cardholder should be instructed to contact the Issuing Bank to find out why a transaction has been declined.
- Unless the transaction is a network supported PINless Transaction you may not complete a Debit Card transaction without entry of the Personal Identification Number (PIN) by the Cardholder (and no one else) or signature by the Cardholder (and no one else).
- The PIN must be entered into the PIN pad only by the Cardholder. You cannot accept the PIN from the Cardholder verbally or in written form.
- The Debit Network used to process your debit transaction will depend upon, among other things, our own business considerations, the availability of Debit network at the time of the transaction and whether a particular Debit Card is enabled for a particular Debit network. The Debit network used to route your transaction may or may not be the lowest cost network available. We may, in our sole discretion (i) use any Debit network available to us for a given transaction (including any of our affiliated PIN Debit networks) and (ii) add and/or remove Debit networks available to you based on a variety of factors including availability, features, functionality and our own business considerations.

- You must issue a receipt to the Cardholder upon successful completion of a transaction and effect PAN Truncation on it.

- You may not manually enter the account number for PIN Debit transactions. Signature Debit transaction may be key entered if you are unable to swipe the Card. The account number must be read electronically from the Magnetic Stripe/chip for transactions authenticated with a PIN. If the Magnetic Stripe/chip is unreadable, you must request another form of payment from the Cardholder. Do not obtain a signature if PIN authentication is not supported or available.

- Any applicable tax must be included in the total transaction amount for which authorization is requested. Tax may not be collected separately in cash.

• YOU ARE RESPONSIBLE FOR SECURING YOUR POS DEVICES AND FOR IMPLEMENTING APPROPRIATE CONTROLS TO PREVENT EMPLOYEES OR OTHERS FROM SUBMITTING REFUNDS AND VOIDS THAT DO NOT REFLECT BONA FIDE RETURNS OR REIMBURSEMENTS OF PRIOR TRANSACTIONS.

15.3. Cash Back From Purchase. You may offer cash back to your customers when they make a PIN Debit Card purchase, if cash back is supported by the PIN Debit Network associated with the PIN Debit Card presented by your customer. You may set a minimum and maximum amount of cash back that you will allow. If you are not currently offering this service, your POS device may require additional programming to begin offering cash back as long as it is supported by the Debit network.

15.4. Settlement. You must reconcile your accounts for each location daily and notify us within 24 hours of any issues.

15.5. Adjustments. An adjustment is a transaction that is initiated to correct a Debit Card transaction that has been processed in error. For Signature Debit transactions (including “no signature” signature debit transactions), both the Cardholder and the Card Issuer have the right to question or dispute a transaction. If these questions or disputes are not resolved, a Chargeback may occur. You are responsible for all adjustment and Chargeback fees that may be charged by a Debit network. Some PIN networks may have established minimum amounts for adjustments.

There are several reasons for adjustments being initiated:

- The Cardholder was charged an incorrect amount, whether too little or too much.
- The Cardholder was charged more than once for the same transaction.
- A processing error may have occurred that caused the Cardholder to be charged even though the transaction did not complete normally at the point of sale.
- A Cardholder is disputing the goods or services provided.
- All parties involved in processing adjustments and Chargebacks are regulated by time frames that are specified in the operating rules of the applicable Debit Card network, The Electronic Funds Transfer Act, Regulation E, and other applicable law.

16. Special Provisions Regarding Electronic Benefit Transfer (“EBT”)

If you elect to engage in EBT transactions, the terms and conditions of this Section 16 shall apply.

EBT transactions are provided to you by Processor and not by Bank. The Services provided, transactions processed and other matters contemplated under this Section 16 are subject to the rest of this Agreement, as applicable, except to the extent the terms of this Section 16 directly conflict with another section of this Agreement, in which case the terms of this Section 16 will control for purposes of EBT transactions; provided, however, that Bank is not a party to this Agreement insofar as it relates to EBT transactions, and Bank is not liable to you in any way with respect to such Services. For the purposes of this section, the words “we,” “our” and “us” refer only to the Processor and not to the Bank.

We offer electronic interfaces to EBT networks for the processing, settlement and switching of EBT transactions initiated through the use

of a state-issued EBT card ("EBT Card") at your POS Terminal(s) for the provision of United States Department of Agriculture, Food and Nutrition Service ("FNS"), Supplemental Nutrition Assistance Program ("SNAP") and Women, Infants and Children Benefits ("WIC Benefits") and/ or government delivered Cash Benefits (Cash Benefits, together with FNS, SNAP and WIC Benefits, collectively are referred to as the "EBT benefits") to EBT benefit recipients ("EBT customers"), subject to the terms below.

16.1. Acceptance of EBT Benefits. You agree to accept EBT Cards and provide EBT benefits to EBT customers through the use of POS Terminals, PIN pad and printer or other equipment that meet required standards set forth in the EBT Rules (including those set out in the Quest Rules) ("Authorized Terminal") during your normal business hours, in a manner consistent with your normal business practices.

The "EBT Rules" means (i) all procedures that we establish and provide to you from time-to-time regarding your acceptance of EBT Cards and provision of EBT benefits to EBT customers; (ii) the Quest Rules, as amended from time-to-time, issued by the National Automated Clearing House Association and as approved by the Financial

Management Service of the U.S. Treasury Department, as necessary (and any rules that succeed or replace the Quest Rules); and (iii) other such laws, rules, regulations and procedures that are applicable to the acceptance of EBT Cards and the provision of EBT benefits by you under this Section 16, including without limitation, laws pertaining to delivery of services to EBT customers and EBT customer confidentiality, the federal Civil Rights Act of 1964, Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, Clean Air Act, Clean Water Act, Energy Policy and Conservation Act, Immigration Reform and Control Act of 1986, regulations issued by the Department of Agriculture pertaining to Food Stamp Program, and, any additional procedures specified by the state regarding lost EBT Cards, forgotten PINs, discrepancies in benefits authorized and similar matters by providing EBT customers with information such as telephone numbers and addresses of the state or other appropriate agencies. The "Food Stamp Program" is the government benefits program operated under the authority of the Food Stamp Act of 1964.

You will provide EBT benefits to EBT customers, in accordance with applicable law and the procedures set out in the EBT Rules, in the amount authorized through your Authorized Terminal upon presentation by an EBT customer of an EBT Card and such EBT customer's entry of a valid PIN. If the Authorized Terminal fails to print EBT benefit issuance information as approved and validated as a legitimate transaction, you will comply with the procedures set forth in the EBT Rules for authorization of EBT benefits in such instance. You are solely responsible for your provision of EBT benefits other than in accordance with authorizations timely received from EBT service provider. You will not resubmit any EBT Card transaction except as specifically permitted by the applicable EBT Rules and procedures. You must provide a receipt for each EBT transaction to the applicable EBT customer.

You will not accept any EBT Card for any purpose other than providing EBT Benefits, including without limitation accepting an EBT Card as security for repayment of any EBT customer obligation to you. In the event of any violation of this provision, you will be obligated to reimburse the state or us for any EBT benefits unlawfully received by either you or an EBT customer to the extent permitted by law. Cash should never be dispensed for FNS, SNAP and WIC Benefits.

16.2. Manual EBT Vouchers. In accordance with the procedures set forth in this Section 16 and the EBT Rules, you will manually accept EBT Cards during periods of time when your Authorized Terminal is not working or the EBT system is not available; you will manually provide EBT benefits in the amount authorized through the applicable EBT service provider to the EBT customers at no cost to the EBT customers upon presentation by an EBT customer of his/her EBT Card. All manual voucher authorizations must be cleared on your POS terminal for payment of voucher to be made to you. In addition to any procedures set forth in the EBT Rules, the following limitations will apply to manual issuance of FS Benefits by merchant:

i. An authorization number for the amount of the purchase must be received by you from the applicable EBT service provider while the respective EBT customer is present and before you provide such EBT customer with any FNS, SNAP and WIC Benefits, or Cash Benefits, as applicable. You must not attempt to voice authorize a manual EBT transaction if the EBT customer is not present to sign the voucher.

The EBT customer must sign the voucher. A copy of the voucher should be given to the EBT customer at the time of authorization and you should retain one copy for your records.

ii. Specified EBT customer, clerk and sales information, including the telephone authorization number, must be entered properly and legibly on the manual sales draft.

iii. All manual voucher authorizations must be cleared on your Authorized Terminal within 14 days after the date of applicable voice authorization. Vouchers cannot be cleared by any manner except by your Authorized Terminal therefore you should never mail vouchers requesting payment. If a voucher expires before it has been cleared by your Authorized Terminal for payment, no further action can be taken to obtain payment for the voucher.

iv. In the event that, due to EBT host failure, EBT benefit availability for an EBT customer cannot be determined at the time you request authorization, the maximum authorized manual transaction and benefit encumbrance will be \$40.00 or such other state specific floor limit as set forth in the most current version of the applicable EBT Rules.

v. Except as specifically provided in the applicable EBT Rules, you will not be reimbursed and will be solely responsible for a manual transaction if you fail to obtain an authorization number from the applicable EBT service provider as set forth in this Section 16 or otherwise fail to process the manual transaction in accordance with the EBT Rules.

vi. If you have not received an authorization number in accordance with paragraph 16.1 above, you may not "re-submit" a manual sales draft for payment for the transaction.

16.3. Acceptance of EBT Cash Benefits. If you agree to accept EBT Cards and to provide Cash Benefits, you agree to maintain adequate cash on hand to issue EBT service provider authorized Cash Benefits and will issue such Cash Benefits to EBT customers in the same manner and to the same extent cash is provided to your other customers. You may not require, and may not in your advertising suggest, that any EBT customers must purchase goods or services from you as a condition to receiving Cash Benefits, unless such condition applies to other customers as well. You may not designate and direct EBT customers to special checkout lanes restricted to use by EBT customers unless you also designate and direct other customers to special checkout lanes for Debit Cards or Credit Cards and/or other payment methods such as checks other than cash.

16.4. Interoperability. If you accept Cards and provide EBT benefits (FNS, SNAP and WIC Benefits and/or Cash Benefits), you must do so for EBT customers from all states.

16.5. Required Licenses. If you provide FNS, SNAP and WIC Benefits under this Agreement, you represent and warrant to us that you are a FNS authorized merchant and are not currently disqualified or withdrawn from redeeming food stamp coupons or otherwise disqualified or withdrawn by FNS. You agree to secure and maintain at your own expense all necessary licenses, permits, franchises, or other authorities required to lawfully effect the issuance and distribution of EBT benefits under this Agreement, including without limitation, any applicable franchise tax certificate and non-governmental contractor's certificate, and covenant that you will not accept EBT Cards or provide EBT benefits at any time during which you are not in compliance with the requirements of any EBT Rules.

16.6. Term and Termination. If you are disqualified or withdrawn from the Food Stamp Program, your authority to issue benefits will be terminated concurrently therewith. Such disqualification or withdrawal will be deemed a breach of this Agreement with respect to your authority to issue Cash Benefits and, in the event of such disqualification; we have the

right to immediately terminate the provision of service under this Section 16 or the Agreement in its entirety. With respect to the issuance of Cash Benefits only, your authority to issue Cash Benefits may be suspended or terminated immediately at the sole discretion of us, the state or its EBT service provider, effective upon delivery of a notice of suspension or termination specifying the reasons for such suspension or termination if there shall be (i) any suspension, injunction, cessation, or termination of the EBT service provider's authority to provide EBT services to the state; (ii) failure by you, upon not less than thirty (30) days prior written notice, to cure any breach by you of the provisions of these terms and conditions, including without limitation, your failure to support the issuance of EBT benefits during your normal business hours consistent with your normal business practices, your failure to comply with EBT issuance procedures, your impermissible acceptance of an EBT Card, or your disqualification or withdrawal from the Food Stamp Program; or (iii) based on a state's or its EBT service provider's investigation of the relevant facts, evidence that you or any of your agents or employees are committing, participating in, or have knowledge of fraud or theft in connection with the dispensing of EBT benefits. If you fail to cure any breach as set forth above, you may appeal such suspension or termination to the applicable state for determination in its sole discretion.

In the event that your authority to accept benefits is suspended or terminated by a state or its EBT service provider, and you successfully appeal such suspension or termination to the state or its EBT service provider, we shall be under no obligation to reinstate the services previously provided under this Section 16 or the Agreement, as applicable.

The provision of services under this Section 16 shall terminate automatically if our Agreement or our service provider's agreement with any applicable state's EBT service provider terminates for any reason.

You will give prompt notice to us if you plan to stop accepting EBT Cards and providing EBT benefits or if you are unable to comply with the terms of this Section 16.

16.7. Confidentiality of EBT System Information. All information related to EBT customers and/or the issuance of EBT benefits shall be considered confidential information.

Individually identifiable information relating to an EBT customer or applicant for EBT benefits will be held confidential and will not be disclosed by you or your directors, officers, employees or agents, without prior written approval of the applicable state.

You will: (a) implement appropriate measures designed to: (1) ensure the security and confidentiality of all non-public personal information or materials regarding customers ("NPPI"); (2) protect against any anticipated threats or hazards to the security or integrity of NPPI; (3) protect against unauthorized access to or use of NPPI that could result in substantial harm or inconvenience to any customer and (4) ensure the proper disposal of NPPI; and (b) take appropriate actions to address incidents of unauthorized access to NPPI, including notification to us as soon as possible.

The use of information obtained by you in the performance of your duties under this Section 16 will be limited to purposes directly connected with such duties.

16.8. EBT Service Marks. You will adequately display any applicable state's service marks or other licensed marks, including the Quest Marks, and other materials supplied by us, (collectively the "Protected Marks") in accordance with the standards set by the applicable state. You will use the Protected Marks only to indicate that EBT benefits are issued at your location(s) and will not indicate that we, any state or its EBT service provider endorse your goods or services. Your right to use such Protected Marks pursuant to this Agreement will continue only so long as this Section 16 remains in effect or until you are notified by us, any state or its EBT service provider to cease their use or display. You will not use the Marks of any EBT service provider without prior written approval from such EBT service provider.

16.9. Miscellaneous.

16.9.1. Errors. You will fully cooperate with us and any other participants in the EBT system in the resolution of errors and disputes regarding EBT transactions processed pursuant to this Section 16. You will promptly notify us of any such errors or disputes.

16.9.2. Issuance Records.

i. You agree to make available such informational materials as may be required by the state, its EBT service provider or any applicable regulations pertaining to the issuance of Benefits.

ii. You will retain all EBT-related records (including but not limited to manual sales drafts or vouchers) in the manner required by the EBT Rules or otherwise reasonably requested by us for three (3) years following the date of the applicable EBT transaction, or for such additional period as may be required by the EBT Rules. Records involving matters in litigation will be kept by you for a period of not less than three (3) years following the termination of the applicable litigation. Copies of any documents in media other than paper (e.g. microfilm, etc.) related to this Section 16 may be substituted for the originals to the extent permitted under applicable EBT Rules and provided that legible paper copies can be reproduced within a reasonable time after such records are requested.

iii. You will make all EBT-related records available for audit upon request to representatives of the state or its EBT service provider, or other authorized state or federal government agency during normal business hours.

iv. To assure compliance with this Agreement, including without limitation this Section 16, the state, its EBT service provider, or other authorized state or federal government agency, will at all times, upon advance notice except in the case of suspected fraud or other similar activity, have the right to enter, during normal business hours, your premises to inspect or evaluate any work performed under this Agreement, or to obtain any other information required to be provided by you or otherwise related to this Agreement.

16.9.3. Training. You will train and permit your employees to receive training regarding the issuance of EBT benefits.

16.9.4. Amendments. Notwithstanding anything to the contrary in this Agreement, if any of these terms and conditions are found to conflict with the EBT Rules or federal or state policy, these terms and conditions are subject to reasonable amendment by us, a state or its EBT service provider to address such conflict upon written notice to you and such amendment shall become effective upon such notice.

16.9.5. State Action. Nothing contained herein shall preclude a state from commencing appropriate administrative or legal action against you or for making any referral for such action to any appropriate federal, state, or local agency.

16.9.6. Reference to State Any references to state herein will mean the state in which you accept EBT benefits pursuant to this Section 16. If you accept EBT benefit in more than one state pursuant this Section 16, then the reference will mean each such state severally, not jointly.

16.9.7. Third Party Beneficiaries. These terms and conditions, do not create, and will not be construed as creating, any rights enforceable by any person not having any rights directly under this Agreement, except that the state and its Issuer, as defined in the Quest Rules, will be deemed third party beneficiaries of the representations, warranties, covenants and agreements made by you under the Agreement, including without limitation this Section 16.

17. Special Provisions Regarding Wireless Service

If you elect to purchase the Wireless Services from us, then the following terms and conditions of this Section 17, referred to as the "Wireless Services Terms," shall apply. THE WIRELESS SERVICES ARE BEING SOLD TO YOU FOR USE IN BUSINESS AND ARE NOT BEING SOLD TO YOU FOR HOUSEHOLD OR PERSONAL USE. Sale of Wireless Services is made by Processor and not the Bank. The Services provided, transactions

processed and other matters contemplated under this Section 17 are subject to the rest of this Agreement, as applicable, except to the extent the terms of this Section 17 directly conflict with another section of this Agreement, in which case the terms of this Section 17 will control; provided, however, that Bank is not a party to this Agreement insofar as it relates to Wireless Services, and Bank is not liable to you in any way with respect to such services. For the purposes of this section, the words "we," "our" and "us" refer only to the Processor and not to the Bank.

Through one or more third party vendors ("Wireless Vendor(s)") selected by us in our sole discretion, we have acquired the right to resell certain wireless data communication services that use radio base stations and switching offered by certain cellular telephone and data networks throughout the country (the "Wireless Networks") in order to allow you to capture and transmit to Processor and Bank certain wireless Card Authorization transactions or to transmit other communications to our system ("Wireless Services").

If you elect to purchase voice and/or data services directly from a third party provider for use with the Wireless Equipment as permitted by Processor, you acknowledge and agree that this Agreement does not address or govern those voice and/or data services or your relationship with that third party provider, and Servicers are in no way responsible for providing, maintaining, servicing or supporting such third party voice and/or data services.

17.1. Purchase of Wireless Services. The prices that you will pay for the Wireless Services are set forth on the Application. In connection with your purchase of Wireless Services, you will receive access to a certain Wireless Network(s).

- **Licenses.** You agree to obtain any and all licenses, permits or other authorizations required by the Federal Communications Commission ("FCC") or any other regulatory authority, if any, for the lawful operation of Wireless Equipment used by you in connection with your receipt of Wireless Services.

- **Wireless Equipment.** You agree that in order to access the Wireless Services, you must use wireless POS Terminals and accessories approved for use with the Wireless Services by Processor from time to time in its sole discretion (the "Wireless Equipment"). If Wireless Equipment is purchased by you from us as indicated on the Application, then the terms of this Agreement, including without limitation Section 18 of this Agreement, apply to your use of such Wireless Equipment.

- **Improvements / General Administration.** We and the Wireless Vendor(s) reserve the right to make changes, from time to time, in the configuration of the Wireless Services, Wireless Networks, Wireless Equipment, Wireless Software, rules of operation, accessibility periods, identification procedures, type and location of equipment, allocation and quantity of resources utilized, programming languages, administrative and operational algorithms and designation of the control center serving you at the particular address. In addition, we reserve the right to schedule, from time to time, interruptions of service for maintenance activities.

- **Suspension of Wireless Services.** We or a Wireless Network may suspend the Wireless Services to: (a) prevent damages to, or degradation of, our or a Wireless Network's network integrity that may be caused by a third party; (b) comply with any law, regulation, court order or other governmental request which requires immediate action; or (c) otherwise protect us or a Wireless Network from potential legal liability. To the extent commercially reasonable, we shall give notice to you before suspending the Wireless Services to you. If not commercially reasonable to give prior notice, we will give notice to you as soon as commercially practicable thereafter. Availability of the Wireless Services may vary due to events beyond the control of us or our Wireless Vendors. In the event of a suspension of the Wireless Services, we or the applicable Wireless Vendor will promptly restore the Wireless Services after the event giving rise to the suspension has been resolved.

17.2. Software Licenses. Processor hereby grants to you a non-exclusive, nontransferable, revocable limited sublicense to use any wireless software

(including any documentation relating to or describing the wireless software) downloaded by you or your designee from Processor's systems onto the Wireless Equipment in connection with your purchase and use of the Wireless Services in accordance with the terms of this Agreement, including this Section 17 and Section 18 ("Wireless Software"). Anything in this Agreement to the contrary notwithstanding, we or certain third parties retain all ownership and copyright interest in and to all Wireless Software, related documentation, technology, know-how and processes embodied in or provided in connection with the Wireless Software, and you shall have only a nonexclusive, non-transferable license to use the Wireless Software in your operation of the Wireless Equipment for the purposes set forth in this Agreement. Nothing in this Agreement confers any title or ownership of any such Wireless Software to you or shall be construed as a sale of any rights in any such Wireless Software to you. You agree to accept, agree to and be bound by all applicable terms and conditions of use and other license terms applicable to such Wireless Software. You shall not reverse engineer, disassemble or decompile the Wireless Software. You shall not give any Person access to the Wireless Software without our prior written consent. Your obligations under this Section 17.2 shall survive the termination of this Agreement. You acknowledge that the only right you obtain to the Wireless Software is the right to use the Wireless Software in accordance with the terms in this Section.

17.3. Limitation on Liability. We shall have no liability for any warranties by any party with respect to uninterrupted Wireless Services, as set forth in Section 17.10, or for any Person's unauthorized access to Client's data transmitted through either the Wireless Equipment or Wireless Services (including the Wireless software), or Wireless Networks, regardless of the form of action (whether in contract, tort (including negligence), strict liability or otherwise). The foregoing notwithstanding, for any other liability arising out of or in any way connected with these Wireless Services Terms, including liability resulting solely from loss or damage caused by partial or total failure, delay or nonperformance of the Wireless Services or relating to or arising from your use of or inability to use the Wireless Services, Processor's, Bank's, and Wireless Vendor(s)' liability shall be limited to your direct damages, if any, and, in any event, shall not exceed the lesser of the amount paid by you for the particular Wireless Services during any period of failure, delay, or nonperformance of the Wireless Services or \$50,000.00. In no event shall Servicers, Wireless Vendor(s) or our respective Affiliates be liable for any indirect incidental, special consequential or punitive damages. The remedies available to you under these Wireless Services Terms will be your sole and exclusive remedies with respect to the Wireless Services.

17.4. Indemnification. In addition to any other indemnifications as set forth in this Agreement, you will indemnify and hold Servicers, Wireless Vendor(s) and us and our respective officers, directors, employees, and Affiliates harmless from and against any and all losses, claims, liabilities, damages, costs or expenses arising from or related to:

(a) the purchase, delivery, acceptance, rejection, ownership, possession, use condition, liens against, or return of the Wireless Equipment or the Wireless Equipment (including the Wireless Software), as applicable;

(b) your negligent acts or omissions;

(c) any breach by you of any of your obligations under this Section 17; or

(d) any Person's unauthorized access to Client's data and/or unauthorized financial activity occurring on your Merchant Identification Number hereunder, except to the extent any losses, liabilities, damages or expenses result from our gross negligence or willful misconduct.

17.5. Confidentiality. All information or materials which could reasonably be considered confidential or competitively sensitive that you access from or relate to either Wireless Vendor(s) or Servicers related to the subject matter of these Wireless Services Terms will be considered confidential information. You will safeguard our confidential information with at least the same degree of care and security that you use for your confidential information, but not less than reasonable care.

17.6. Termination. In addition to any other provision in this Agreement,

the Wireless Services being provided under this Section 17 may terminate:

(a) Immediately upon termination of the agreement between us (or our Affiliates) and Wireless Vendor(s), provided that we will notify you promptly upon our notice or knowledge of termination of such agreement, provided further that if Wireless Vendor(s) loses its authority to operate less than all of the Wireless Services or if the suspension of any authority or non-renewal of any license relates to less than all of the Wireless Services, then these Wireless Services Terms will terminate only as to the portion of the Wireless Services affected by such loss of authority, suspension or non-renewal; or

(b) Immediately if either we or our Affiliates or Wireless Vendor(s) are prevented from providing the Wireless Services by any law, regulation, requirement, ruling or notice issued in any form whatsoever by judicial or governmental authority (including without limitation the FCC).

17.7. Effect of Termination. Upon termination of these Wireless Services Terms for any reason, you will immediately pay to us all fees due and owing to us hereunder. If these Wireless Services Terms terminate due to a termination of the agreement between us or our Affiliates and Wireless Vendor(s), then we may, in our sole discretion, continue to provide the Wireless Services through Wireless Vendor(s) to you for a period of time to be determined as long as you continue to make timely payment of fees due under these Wireless Services Terms.

17.8. Third Party Beneficiaries. Wireless Vendor(s) are third party beneficiaries of these Wireless Services Terms and may enforce its provisions as if a party hereto.

17.9. Other Applicable Provisions. You also agree to be bound by all other terms and conditions of this Agreement.

17.10. Disclaimer. Wireless Services use radio transmissions, so Wireless Services can't be provided unless your Wireless Equipment is in the range of one of the available Wireless Networks' transmission sites and there is sufficient network capacity available at that moment. There are places, particularly in remote areas, with no service at all. Weather, topography, buildings, your Wireless Equipment, and other conditions that we do not control may also cause failed transmissions or other problems. PROCESSOR, BANK, AND WIRELESS VENDOR(S) DISCLAIM ALL REPRESENTATIONS AND WARRANTIES RELATING TO WIRELESS SERVICES. WE CANNOT PROMISE UNINTERRUPTED OR ERROR FREE WIRELESS SERVICE AND DO NOT AUTHORIZE ANYONE TO MAKE ANY WARRANTIES ON OUR BEHALF.

18. Terms of Equipment Purchase or Rental

This Section 18 governs any equipment that is rented to you on a month to month basis or that is sold to you by Processor under the Merchant Processing Application, subsequent purchase or rental agreements and/or other documentation provided in connection with the purchase or rental of Equipment ("Equipment Documents"). Equipment rented to or purchased by you under the Equipment Documents is referred to in this Section 18 as the "Equipment." THE EQUIPMENT IS BEING SOLD TO YOU FOR USE IN YOUR BUSINESS AND IS NOT BEING SOLD OR RENTED TO YOU FOR HOUSEHOLD OR PERSONAL USE. Sales and rentals of equipment are made by Processor. The Services provided, Equipment, Equipment Documents and other matters contemplated under this Section 18 are subject to the rest of the Agreement as, applicable except to the extent the terms of this Section 18 directly conflict with any other provision of the Agreement, in which case the terms of this Section 18 will control; provided, however, that Bank is not a party to this Agreement insofar as it relates to sales and rental of Equipment and Bank is not liable to you in any way with respect to such services. For purposes of this section the words "we," "our," and "us" refer only to Processor and not to Bank.

Warranties, if any, for the Equipment or any related Software originate from the applicable third party provider or manufacturer ("Vendor"). Materials or documents, if any, setting forth warranty terms, conditions, exceptions, exclusions and disclaimers will be contained within the packaging shipped from the Vendor.

We or third parties designated by us will only provide help desk support for Equipment purchased or rented from us under the Equipment Documents, and we will not provide any such support or related services for any other products or equipment.

YOU ACKNOWLEDGE THAT THE EQUIPMENT AND/OR SOFTWARE YOU PURCHASED OR RENT FROM US OR SUBSEQUENTLY PURCHASE OR RENT FROM US, MAY NOT BE COMPATIBLE WITH ANY OTHER PROCESSOR'S SYSTEMS. WE DO NOT HAVE ANY OBLIGATION TO MAKE SUCH SOFTWARE AND/OR EQUIPMENT COMPATIBLE WITH ANY OTHER PROCESSING SYSTEMS. IN THE EVENT THAT YOU ELECT TO USE ANOTHER PROCESSING SERVICE PROVIDER UPON THE TERMINATION OF THIS AGREEMENT, YOU ACKNOWLEDGE THAT YOU MAY NOT BE ABLE TO USE THE EQUIPMENT AND/OR SOFTWARE RENTED OR PURCHASED UNDER THIS AGREEMENT.

18.1. Purchased Equipment; Supplies. We will sell to you, and you will buy from us the Equipment identified in the Equipment Documents throughout the term of this Agreement as being purchased by you (individually and collectively the "Purchased Equipment"), free and clear of all liens and encumbrances (subject to Section 18.7), except that any "Software" (as defined in Section 18.8) will not be sold to you outright but instead will be provided to you pursuant to, and subject to the conditions of Section 18.8 of this Agreement. You shall pay the purchase price specified for the Purchased Equipment and the related software license(s), including all applicable tax and shipping and handling charges, prior to the effective date of this Agreement or at our option, such amounts will be collected by us by debits or deductions pursuant to Section 18.5. We will provide you supplies as requested by you from time to time. You shall pay the purchase price for such supplies, plus shipping and handling charges, including all applicable tax, prior to delivery of the supplies or upon invoice, as specified by us, or at our option, such amounts will be collected by us by debits or deductions pursuant to Section 18.5. (Maintenance and repair of merchant-owned equipment is your responsibility). Should your terminal become inoperable, we can provide you with equipment at a monthly rental fee. There will also be a nominal shipping and handling fee. For such rental equipment contact the POS Help Desk.)

18.2. Rental Equipment. We agree to rent to you and you agree to accept and rent from us the Equipment identified in the Equipment Documents as being rented to you (individually and collectively the "Rental Equipment"), according to the terms and conditions of this Section 18. In addition, any Equipment ordered by and rented to you during the term of this Agreement shall constitute Rental Equipment and be governed by the terms of this Section 18.

18.3. Effective Date and Term of Section 18. This Section 18 shall become effective on the first date you receive any piece of Equipment covered by this Section 18. This Section 18 will remain in effect until all of your obligations and all of our obligations under this Agreement have been satisfied. We will deliver the Equipment to the site designated by you. You shall be deemed to have accepted each piece of Equipment at the earlier of: (a) your actual acceptance after installation, (b) delivery to you if your site is not prepared and ready for installation or (c) for Equipment that we have not agreed to install for you, seven (7) days after shipment of each such piece of Equipment. The rental period with respect to each piece of Equipment shall commence on the date such Equipment is deemed accepted and shall terminate at the scheduled termination date (but not upon any early termination) of this Agreement and/or any other agreement then in effect with us for Card services. The provisions of this Section 18 shall survive the termination or expiration of this Agreement and continue until all Rental Equipment is returned or paid for.

18.4. Site Preparation; Installation & Maintenance. You will prepare the installation site(s) for the Equipment, including but not limited to the power supply circuits and phone lines, in conformance with the manufacturer's and our specifications and will make the site(s) available to us by the confirmed shipping date. You will support the installation in accordance with our requirements.

- Upon request, you must allow us (or our agents) reasonable access to the premises where authorization terminals or other communications equipment (e.g., printers) are or will be located.
- Any alterations required for installation of authorization terminal(s) or other communications equipment will be done at your expense.
- Only we or our agents can alter or modify authorization terminal(s) or other communications Equipment owned by us.
- If a terminal or printer appears to be defective, you must immediately call the POS Help Desk.
- You are responsible for safeguarding authorization terminals or other Equipment from loss, damage, unauthorized use, misuse or theft. We should be notified immediately regarding any damage to or loss of communications equipment.
- If necessary, we will assist you in obtaining replacement Equipment. If you fail to return any defective Equipment, you may be responsible for its replacement value and for any legal and/or collection costs incurred by the Equipment owner in connection with recovering Equipment.
- You are responsible for keeping all communication Equipment free of any claims, liens and legal processes initiated by creditors.
- Equipment may not be subleased at any time. The cost of comparable new Equipment, as well as any associated legal and/or collection costs incurred by us or the owner of the Equipment, will be assessed to you for each piece of equipment not returned upon termination of the Agreement by either party, or upon request for the return of the Equipment for any reason.
- You may not relocate, remove, disconnect, modify or in any way alter any Equipment used in connection with the services we are providing to you without first obtaining our permission.
- You must provide us with thirty (30) days prior written notice to request the relocation of any Equipment.
- Should you require additional Equipment, you must contact Relationship Management or Customer Service (there may be additional costs or fees charged to you in connection with any new Equipment ordered, including download fees).

18.5. Payment of Amounts Due.

- a) You agree to pay the monthly rental charge specified in the Equipment Documents which shall be due and payable on the first day of each month of the rental period for each piece of Rental Equipment, except that the first payment of the monthly rental charge for each piece of Rental Equipment shall be due and payable upon acceptance of such Equipment by you at the location designated in the Equipment Documents or, upon delivery if the site is not prepared for installation (as provided in Section 18.3). The monthly rental charge for fractions of a calendar month shall be prorated based on a thirty (30) day month.
- b) You hereby authorize us to collect all amounts due from you under this Section 18 by initiating debit entries for such amounts to your account designated pursuant to the Merchant Agreement to be debited and credited for amounts due from and to the Settlement Account or by deducting such amounts from amounts due to you from TeleCheck or Servicers.

c) In addition to the purchase price or monthly rental charge due hereunder, you shall pay, or reimburse us for, amounts equal to any taxes, levies, shipping fees, duties or assessments, however designated, levied or based on such charges, or on this Agreement or the Equipment and related supplies or any services, use or activities hereunder, including without limitation, state and local sales, use, property, privilege and excise taxes, exclusive, however, of taxes based on our net income.

d) Separate charges will apply for supplies; they are not included in monthly rental charges.

18.6. Use and Return of Equipment; Insurance.

- a) You shall cause the Equipment to be operated by competent and

qualified personnel in accordance with any operating instructions furnished by us or the manufacturer and in connection with the Services. You shall not use the Equipment, or permit the Equipment to be used, in any manner or for any purpose for which the Equipment is not designed or reasonably suited.

b) You shall not permit any physical alteration or modification of the Equipment without our prior written consent.

c) You shall not change the installation site of the Equipment without our prior written consent, which consent we will not unreasonably withhold.

d) You shall not assign your rights or obligations under this Agreement, or pledge, lend, create a security interest in, directly or indirectly create, incur, assume or allow to exist any other consensually or judicially imposed liens or encumbrances on, or part with possession of, or sublease the Rental Equipment to any other person, firm or organization without our prior written consent. Any such assignment, delegation, sublease, pledge, security interest or lien in the absence of such consent shall be void.

e) You shall comply with all governmental laws, rules and regulations relating to the use of the Equipment. You are also responsible for obtaining all legally required permits for the Equipment.

f) We or our representatives may, at any time, enter your premises for purposes of inspecting, examining or repairing the Equipment.

g) Promptly upon termination of all applicable rental periods or promptly following any action by us pursuant to Section 18.11(b), you shall deliver possession of the Rental Equipment (including all attachments and parts) to us at your cost in the same operating order, repair, condition and appearance that the Rental Equipment had at the time of its delivery to you, reasonable wear and tear excepted.

h) For each item of Rental Equipment that you fail to return to us at your cost in the same operating order, repair, condition and appearance that it had at the time of delivery to you, reasonable wear and tear excepted, by the 10th Business Day after (i) termination of the applicable rental period, or (ii) any action by us pursuant to Section 18.11(b), you agree to pay us the greater of \$250 or the fair market value of such item of Equipment if it were in the condition described above, as determined by us. We may collect such amounts in the manner provided in Section 18.5 and to the extent we are unable to do so, you agree to pay us the amounts owed promptly.

i) Except for Purchased Equipment that has been paid for in full, the Equipment shall remain our personal property and shall not under any circumstances be considered to be a fixture affixed to your real estate. You shall permit us to affix suitable labels or stencils to the Equipment indicating our ownership.

j) You shall keep the Rental Equipment adequately insured against loss by fire, theft and all other hazards (comprehensive coverage). The loss, destruction, theft of or damage to the Rental Equipment shall not relieve you from your obligation to pay the full purchase price or rent payable hereunder.

k) Except for Purchased Equipment that has been paid in full, the Equipment shall be kept at the address indicated in the Equipment Documents and shall not be removed from there without our prior written consent (except where normal use of the Equipment requires temporary removal).

l) In order to return equipment, you should:

- Call Customer Service for the address of the location to send the equipment.
- The following information must be included within the shipping box:
 1. Client name, complete address and phone number.
 2. Name of person to contact if there are any questions.
 3. Your Merchant Account Number.
 4. Serial number of the terminal (found on the underside of the terminal).
- Please maintain proof of delivery documents for your records, and the

serial number from the bottom of the terminal.

- Rental fees may be continued until equipment is returned.

Payment acquisition and processing equipment and software sourced from Servicers or from a third party, is subject to obsolescence due to factors such as inability to accommodate required security and functional updates or due to model discontinuation by the manufacturer and unavailability of spare parts. Client acknowledges and understands that obsolete point of sale equipment will need to be replaced by non-obsolete and compliant point of sale equipment in the event of equipment failure, or as requested by Servicers to bring the Client into compliance with card network mandates and regulations. Client will be responsible for any costs associated with upgrading to non-obsolete and compliant equipment.

18.7. Security Interest; Financing Statements. You hereby grant to us a security interest in (a) all Purchased Equipment and the related Software to secure payment of the purchase price, and (b) all Rental Equipment and the related Software to secure payment of the monthly payments therefore and authorize us to file financing statements with respect to the Equipment and the Software in accordance with the Uniform Commercial Code, signed only by us or signed by us as your attorney-in-fact.

18.8. Software License. Anything in this Agreement to the contrary notwithstanding, we or certain parties retain all ownership and copyright interest in and to all software, computer programs, related documentation, technology, know-how and processes embodied in or provided in connection with the Equipment (collectively "Software"), and you shall have only a nonexclusive, non-transferable, revocable license to use the Software in your operation of the Equipment for purposes set forth in this Agreement. Nothing in this Agreement confers any title or ownership of any such Software to you or shall be construed as a sale of any rights in any such Software to you. You agree to accept, agree to and be bound by all applicable terms and conditions of use and other license terms applicable to such Software. You shall not reverse engineer, disassemble or decompile the Software. You shall not give any third party access to the Software without our prior written consent. Your obligations under this Section 18.8 shall survive the termination of this Equipment Agreement.

18.9. Limitation on Liability. Notwithstanding any provision of this Agreement to the contrary and in addition to the limitations and disclaimers set forth in Section 7 of this Agreement (including without limitation the disclaimers in Section 7.2 of this Agreement), our liability arising out of or in any way connected with the Equipment or related software shall not exceed the purchase price or prior twelve month's rent, as applicable, paid to us for the particular Equipment involved.

18.10. Indemnification. You shall indemnify and hold us harmless from and against any and all losses, liabilities, damages and expenses, resulting from (a) the purchase, delivery, installation, acceptance, rejection, ownership, leasing, possession, use, operation, condition, liens against, or return of the Equipment, or (b) any breach by you of any of your obligations hereunder, except to the extent any losses, liabilities, damages or expenses result from our gross negligence or willful misconduct.

In addition to your other obligations hereunder, You acknowledge and agree that the "use" and "operation" of the Equipment for which you will indemnify and hold us harmless shall include, but not be limited to, You loading additional software onto Equipment or using such software, or using Equipment or Software to access the Internet.

18.11. Default; Remedies.

a) If any debit of your Settlement Account initiated by us for rent and/or other charges due hereunder is rejected when due, or if you otherwise fail to pay us any amounts due hereunder when due, or if you default in any material respect in the performance or observance of any obligation or provision in this Section 18, or if any other default occurs under this Agreement, any such event shall be a default hereunder.

b) Upon the occurrence of any Event of Default, we may at our option, effective immediately without notice, either: (i) terminate the period of rental and our future obligations under this Section 18, repossess the

Equipment and proceed in any lawful manner against you for collection of all charges that have accrued and are due and payable, in which case this Section 18 shall terminate as soon as your obligations to us are satisfied, or (ii) accelerate and declare immediately due and payable all monthly rental charges for the remainder of the applicable rental period and proceed in any lawful manner to obtain satisfaction of the same.

19. Special Provisions Regarding Gift Card Services

If you elect to engage in Gift Card Services, the terms and conditions of this Section 19 shall apply for purposes of such Gift Card Services.

Gift Card Services are provided to you by Processor and not by Bank. The Services provided, transactions processed and other matters contemplated under this Section 19 are subject to the rest of this Agreement, as applicable, except to the extent the terms of this Section 19 directly conflict with another section of this Agreement, in which case the terms of this Section 19 will control for purposes of such Gift Card Services; provided, however, that Bank is not a party to this Agreement insofar as it relates to Gift Card Services, and Bank is not liable to you in any way with respect to such Services. For the purposes of this section, the words "we," "our" and "us" refer only to the Processor and not to the Bank. Gift Card Services will be renamed Gift Solutions around Q1-2018.

19.1. Definitions. Capitalized terms used in this Section 19 shall have the meanings given to such terms as set forth in this Section or as defined in the Glossary or elsewhere in this Agreement.

(a) "ACH" means the Automated Clearing House system.

(b) "Affiliated Issuer(s)" means each Client Affiliate and/or franchisee that enters into an Affiliated Issuer Agreement, in the form required and provided by Processor.

(c) "Database" means the database on which Gift Card Data for each Gift Card issued under the Program is processed and maintained.

(d) "Designated Location" means any store, retail location or other place of business (including a direct marketing program or Internet site), located in the U.S.A., and at or through which Client issues Gift Cards and/or processes transactions using Gift Cards issued under the Program. Designated Location may also include any help desk or IVR through which transactions are processed under the Program.

(e) "Enhanced Features" means the additional program functionality offered to Client pursuant to the Enhanced Features set-up form.

(f) "Gift Card" means an encoded device that accesses Gift Card Data maintained in the Database.

(g) "Gift Card Data" means the current value and record of transactions corresponding to each Gift Card issued under the Program.

(h) "Gift Card Equipment" means any POS Terminal, software or other similar telecommunications equipment that has been programmed and certified to Processor's specifications in order to transmit Gift Card Data and process online transactions under the Program.

(i) "Gift Card Holder" means any person in possession of or that uses a Gift Card.

(j) "Gift Card Number" means the identifying number of a Gift Card.

(k) "Gift Card Production Company" means a company selected and retained by Processor to produce Gift Cards and provide related products or services for the Program.

(l) "IVR" means an automated Interactive Voice Response system accessed via a toll-free telephone number.

(m) "POS Terminal" means an electronic Point-Of-Sale terminal placed in a Designated Location which is connected to Processor's system via telephone lines and is designed to swipe Gift Cards.

(n) "Program" means Client's program pursuant to which Client issues Gift Cards to Gift Card Holders and Processor provides the Services to enable such Gift Card Holders to use such Gift Cards to purchase goods and services at Designated Locations.

(o) "Services" means the services provided by Processor in connection with the Program as further described in this Section.

19.2. Services. Processor agrees to provide the Services set forth below in connection with the Program.

(a) Processor will arrange for the production of all Gift Cards and all other services related thereto by the Gift Card Production Company for the Program in accordance with the specifications and fees set forth on the Gift Card Set-Up Form (the "Gift Card Set-Up Form"), which is incorporated by reference herein.

(b) Processor shall establish, process and maintain Gift Card Data on the Database.

(c) Processor shall provide Client and its Affiliated Issuers with the capability to process selected transactions under the Program through Gift Card Equipment at Designated Locations.

(d) Upon receipt of transaction information from a Designated Location by the Database, Processor will compare the proposed transaction amount with the account balance maintained on the Database corresponding to the Gift Card or Gift Card Number that was presented at the Designated Location. If the account balance is greater than or equal to the amount of the proposed transaction, Processor will authorize the transaction. If the account balance is less than the amount of the proposed transaction, Processor will decline the transaction. If Client's Gift Card Equipment supports "split tender," and the account balance is less than the amount of the proposed transaction, Processor will authorize the transaction for the amount of the account balance, and return a message and/or receipt to the Gift Card Equipment showing the remaining amount of the transaction to be collected by Client. Client understands and agrees that an Authorization by Processor only indicates the availability of sufficient value on a Gift Card account at the time of Authorization and does not warrant that the person presenting the Gift Card or Gift Card Number is authorized to use such Gift Card or Gift Card Number.

(e) Processor shall provide an IVR, twenty-four (24) hours per day, seven (7) days per week, through which Client and Gift Card Holders may obtain Gift Card balances.

(f) Processor shall provide a Gift Card product support help desk through which Client may process selected non-financial transactions under the Program. Support is currently available Monday through Friday, 8:00 a.m. to 8:00 p.m. Eastern Time (excluding holidays). The hours and days of support are subject to change at any time; provided that (i) Processor will provide advance notice of any change in the hours and days; and (ii) the total number of hours shall not be less than 40 in any regular work week (excluding holidays).

(g) Processor will provide Client with Gift Card transaction reports, accessible by Client through a designated Internet site. Processor will maintain reports on the Internet site for Client's use for a period of six (6) months. Processor may, in its discretion, provide additional or custom reports or report formats, as may be requested by Client from time to time, at a fee to be determined by Processor.

(h) Client will at all times own all right, title and interest in and to all Gift Card Data generated under the Program. During the term, Processor will retain the Gift Card Data for each Gift Card on the Database for a period of twenty-four (24) months following the date that the account -balance reaches zero. Thereafter, during the term, Processor may remove the Gift Card Data from the Database and archive such Gift Card Data in any manner determined by Processor in its reasonable business judgment. Notwithstanding the foregoing, within ninety (90) days of Client's written request, during the first twelve (12) months following the expiration or termination of the Gift Card Services, Processor will compile a data report of the Gift Card Data stored in the Database, in Processor's standard format, at a fee to be determined by Processor. Processor shall deliver Client's Gift Card Data to Client in a mutually agreeable format. Processor shall have no obligations with respect to Client's Gift Card Data following delivery to Client.

(i) Client may choose additional Enhanced Features from time to time pursuant to the Enhanced Features set-up form and Client expressly Processor, and Processor agrees, to provide Services with respect to Gift Cards sold and activated by third party distributors. As between Processor and Client, Client shall be responsible for any acts or omissions of each third party distributor in connection with the sale or activation of any Cards. Client and Processor agree that Processor shall not be deemed to have failed to provide Services outlined herein with respect to any Card sold and activated by any third party distributor, including through any Designated Location, to the extent any such failure by Processor is caused in whole or in part by any failure of any third party distributor or Client to provide to Processor information regarding the sale and activation of such Card that is accurate, complete, timely and formatted in accordance with Processor's instructions and specifications in all respects. Additional fees and charges may apply, including separate third party fees, for any Enhanced Features chosen by Client.

Client may only work with Processor approved third party distributors.

19.3. Responsibilities of Client. The responsibilities of Client are set forth below and elsewhere in this Section.

(a) Client will accept for processing any transaction initiated by one of its customers using a Gift Card pursuant to the Services without discrimination with regard to the customer who initiated the transaction.

(b) Client will securely maintain all transaction records and other records required by law or regulation to be maintained in connection with the operation of the Gift Card Equipment or the Program. Client will download and securely store any and all Gift Card transaction reports for future reference. In the event that Client needs a report for a period past such six (6) months, Processor may provide such requested report to Client at a fee to be determined by Processor.

(c) Client will make its personnel and records available to Processor, its agents and contractors, all within such time and in such forms or manner as may be reasonably necessary to enable Processor to perform the Services promptly and in an efficient manner.

(d) Client shall be responsible, at its sole cost and expense, for the sale and other distribution of Gift Cards to Gift Card Holders and for any marketing or advertising of the Program.

(e) Client shall obtain, operate and maintain, at its sole cost and expense, all Gift Card Equipment required to enable Client and Affiliated Issuers to electronically transmit Gift Card Data in accordance with Processor's specifications from all Designated Locations to the Database.

(f) Client is solely responsible for obtaining Authorization in advance of each transaction.

Client is solely responsible for any losses it may incur in conducting transactions when an Authorization is not obtained, including, without limitation, transactions conducted when the Database or the Gift Card Equipment is not in service. Client assumes all risk of erroneous or fraudulently obtained Authorizations, unless such erroneous or fraudulently obtained Authorization is caused directly by Processor. Client understands and agrees that an Authorization by Processor only indicates the availability of sufficient value on a Gift Card account at the time of Authorization and does not warrant that the person presenting the Gift Card or Gift Card Number is authorized to use such Gift Card or Gift Card Number. Client is responsible for the accuracy of all data transmitted by it for processing by Processor.

(g) Client shall be responsible for accessing and comparing the reports supplied by Processor to its own records and promptly notifying Processor of any necessary adjustments to Gift Card accounts. Client acknowledges that Processor will make adjustments to Gift Card accounts pursuant to Client's instructions, and Processor shall have no liability for any errors to Gift Card accounts that are made in accordance with Client's instructions.

(h) Client shall comply and shall ensure that all Affiliated Issuers comply with all laws and regulations applicable to the Program. Client acknowledges and agrees that it is solely responsible for interpreting all

laws and regulations applicable to the Program, for monitoring changes in laws and regulations applicable to the Program, and for determining the requirements for compliance with laws and regulations applicable to the Program. Processor shall be entitled to rely upon and use any and all information and instructions provided by Client for use in performing the Services and Processor shall have no liability whatsoever for any noncompliance of such information or instructions with laws or regulations.

(i) As between Client and Processor, Client shall bear all risk related to the loss or theft of, alteration or damage to, or fraudulent, improper or unauthorized use of any Gift Card, Gift Card Number or PIN: (i) in the case of Gift Cards ordered through Processor, upon delivery of such Gift Cards to Client or Client's Designated Location, as applicable, and (ii) in the case of Gift Cards obtained by Client from a Person or Gift Cards which Client requests to be delivered in a pre-activated state, whether such loss occurs before or after delivery of such Gift Cards to Client or Client's Designated Location.

(j) Processor and Client agree that during the term: (i) Processor will be the sole and exclusive provider of the Services to Client and its Affiliated Issuers; and (ii) Client will not directly or indirectly either itself or through a Person, offer or promote any other proprietary, closed network, online Gift Card or similar access device.

(k) Client may allow Affiliated Issuers to participate in the Program; provided, however that (i) Client shall be responsible for ensuring that all Affiliated Issuers comply with the terms and conditions of this Section and the separate Affiliated Issuer Agreement, and (ii) Client shall be jointly and severally liable for all fees and other amounts payable to Processor in connection with any activities of Affiliated Issuers related to this Section, including but not limited to Gift Card transactions.

(l) Client is responsible for any settlement of funds among Affiliated Issuers and Designated Locations.

(m) Client acknowledges and agrees that Client will not use the Gift Cards or the Services provided under this Agreement for illegal transactions including, for example, those prohibited by the Unlawful Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq., as may be amended from time to time.

19.4. Fees and Payment.

a. In addition to all other rights we have under the Agreement, Client shall pay Processor the fees set forth on the Gift Card Set-Up Form. Client shall also be responsible for the payment of any taxes imposed by any applicable governmental authority in connection with any products or services covered by this Section (other than those taxes based solely on the net income of Processor). All fees for the Services shall be paid via an ACH transfer of funds from a bank account designated by Client. To authorize the ACH transfers, Client agrees to execute the ACH Authorization on the Gift Card Set-Up Form. In the event that fees cannot be collected from Client as set forth above, Processor reserves and may exercise all other rights to collect any fees due.

19.5. Termination.

(a) The provision of Gift Card Services may be terminated at any time: (i) by either party in the event that the other materially breaches any term or condition of this Section and fails to cure such breach within thirty (30) days of written notice of such breach from the non-breaching party; (ii) by Processor if Client fails to pay any amount due within ten (10) Business Days after written notice to Client of its failure to pay such amount; (iii) by Processor upon written notice to Client in the event that Client's operation of the Program results in a violation of law or regulation (by Client, an Affiliated Issuer or Processor); (iv) by Client if Processor increases its rates under Section 19.4(c) above and Client provides thirty (30) days written notice of termination within thirty (30) days of receiving notice of said increase; or (v) by either party upon written notice to the other after the filing by the other of any petition in bankruptcy or for reorganization or debt consolidation under the federal bankruptcy laws or under any comparable law, or upon the other party's making of an assignment of its

assets for the benefit of creditors, or upon the application of the other party for the appointment of a receiver or trustee of its assets.

(b) If (i) the Gift Card Services are terminated for any reason other than Processor's material breach prior to the expiration of the initial term, or (ii) Client suspends or terminates the Program prior to the expiration of the initial term except as provided for in Section 19.5(a) (iv). Nothing in this subsection shall prohibit or limit Processor's right to recover damages or any other amounts due and owing Processor in the event that the Gift Card Services are terminated by Processor due to a breach by Client or shall be deemed to waive or otherwise limit Client's obligations pursuant to Section 19.6(a).

(c) If requested by Client, Processor may, in its sole and absolute discretion, continue to provide the Services for all previously issued and unexpired (if applicable) Gift Cards for up to twelve (12) months following the termination of the Gift Card Services; provided, however, that Processor shall not activate any new Gift Cards after the effective date of termination. Processor's obligation to provide continuing Services after termination is contingent upon Client's agreement to pay for such Services and to conduct its operations in accordance with the terms of this Section, and Processor may require advance payment for some portion or all of the estimated cost of such Services to be provided after termination.

(d) Termination of the Gift Card Services shall not affect Client's obligation (including any obligation incurred by an Affiliated Issuer) to pay for services rendered or obligations due or owing under this Section prior to termination.

(e) The provisions of Sections 19.3 (f), (g), (h), (i), (k) and (l), and Sections 19.4, 19.5(b), 19.5(c), 19.5(d), 19.6 and 19.7 hereof shall survive any termination of this Agreement.

19.6. Indemnification.

(a) Client shall indemnify and hold harmless Servicers, their directors, officers, employees, agents and their respective Affiliates from and against any and all third party claims, losses, liabilities, damages and expenses, including reasonable attorneys' fees, (collectively "Claims") to the extent that any such Claim is caused by or arises out of: (i) any failure of Client or an Affiliated Issuer to comply with any law or regulation applicable to the Program; (ii) any dispute between Client and any Affiliated Issuer, or Client and any Gift Card Holder, or an Affiliated Issuer and any Gift Card Holder, including, without limitation, any dispute regarding the goods or services purchased using a Gift Card or the payment of any amounts owed or alleged to be owed by one or more such persons to any other such persons; (iii) any instructions or procedures that Client may provide to Processor in connection with the Program and Processor's compliance therewith; (iv) any actual or alleged loss or theft of, alteration or damage to, or fraudulent, improper or unauthorized use of any Gift Card, Gift Card Number or PIN; (v) use or operation of Gift Card Equipment by Client or an Affiliated Issuer; and (vi) any Claim or action against Servicers for actual or alleged infringement of any patent, copyright, trademark, trade secret or other proprietary right of any person arising in connection with the production of Gift Cards or related products for Client using artwork, designs, specifications or concepts provided by Client.

(b) Processor shall indemnify and hold harmless Client and its directors, officers, employees, agents and Affiliates Issuers from and against any and all third party Claims to the extent that any such Claim is caused by or arises out of: (i) any failure of Processor to comply with any law or regulation applicable to the Program; or (ii) any error in the Database, unless the error is caused by incorrect information submitted by Client or is otherwise made in accordance with Client's instructions.

19.7. Patents, Copyrights, Intellectual Property, etc. Client shall have no interest whatsoever, including copyright interests, franchise interests, license interests, patent rights, property rights or other interest in the Services provided hereunder. These provisions are not to be construed as granting to Client any patent rights or patent license in any patent, which may be obtained in respect of the Services. Artwork created by Processor on behalf of Client remains the property of Processor. Client retains

ownership of any artwork supplied to Processor.

19.8. Limitation of Liability; Disclaimer of Warranties.

NOTWITHSTANDING ANY PROVISION IN THIS AGREEMENT TO THE CONTRARY, SERVICERS' CUMULATIVE AGGREGATE LIABILITY FOR ANY LOSSES, CLAIMS, SUITS, CONTROVERSIES, BREACHES, OR DAMAGES ARISING OUT OF RELATED TO THIS SECTION FOR ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY, SHALL BE LIMITED TO THE ACTUAL DIRECT DAMAGES SUFFERED BY CLIENT AND, IN ANY EVENT, SHALL NOT EXCEED THE LESSER OF (I) THE AMOUNT OF FEES PAID TO PROCESSOR BY CLIENT UNDER THIS SECTION DURING THE TWELVE (12) MONTHS PRIOR TO THE DATE THAT THE LIABILITY ARISES, OR (II) TWENTY THOUSAND DOLLARS (\$20,000).

20. Special Provisions Regarding TransArmorSM Solution

This Section 20 and the benefits described shall apply only if you subscribe to the TransArmor Solution and pay the applicable fees.

20.1. Scanning Authority; Scanning Obligations. You represent and warrant that you have full right, power, and authority to consent for TransArmor Solution to scan for vulnerabilities in the IP address and/or URL and/or domain names identified to us by you for scanning, whether electronically or by any other means, whether during initial enrollment or thereafter. If applicable, you shall obtain all consents and authorizations from any third parties necessary for us or our vendors to perform the TransArmor Solution services, including, without limitation, third party data centers, co-locations and hosts. We will not be required to execute agreements with any such third parties. You agree to defend, indemnify and hold us and our vendors harmless from any third party claim that such access was not authorized. You may use TransArmor Solution and portals only to scan IP addresses, URLs and domain names owned by and registered to you. You understand that your failure to provide a complete list of and complete access to your IP addresses will significantly impair the scanning services and may result in incomplete or inaccurate results. You agree that the TransArmor Solution services hereunder, including without limitation their functionality and contents, constitute confidential information, and your use and/or access to the TransArmor Solution is subject to the terms of confidentiality set forth in this Agreement.

20.2. Data Collection. In the course of providing the TransArmor Solution, we may collect information relating to activities on your network (the "Data") including, but not limited to: network configuration, TCP/IP packet headers and contents, log files, malicious codes, and Trojan horses. We retain the right to use the Data or aggregations thereof for any reasonable purpose.

20.3. Data Protection; Responsibilities of Client. Data Protection applies only to card transactions sent from you to us for authorization and settlement pursuant to the Agreement, and specifically excludes electronic check transactions. You are responsible to comply with the following regarding your use of Data Protection:

(a) Data Protection can only be used with a point of sale device, gateway and/or VAR that is certified by us with the Data Protection solution. If you are uncertain whether your equipment is compliant, please contact us. It is your responsibility to ensure that you have eligible equipment in order to use Data Protection.

(b) You must demonstrate and maintain your current PCI DSS compliance certification. Compliance must be validated either by a Qualified Security Assessor (QSA) with corresponding Report on Compliance (ROC) or by successful completion of the applicable PCI DSS Self-Assessment Questionnaire (SAQ) or Report on Compliance (ROC), as applicable, and if applicable to your business, passing quarterly network scans performed by an Approved Scan Vendor, all in accordance with card organization rules and PCI DSS. Use of the Data Protection will not, on its own, cause you to be compliant or eliminate your obligations to comply with PCI DSS or any other Card Organization Rule. You must also ensure that all third parties and software that you use for payment processing

comply with the PCI DSS.

(c) You must deploy Data Protection solution (including implementing any upgrades to such service within a commercially reasonable period of time after receipt of such upgrades) throughout your systems including replacing existing Card numbers on your systems with Tokens. Full Card numbers must never be retained, whether in electronic form or hard copy.

(d) You must use the Token in lieu of the Card number for ALL activities subsequent to receipt of the authorization response including, settlement processing, retrieval processing, chargeback and adjustment processing and transaction reviews.

(e) If you send or receive batch files containing completed Card transaction information to/from us, do use the service provided by us to enable such files to contain only Tokens or truncated information.

(f) You must use truncated report viewing and data extract creation within reporting tools provided by us.

(g) You are required to follow rules or procedures we may provide to you from time to time regarding to your use of the Data Protection solution. We will provide you with advance written notice of any such rules or procedures or changes to such rules or procedures.

(h) You will use only unaltered version(s) of Data Protection solution and will not use, operate or combine Data Protection or any related software, materials or documentation, or any derivative works thereof with other products, materials or services in a manner inconsistent with the uses contemplated in this section.

(i) You will promptly notify us of a breach of any these terms.

20.4. Tokenization Limited Warranty. Subject to the terms of this Agreement, we (i) warrant that each token returned to you through Data Protection cannot be used to initiate a financial sale transaction by an unauthorized entity/person outside your point of sale systems and facilities where you process and/or store transaction data (the "Limited Warranty"); and (ii) agree to indemnify and hold you harmless from direct damages, including third party claims, resulting from our breach of the Limited Warranty. This express remedy for our breach of the Limited Warranty constitutes our entire liability and your sole and exclusive remedy for our breach of the Limited Warranty.

The Limited Warranty is void if (a) you use Data Protection in a manner not contemplated by, or you are otherwise in violation of, this Agreement or any other agreement relating to Cards eligible for Data Protection; (b) you are grossly negligent or engage in intentional misconduct; or (c) you no longer have a processing relationship with us.

20.5. Disclaimer; TransArmor Solution Does Not Guarantee Compliance or Security.

20.5.1. USE OF TRANSARMOR SOLUTION, SOFTWARE OR ANY EQUIPMENT (INCLUDING ANY SERVICES, SOFTWARE OR EQUIPMENT PROVIDED BY OR THROUGH A THIRD PARTY) IS AT YOUR OWN RISK AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW THE TRANSARMOR SOLUTION, EQUIPMENT AND ANY SOFTWARE IS PROVIDED "AS IS" AND WE DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO YOU OR ANY OTHER PERSON, INCLUDING ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THAT THE TRANSARMOR SOLUTION, EQUIPMENT OR ANY SOFTWARE WILL OPERATE UNINTERRUPTED OR ERROR FREE OR THAT THE TRANSARMOR SOLUTION, EQUIPMENT OR SOFTWARE ARE SECURE, FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS, OR DO NOT INFRINGE THE RIGHTS OF ANY PERSON.

20.5.2. USE OF THE TRANSARMOR SOLUTION DOES NOT (A) GUARANTEE COMPLIANCE WITH ANY OF THE RULES OR SECURITY STANDARDS ESTABLISHED BY THE CARD ORGANIZATIONS, INCLUDING PCI DSS; (B) ELIMINATE YOUR OBLIGATION TO COMPLY WITH SUCH REQUIREMENTS; OR

(C) GUARANTEE SECURITY OR PREVENT A SECURITY BREACH OR COMPROMISE. WE MAKE NO WARRANTIES; EITHER EXPRESSED OR IMPLIED THAT PARTICIPATION AND/OR USE OF TRANSARMOR SOLUTION WILL DETECT EVERY VULNERABILITY ON YOUR SYSTEM, IF ANY, OR THAT OUR VULNERABILITY ASSESSMENTS, SUGGESTED SOLUTIONS OR ADVICE WILL BE ERROR-FREE OR COMPLETE. YOU AGREE THAT WE SHALL NOT BE RESPONSIBLE OR LIABLE FOR THE ACCURACY OR USEFULNESS OF ANY INFORMATION PROVIDED BY US, OR FOR ANY USE OF SUCH INFORMATION.

20.5.3. You acknowledge and understand that accessing, retrieving, transmitting, and scanning IP addresses and other data in the manner undertaken by the TransArmor Solution involves inherent risks, including risks related to system or network performance and availability, and data corruption. You assume full responsibility to backup and/or otherwise protect your data against loss, damage or destruction, and to take appropriate measures to respond to any potential adverse impact of the systems or disruption of service.

20.6. Intellectual Property Rights.

20.6.1. All right, title, and interest in and to all confidential information and intellectual property related to the TransArmor Solution (including the Marks, all Software, the content of any materials, web screens, layouts, processing techniques, procedures, algorithms and methods and any updates, changes, alterations, or modifications to or, derivative works from such intellectual property), owned, developed or licensed by us prior to, during the term of, or after this Agreement, or employed by us in connection with the TransArmor Solution, shall be and remain, as among the Parties or our Affiliates', our vendors' or our licensors' (as applicable) sole and exclusive property, and all right, title and interest associated with the TransArmor Solution, Equipment and Software not expressly granted by us in this Agreement are deemed withheld. You may not use our Marks in any manner, including in any advertisements, displays, or press releases, without our prior written consent.

20.6.2. You may not, nor may you permit any third party to do any of the following: (a) decompile, disassemble, reverse engineer, or otherwise attempt to reconstruct or discover by any means any source code, underlying ideas or algorithms of the TransArmor Solution, Software or Equipment (or any part), except to the extent that such restriction is expressly prohibited by law; (b) modify, translate, or alter in any manner, the TransArmor Solution, Software or Equipment (or any part) or the Marks; (c) create derivative works of or based on the TransArmor Solution (or any part), Software or the Marks; (d) except for backup and archival purposes, directly or indirectly copy the TransArmor Solution or any Software (or any part); (e) republish, upload, post, transmit, disclose, or distribute (in any format) the TransArmor Solution or Software (or any part) except as permitted in this Agreement; or (f) remove, relocate, or otherwise alter any proprietary rights notices from the TransArmor Solution, Software or Documentation (or any part) or the Marks.

20.6.3. If we provide you with copies of or access to any Software or Documentation, unless otherwise expressly stated in writing, that Software and Documentation is provided on a personal, non-exclusive, non-transferable, non-assignable, revocable limited license for the period of your subscription to the applicable TransArmor Solution service and solely for you to access and use the Software and Documentation to receive the relevant TransArmor Solution service for its intended purpose on systems owned or licensed by you. Software can only be used with certain computer operating systems and it is your responsibility to ensure that you have the appropriate hardware and software to use the Software.

20.6.4. You shall not take any action inconsistent with the stated title and ownership in this Section 20. You will not file any action, in any forum that challenges the ownership of any part of the TransArmor Solution or any software, materials or Documentation. Failure to comply with this provision will constitute a material breach of this Agreement. We have the right to immediately terminate your access to and use of the TransArmor Solution in the event of a challenge by you.

20.6.5. If you are acquiring any of the TransArmor Solution services on behalf of any part of the United States Government (Government): any use, duplication, or disclosure by the Government is subject to the restrictions set forth in subparagraphs (a) through (d) of the Commercial Computer Software-Restricted Rights clause at FAR 52.227-19 when applicable, or in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, and in similar clauses in the NASA FAR Supplement; (b) we are the contractor/manufacturer, with the address set forth in this Agreement; and (c) any use, modification, reproduction, release, performance, display or disclosure of TransArmor Solution and/or the accompanying documentation by the Government or any of its agencies shall be governed solely by the terms of this Agreement and shall be prohibited except to the extent expressly permitted by this Agreement.

20.7. Software Updates, Maintenance and Changes.

20.7.1. We may perform maintenance on Software or TransArmor Solution which may result in service interruptions, delays, or errors. We will not be liable for any such interruptions, delays, errors, or bugs. You agree that we may contact you in order to assist you with the Software or Services and obtain information needed to identify and fix any errors. We may, at our discretion, release enhancements, improvements or other updates to any Software, or otherwise make any changes to the TransArmor Solution (or any part).

20.7.2. You acknowledge and understand that certain Software can automatically install, download, and/or deploy updated and/or new components, which may include a new version of the Software itself. You shall not, in any event or in any manner, impede the update process. You agree to assume full responsibility and indemnify us for all damages and losses, of any nature, for all adverse results or third party claims arising from your impeding the update process.

20.8. Accessing Services via the Internet or third parties. You agree that we shall not be liable to you for any claims, damages, losses, obligations, costs or expenses or other liability arising directly or indirectly from or otherwise concerning (a) any termination, suspension, delay or disruption of service (including billing for a service) by the internet, any common carrier or any third party service provider; (b) any failure, disruption or malfunction of the TransArmor Solution, the Internet, or any communications network, facility or equipment beyond our or a third party's reasonable control, whether or not attributable to one or more common carriers; or (d) any failure to transmit, obtain or collect data or for human, machine or software errors or faulty or erroneous input by you.

20.9. Access and Use of Services.

20.9.1. Unless we otherwise agree in writing, the TransArmor Solution shall be for your internal business use in the United States and US territories or possessions only.

20.9.2. You shall not and shall not permit any third party to: (a) access or attempt to access any of the TransArmor Solution service that is not intended to be available to you; (b) access or use (in any format) the TransArmor Solution (or any part) through any time-sharing service, service bureau, network, consortium, or other means; (c) without our advanced written consent, use, ship or access TransArmor (or any part) outside or from outside of the United States; (d) perform or attempt to perform any actions that would interfere with the proper working of any part of the TransArmor Solution, prevent access to or use of any of the TransArmor Solution by other users, or in our reasonable judgment, impose a large load on our infrastructure, network capability or bandwidth; or (e) use the TransArmor Solution (or any part) except as permitted in this Agreement.

20.9.3. We have the right to rely on user names, password and other sign on credentials/access controls for the TransArmor Solution or any Software (including Federated Single Sign-on credentials) provided or approved by us to authenticate access to, and use of, the Services and any Software.

20.10. Indemnification. In addition to other indemnifications provided in this Agreement, you agree to indemnify and hold us, our Affiliates and third party service providers harmless from and against all losses,

liabilities, damages and expenses arising from (a) your use of the TransArmor Solution, including any Software or Equipment provided under this Agreement; or (b) any other person's authorized or unauthorized access and/or use of the TransArmor Solution (or any part), Software or Equipment, whether or not using your unique username, password, or other security features.

20.11. Liability Waiver.

20.11.1. Subject to your subscribing to the entire TransArmor Solution bundle and to the terms of this Agreement, we agree to waive liability that you have to us under this Agreement for Security Event Expenses resulting from a Data Security Event first discovered by you or us while you are receiving and utilizing the TransArmor Solution (the "Liability Waiver").

20.11.2. The maximum amount of Liability Waiver for all Security Event Expenses arising out of or relating to your Data Security Events first discovered during any TransArmor Program Year regardless of the number of such Data Security Events is as follows:

- a) \$100,000.00 maximum per each MID you have; and
- b) \$500,000 aggregate maximum for all of your MID's.

20.11.3. In addition to Section 20.11.2, the maximum amount of Liability Waiver during any TransArmor Program Year for EMV Upgrade Costs is further limited as follows:

- a) \$10,000 maximum per each MID you have; and
- b) \$25,000.00 aggregate maximum for all of your MID's.

20.11.4. Security Event Expenses resulting from the same, continuous, related or repeated event or facts will be deemed to arise out of one Data Security Event.

20.11.5. The Liability Waiver shall not apply in relation to:

- a) your failure to comply with the terms of this Agreement;
- b) any Data Security Event occurring before you started receiving the TransArmor Solution;
- c) any fines or assessment levied against you that are not the direct result of a Data Security Event;
- d) any Data Security Event relating to you where you have experienced a prior Data Security Event, unless you were later certified as PCI compliant by a qualified security assessor;
- e) any expenses incurred for, or as a result of, regularly scheduled, recurring or routine security assessments, regulatory examinations, inquiries or compliance activities;
- f) any Data Security Event if you: (i) are categorized by any Card Organization as "Level 1" or (ii) processes more than six million (6,000,000) Card transactions during the twelve month period prior to the date this Section became effective;
- g) any expenses, other than Security Event Expenses, incurred by you arising out of or resulting, directly or indirectly, from a Data Security Event, including expenses incurred to bring you into compliance with the PCI Data Security Standard or any similar security standard;
- h) any Security Event Expenses arising out of or resulting, directly or indirectly, from an event of force majeure, any dishonest, fraudulent, criminal or malicious act, error or omission, or any violation of the law including any claim, suit, action or proceeding against you that is brought by or on behalf of any federal, state or local government agency; or
- i) any Data Security Event arising out of (i) any software not within your control; provided, however, this exclusion shall not apply to a Data Security Event arising out of a virus, Trojan horse or other software used by a third party to obtain fraudulent access to data to your computer system or to collect data in transit to or from your computer system; (ii) a breach in a computer system in which you and other merchants, with no legal relationship to one another, have hosted accounts or share a common database, operating system or software applications; or (iii) your allowing

any party (other than its employees or us) to hold or access Cardholder Information.

20.11.6. Notwithstanding the Liability Waiver: (a) you must continue to perform all obligations under this Agreement, including your obligation to comply with data security requirements; and (b) we waive no rights or remedies under this Agreement including our right to terminate or suspend this Agreement if a Data Security Event occurs.

20.12. Export Compliance

20.12.1. You agree not to export or re-export any Software or Equipment or any underlying information except in full compliance with all applicable laws and regulations.

20.12.2. None of the Software or Equipment or any underlying information may be downloaded or otherwise exported or re-exported (a) to any country to which the United States has embargoed goods (or any national or resident thereof); (b) to anyone on the United States Treasury Department's list of Specially Designated Nationals or the United States Commerce Department's Table of Deny Orders; or (c) in any manner not in full compliance with the requirements of the United States Bureau of Industry and Security and all applicable Export Administration Regulations.

20.12.3. If you have rightfully obtained Software or Equipment or any underlying information outside of the United States, you agree not to re-export the same except as permitted by the laws and regulations of the United States and the laws and regulations of the jurisdiction in which you obtained it. You warrant that you are not located in, under the control of, or a national or resident of any such country or on any such list.

20.13. Definitions:

(a) Card Organization Assessment means a monetary assessment, fee, fine or penalty levied against you or us by a Card Organization as the result of (i) a Data Security Event or (ii) a security assessment conducted as the result of a Data Security Event; provided, that The Card Organization Assessment shall not exceed the maximum monetary assessment, fee, fine or penalty permitted upon the occurrence of a Data Security Event by the applicable rules or agreement in effect as of the inception date of this Agreement for such Card Organization; **(b) Cardholder Information** means the data contained on a Card, or otherwise provided to Client, that is required by the Card Organization or us in order to process, approve and/or settle a Card transaction; **(c) Card Replacement Expenses** means the costs that the we or you are required to pay by the Card Organization to replace compromised Cards as the result of (i) a Data Security Event or (ii) a security assessment conducted as the result of a Data Security Event; **(d) Data Protection** is a TransArmor Solution service that provides encryption of cardholder data at your payment environment and replaces the data with a token or randomly generated number; **(e) Data Security Event** means the actual or suspected unauthorized access to or use of Cardholder Information, arising out of your possession of or access to such Cardholder Information, which has been reported (i) to a Card Organization by you or us or (ii) to you or us by a Card Organization. All Security Event Expenses and Post Event Services Expenses resulting from the same, continuous, related or repeated event or which arise from the same, related or common nexus of facts, will be deemed to arise out of one Data Security Event; **(f) Documentation** means any documents, instructions, web screen, layouts or any other materials provided by us relating to the Software or the TransArmor Solution; **(g) Equipment** means equipment rented to or purchased by you under this Agreement and any documents setting out additional terms on which Equipment is rented to or purchased by you; **(h) EMV Upgrade Costs** means cost to upgrade payment acceptance and processing hardware and software to enable you to accept and process EMV-enabled Card in a manner compliant with PCI Data Security Standards; **(i) Forensic Audit Expenses** means the costs of a security assessment conducted by a qualified security assessor approved by a Card Organization or PCI Security Standards Council to determine the cause and extent of a Data Security Event; **(g) Liability Waiver** has the meaning as set forth in **Section 20.11.1** above; **(j) Marks** means the names,

logos, emblems, brands, service marks, trademarks, trade names, tag lines or other proprietary designations; **(k) Post Event Services Expenses** means reasonable fees and expenses incurred by us or you with our prior written consent, for any service specifically approved by us in writing, including, without limitation, identity theft education and assistance and credit file monitoring. Such services must be provided by or on behalf of us or you within one (1) year following discovery of a Data Security Event to a Cardholder whose Cardholder Information is the subject of that Data Security Event for the primary purpose of mitigating the effects of such Data Security Event; **(l) Program Year** means the period from November 1st through October 31st of each year; **(m) Security Event Expenses** means Card Organization Assessments, Forensic Audit Expenses and Card Replacement Expenses. Security Event Expenses also includes EMV Upgrade Costs you agree to incur in lieu of a Card Organization Assessment; **(n) Software** means all software, computer programs, related documentation, technology, know-how and processes embodied in the Equipment (i.e. firmware) or otherwise provided to you under this Agreement. For the avoidance of doubt, the term Software shall not include any third party software available as part of a service provided from someone other than us or our vendors or which may be obtained by you separately from the TransArmor Solution (e.g. any applications downloaded by you through an application marketplace); **(o) TransArmor PCI** is a TransArmor Solution service that provides access to online PCI DSS Self-Assessment Questionnaires (SAQ) to validate PCI data standards; and **(p) TransArmor Solution** is the suite of security services provided by us and known as TransArmor.

21. Special Provisions Regarding Fraud Detection Services

If you elect to receive Fraud Services from us, then the following terms and conditions of this Section, referred to as the Fraud Services Terms, shall apply.

The Fraud Detection Services is provided to you by Processor and not Bank. Bank is not a party to this Agreement insofar as it applies to the Fraud Detection Services, and Bank is not liable to you in any way with respect to such services. For the purposes of this section, the words “we”, “our” and “us” refer only to the Processor and not the Bank.

Through our strategic agreement with Accertify, Inc. we have acquired the right to sublicense the access and use of Interceptas, InterceptNOW and InterceptSHARE, which are software systems and related services that will help you efficiently reduce your exposure to fraudulent transactions (the “Fraud Services”). The Fraud Services are proprietary products and services of Accertify, Inc., and may include specific data and services from third party service providers for things like geolocation or device identification, which are specific tools used together with Accertify’s software. For all purposes of the Fraud Services Terms, the term Fraud Services includes any such third party data or service providers accessed through any of Accertify’s proprietary software described above.

21.1. Software Licenses. We hereby grant you a non-exclusive, non-transferable, limited sublicense to use the Fraud Services for the duration of this Agreement, or until otherwise terminated, solely in connection with your use of the payment and processing services otherwise described in this Program Guide. You acknowledge that the only right you obtain to the Fraud Services is the right to use the Fraud Services for the screening and review of your own transactions in accordance with the terms in this Section.

The Fraud Services and related materials include confidential, competitively sensitive and trade secret information, processes, software, user interfaces and other elements. You are not permitted to allow any third party service provider access to these materials or to the output generated by the Fraud Services, nor use or demonstrate the Fraud Services or related materials for, or on behalf of, any third party service provider without the prior written permission of the Fraud Services provider.

21.2. Reservation of Rights. Subject only to the limited sublicense granted herein, we and the Fraud Services provider(s) reserve all

ownership rights to our and their respective intellectual property related in any way to the Fraud Services. We reserve the right to alter or suspend the Fraud Services in the event of (i) a violation of Fraud Services Terms or (ii) the termination of the agreement with our Fraud Services provider or other inability to continue to provide the Fraud Services.

21.3. Transaction Data. Your transaction data will be processed by the Fraud Services. As part of this processing, the transaction data may be retained for statistical analysis, and elements of data from fraudulent transactions may be captured, retained and shared with others to help improve the Fraud Services and prevent further fraud. In no event will the source of any such retained data be disclosed to a third party. You hereby agree to the transmission and use of the data in this manner.

21.4. Disclaimer of Warranties. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT AS MAY BE EXPRESSLY PROVIDED HEREIN, THE FRAUD SERVICES ARE PROVIDED TO YOU “AS IS,” WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND. INCLUDED IN THIS DISCLAIMER ARE BOTH EXPRESS AND IMPLIED WARRANTIES, AND WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT THE FRAUD SERVICES WILL BE COMPLETELY ACCURATE, ERROR-FREE OR WILL BE AVAILABLE WITHOUT INTERRUPTION.

21.5. Limitation of Liability. The Fraud Services provide a tool for you to efficiently make better informed decisions whether to accept or reject transactions that may be fraudulent. There is no assurance that the Fraud Services will accurately identify every instance of fraud, nor that every transaction that may appear fraudulent is in fact so. **BY YOUR ACCEPTANCE OF THE TERMS OF THIS PROGRAM GUIDE, AND YOUR USE OF THE FRAUD SERVICES, YOU AGREE THAT, UNDER ANY THEORY OF LAW OR EQUITY, WITH RESPECT TO YOUR USE OF THE FRAUD SERVICES (i) OUR LIABILITY AND THAT OF ANY FRAUD SERVICES PROVIDER SHALL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED TWELVE (12) MONTHS OF FRAUD SERVICES FEES, AND (ii) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER WE NOR ANY**

FRAUD SERVICES PROVIDER SHALL HAVE ANY LIABILITY FOR ANY SUBSEQUENT CHARGEBACKS OR LOSS OF REVENUE FROM FALSE POSITIVE FRAUD SCORES OR IN ANY OTHER WAY RELATED TO THE USE OF THE FRAUD SERVICES.

21.6. Termination. Upon termination of the Fraud Services for any reason, you agree to pay any remaining fees or expenses related to your use of the Fraud Services, to cease attempts to access the Fraud Services and to return all user manuals or other materials received in connection with the Fraud Services.

21.7. Third Party Beneficiaries. The Fraud Services provider(s) is (are) an intended third party beneficiary of this Section of the Program Guide, and may enforce the terms of this Section directly against you as if it were a party hereto.

21.8. Your Privacy Policy. Your privacy policy should reflect the fact that you will subject transactions to fraud screening. You and your privacy legal counsel should consider your specific circumstances and what disclosures will best fit your needs and provide your customers with a clear picture of how customer and transaction data is being used. Example language is set forth below, but is only a suggestion, which you should not adopt without careful consideration and advice of counsel.

Any information you provide to Merchant may be combined with information from other sources and used by Merchant, or a third party retained by Merchant, to help detect and prevent fraud, misuse of [Merchant]’s website or other illegal activity. Parts or all of this information may be retained by us or the third parties involved in fraud detection and used for future fraud prevention efforts. Information believed to be fraudulent may be shared with other merchants, banks and law enforcement officials to help prevent further misuse. [Merchant] may also use “device identification” technology to

recognize specific computers or other internet devices each time they access the website, and associate historical data with that computer or device as part of its efforts to prevent fraud or other misuse.

22. Special Provisions Regarding Buyer Initiated Payments

The terms and conditions set forth in this Section 22 govern the provision of Buyer Initiated Payment services and apply only to Card payments that originate from a business certified into a Card Organization approved gateway for Buyer Initiated Payments. These provisions do not apply to any transactions originating from a terminal or software at your business.

22.1. Description of Buyer Initiated Payments. Buyer Initiated Payments ("BIP") allow invoices that have been electronically entered at the cardholding buyer's location to be processed by us for settlement to you (the seller of goods and services in B2B transactions) without you manually re-entering the same pieces of card and invoice information.

Use of this service only changes the method of payment between you and your Buyer (your customer). All other processes between you and the Buyer as it pertains to invoicing, approvals and exceptions will remain as is for each Buyer paying you through this service.

22.2. Acceptance of Buyer Initiated Payments.

a) There is no hardware, software, or supplies required to accept Buyer Initiated Payments

b) All transactions submitted through a BIP account must be Buyer initiated. You cannot request a terminal or initiate transactions in any way through the Merchant ID established by these terms. Merchant processing must be done through a separate Merchant ID.

c) No credits are permitted on BIP accounts. In the event of a dispute regarding a Buyer Initiated Payment, all refunds, discounts, or other remedies must be handled between you and your customer, the Buyer, without the involvement of Servicers.

d) It is your responsibility to ensure that only customers that you authorize to submit payments on this account do so. We will not disclose the fact that you are enrolled to receive BIP to other businesses unless you authorize us to do so.

e) If a business does process a payment on the account without your consent, you must handle the matter directly with your customer, the Buyer, without the involvement of Servicers.

f) Servicers are responsible for processing the BIP. Any concessions given by your customers such as accelerating payment terms or changing early payment discounts are not administered or enforced by Servicer. Such agreements are strictly part of the relationships between your business and those of your buyers and the resolution to issues arising from those arrangements are to be handled outside of this Agreement.

22.3. Chargebacks related to Buyer Initiated Payments. In BIP processing, the Buyer has control over the payment, and is therefore prohibited from initiating most charge back types. In the event your buyer initiates a charge back on this Merchant ID, please contact Servicers.

22.4. Limitation on Liability/Indemnification. NOTWITHSTANDING ANY PROVISION IN THIS AGREEMENT TO THE CONTRARY, SERVICER'S CUMULATIVE AGGREGATE LIABILITY FOR ANY LOSSES, CLAIMS, SUITS, CONTROVERSIES, BREACHES, OR DAMAGES ARISING OUT OF RELATED TO THIS SECTION FOR ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY, SHALL BE LIMITED TO THE ACTUAL DIRECT DAMAGES SUFFERED BY CLIENT AND, IN ANY EVENT, SHALL NOT EXCEED THE LESSER OF (I) THE AMOUNT OF FEES PAID TO SERVICERS BY CLIENT UNDER THIS SECTION DURING THE TWELVE (12) MONTHS PRIOR TO THE DATE THAT THE LIABILITY ARISES, OR (II) TWENTY THOUSAND DOLLARS (\$20,000), WHICHEVER IS LESS.

22.5. Indemnification. Client shall indemnify and hold harmless Servicers, its directors, officers, employees, agents and Affiliates from

and against any and all third party claims, losses, liabilities, damages and expenses, including reasonable attorneys' fees, (collectively "Claims") to the extent that any such Claim is caused by or arises out of: (i) any failure of Client to comply with this Agreement or any law or regulation applicable to BIP; (ii) any dispute between Client and Buyer; or (iii) any instructions or procedures that Client may provide to Servicers in connection with the Buyer Initiated Payments and Processor's compliance therewith.

22.6. Processing Specifications. The following details apply to how Servicers transfers monies between parties.

a) Unless otherwise specified by you on the Application, amounts deposited into your account will be in the whole amount of the payment from your customer. After a payment is made by the Buyer, it typically takes one to three business days for the funds to be deposited into your checking account.

b) Unless otherwise specified by you on the Application, the fees applied to your transactions will be debited from your Settlement Account on or about the first business day of the month following when the transactions occurred. It is your responsibility to ensure that there are no settings on your account prohibiting a debit entry. You must ensure there are adequate funds available in your Settlement Account.

22.7. Authorization. Authorization will occur at the Servicers or relevant Card Organization.

22.8. Termination. As stated on your Application, there is no early termination fee associated with BIP accounts. At any time, you are able to terminate service by calling the customer service number listed on your statement. It is your responsibility to contact your Buyers to inform them that a different payment option will be needed on future invoices. We can terminate BIP services upon 30 days' notice to you or immediately in the event of your breach of the Agreement.

23. Special Provisions Regarding PayeezySM Gateway Services

If you elect to utilize the Payeezy Gateway Services, the following additional terms and conditions of this Section 23 shall apply.

The Payeezy Gateway Services are provided to you by Processor and not Bank. Bank is not a party to this Agreement insofar as it applies to the Payeezy Gateway Services, and Bank is not liable to you in any way with respect to such services. For the purposes of this Section 23, the words "we," "our" and "us" refer only to the Processor and not the Bank.

The Payeezy Gateway Services and Software provided and other matters contemplated under this Section 23 are subject to the rest of this Agreement, as applicable, except to the extent the terms of this Section 23 directly conflict with another provision of this Agreement, in which case the terms of this Section 23 will control.

23.1. Definitions. Capitalized terms used herein shall have the meanings given to such terms as set forth in this Section 23.1 or as defined in the Glossary or elsewhere in this Section 23.

"**Claim**" means any arbitration award, assessment, charge, citation, claim, damage, demand, directive, expense, fine, interest, joint or several liability, lawsuit or other litigation, notice, infringement or misappropriation of any Intellectual Property Right or violation of any law, and any consequential, indirect, special, incidental or punitive damages and any attorney's fees and expenses incurred in connection therewith. For purposes of the foregoing Claim definition, a Claim shall be considered to exist even though it may be conditional, contingent, indirect, potential, secondary, unaccrued, unasserted, unknown, unliquidated, or unmatured.

"**Confidential Information**" means the Software, Documentation, Operational Procedures, the terms and conditions of this Section 23 (including any schedule, exhibit or addendum), pricing or other proprietary business information, and any other information provided to you by us, whether or not such information is marked as confidential; provided, however, that Confidential Information will not include information that: (a) is or becomes generally known to the public through no fault of yours; (b) was lawfully obtained by you from a third party free of any obligation of confidentiality; (c) was already in your lawful possession

prior to receipt thereof, directly or indirectly, from the disclosing party; (d) is independently developed by you without the use of the Confidential Information; (e) is disclosed with our express written permission; or (f) is disclosed pursuant to a lawful court or governmental order, provided you provide us with prompt prior written notice of any proceeding that may involve such an order, and an opportunity to contest any disclosure at such proceeding.

“**Customer**” means your customer who would like to provide payment for your goods or services.

“**Documentation**” means any and all manuals and other written materials in any form provided for use with the Software, as amended by us from time to time, the terms of which are incorporated in this Section 23 as if fully set forth herein.

“**Intellectual Property Rights**” means any and all patents, copyrights, trademarks, trade secrets, service marks, and any other intellectual property rights, and any applications for any of the foregoing, in all countries in the world.

“**Merchant Account**” shall mean an account set up for a merchant that requires a card processor, bank, merchant ID, terminal ID, merchant identification number, or otherwise named unique merchant number. Multiple physical or virtual storefronts that process transactions under the same unique merchant number shall be deemed as one (1) Merchant Account.

“**Operational Procedures**” means our published policies and procedures contained in the various documents provided to you, as amended from time to time, concerning the Services provided pursuant to this Section, the terms of which are incorporated in this Section as if fully set forth herein.

“**Payeezy Gateway Services**” or “**Service**” means the products or services offered through Payeezy Gateway (including, but, not limited to payment processing services such as authorization of transactions, routing transactions to the appropriate payment processing network or third party service provider, transaction responses (approved, declined), and the detailed reporting of those transactions) and Software, as applicable. Payeezy Gateway Services do not include alternative payment products or services that are supported by or may be accessed through the Payeezy Gateway and with respect to which you enter into an agreement: (i) with us (which agreement may consist of an amendment to this Agreement or specific terms in this Agreement expressly covering such alternative payment products or services) (such alternative payment products or services, “**Separate Products**”), or (ii) a third party service provider regarding your participation in such alternative payment products or services (together with Separate Products, the “**Excluded Products**”).

“**Platform**” means our operated, or approved, electronic payment platform(s) and/or gateway(s) (also referred to as the “**Payeezy Gateway**”) through which the payment services contemplated under this Section 23 are provided.

“**Services**” means the products or services offered the Platform (including, but, not limited to payment processing services such as authorization of transactions to the appropriate payment processing network or third party service provider, transaction responses (approved, declined), and the detailed reporting of those transactions, and all related and applicable Software.

“**Software**” means all applications, protocols, software components and other interfaces and software provided by us to you pursuant to this Section 23, and any and all Updates.

“**Updates**” means an embodiment of the Software that provides enhancements and/or improvements.

“**Your Systems**” means any web site(s) or interfaces to the Services operated or maintained by you or on your behalf through which transactions are submitted for processing, and all of your other associated systems.

23.2. Fees. Client shall pay Processor the fees for the Payeezy Gateway Services as set forth on the Application. A separate account with us for

Payeezy Gateway Services shall be required for each separate Merchant Account held by you.

23.3. Term; Termination. The Payeezy Gateway Services shall commence as of the effective date of this Agreement and shall remain in effect until terminated by either party as provided herein. Either party may terminate the Payeezy Gateway Services upon giving the other party at least thirty (30) days prior written notice. We may suspend or terminate your access to Payeezy Gateway Services without prior notice, with or without cause. Regardless of the reason for termination, you shall be responsible for the payment of all fees due up to and including the effective date of termination.

23.4. License Grant.

23.4.1. Software License. Subject to the terms and conditions of this Agreement, Processor grants to you a royalty free, non-exclusive, nontransferable, revocable limited license to use the Services, during the term of this Agreement for the sole and limited purpose of submitting payment transactions to us for processing, and otherwise using our Services as set forth herein.

23.4.2. Documentation License. Subject to the terms and conditions of this Agreement, Processor grants to you, and you hereby accept, a royalty free, non-exclusive, non-transferable limited license, without right of sublicense, to use the Documentation during the term of this Agreement for the sole and limited purpose of supporting your use of the Services. You shall strictly follow all Documentation provided to you, as it may be amended from time to time by us, in our discretion. To the extent that there is any conflict between the Documentation and the terms of this Agreement, the terms of this Section 23 shall govern and control.

23.4.3. Use Restrictions. You shall not, and shall not cause or permit any third party to: (i) use the Services in any way, other than in accordance with this Agreement, the Documentation or as otherwise instructed by us in writing; (ii) use the Software or Documentation, either directly or indirectly, for benchmarking or to develop any product or service that competes with the products and services provided under this Section 23; (iii) disassemble, decompile, decrypt, extract, reverse engineer or modify the Services, or otherwise apply any procedure or process to the Services in order to ascertain, derive, and/or appropriate for any reason or purpose, the source code or source listings for the Services or any algorithm, process, procedure or other information contained in the Services, except as otherwise specifically authorized in accordance with this Section 23; (iv) provide the Services or Documentation to any third party, other than to your authorized employees and contractors who are subject to a written confidentiality agreement, the terms of which are no less restrictive than the confidentiality provisions of this Section 23; (v) use, modify, adapt, reformat, copy or reproduce the Services or Documentation, except as is incidental to the purposes of this Section 23, or for archival purposes (any copies made hereunder shall contain all appropriate proprietary notices); (vi) rent, lease, assign, sublicense, transfer, distribute, allow access to, or timeshare the Services or Documentation; (vii) circumvent or attempt to circumvent any applicable security measures of the Services; (viii) attempt to access or actually access portions of the Platform or Services not authorized for your use; or (ix) use the Services or Documentation in any unlawful manner or for any unlawful purpose.

23.4.4. Updates. From time to time we may, at our discretion, release Updates or modify the Software. In the event we notify you of any such Update, you shall integrate and install such Update into Your Systems within thirty (30) days of your receipt of such notice. You acknowledge that failure to install Updates in a timely fashion may impair the functionality of the Platform or any of the Services provided hereunder. We will have no liability for your failure to properly install the most current version of the Software or any Update, and we will have no obligation to provide support or services for any outdated versions.

23.4.5. Licensors. The licenses granted hereunder may be subject to other licenses currently held by us. Should any license held by us or our subcontractors to certain technology or software be terminated or

suspended, the corresponding license(s) granted to you hereunder may also be terminated or suspended in our sole and absolute discretion. You acknowledge and agree to such potential termination or suspension and hereby waive any and all damages, whether actual, incidental or consequential resulting therefrom.

23.4.6. Export Compliance. You agree not to export or re-export the Software or any underlying information or technology except in full compliance with all applicable laws and regulations. In particular, but without limitation, none of the Software or underlying information or technology may be downloaded or otherwise exported or re-exported (i) to any country to which the United States has embargoed goods (or any national or resident thereof); (ii) to anyone on the United States Treasury Department's list of Specially Designated Nationals or the United States Commerce Department's Table of Deny Orders; or (iii) in any manner not in full compliance with the requirements of the United States Bureau of Industry and Security and all applicable Export Administration Regulations. If you have rightfully obtained the Software outside of the United States, you agree not to re-export the Software except as permitted by the laws and regulations of the United States and the laws and regulations of the jurisdiction in which you obtained the Software. You warrant that you are not located in, under the control of, or a national or resident of any such country or on any such list.

23.4.7. Federal Acquisition Regulations. If you are acquiring the Software on behalf of any part of the United States Government (the "Government"), the following provisions apply: Any use, duplication, or disclosure by the Government is subject to the restrictions set forth in subparagraphs (a) through (d) of the Commercial Computer Software-Restricted Rights clause at FAR 52.227-19 when applicable, or in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, and in similar clauses in the NASA FAR Supplement. We are the contractor/manufacturer, with the address set forth below. Any use, modification, reproduction, release, performance, display or disclosure of the Software and/or the accompanying documentation by the Government or any of its agencies shall be governed solely by the terms of this Addendum and shall be prohibited except to the extent expressly permitted by the terms of this Section 23.

23.4.8. Return / Destruction. Upon termination or expiration of this Agreement, all licenses granted hereunder shall immediately terminate, and within five (5) days thereof, you shall either return to us or destroy or delete from Your Systems, as applicable, the Software, Operational procedures, Documentation, and any copies thereof, and shall so certify to us in writing.

23.4.9. No other Licenses. Except as expressly provided above, no license for any patents, copyrights, trademarks, trade secrets or any other intellectual property rights, express or implied, are granted hereunder.

23.4.10. Use of Transaction Data. As permitted by applicable law and regulations, we reserve the right to copy and distribute to third parties, any information associated with your use of the Services or your activities on the Platform to the extent necessary to provide Services to you.

23.5. Platform Matters

23.5.1. Integration with Your Systems. While we provide Software to you, you acknowledge that the Software itself is insufficient to allow Your Systems to function with the Platform. Programming, development and maintenance of Your Systems and their functionality are your sole responsibility. You have the sole responsibility to select and employ any competent programming agent(s) to accomplish the programming required to make Your Systems function correctly with the Platform and the payment services contemplated hereunder ("Integration"). You shall be responsible for all technical support for Your Systems and Integration related issues. You agree that you will use commercially reasonable efforts to complete the Integration as soon as possible. You will be responsible for all of your own development and implementation costs associated with such Integration. Notwithstanding any other provision of this Section 23, you acknowledge that unless and until you complete the Integration,

no Services need be provided by us to you pursuant to Section, except as otherwise specifically provided in Section 23.5.2 below. In addition, you acknowledge and agree that, even if you have completed Integration, if you have not entered into a valid merchant processing agreement with an authorized bank card processor, you cannot receive the Services through the Platform.

23.5.2. Set-Up Assistance Services. Subject to Section 23.5.1 above, upon your request to us, and upon payment of any applicable fees, we will provide you with set-up services to assist with the Integration.

23.5.3. Shut Downs. We reserve the right, from time to time, without prior notice, to shut down and restart the Platform for maintenance and/or software upgrades for reasonable time periods of one minute or more.

23.5.4. Orders by Customers. You are solely responsible for accepting, processing, and filling any orders for purchases by your Customers, and for handling any inquiries arising therefrom. You shall use the highest standards in the industry in responding to complaints by Customers. We are not responsible or liable for any unauthorized access to your data or Your Systems by any means or device.

23.6. Security of Information. We will use commercially reasonable efforts to maintain the security of the Services and the Platform. You will use commercially reasonable efforts to maintain the security of Your Systems. Such steps by you will be taken at your sole cost and expense, and shall include, without limitation: (i) creating firewalls to protect against unauthorized access to Your Systems by your employees, contractors, Customers, or by any other person; and (ii) implementing reasonable protective techniques suggested by us. You further agree that you will be bound by and comply with all of our and all Card Organization security rules and regulations as they now exist or as each may be amended or supplemented from time to time. Notwithstanding the foregoing, the parties recognize that there is no guarantee or absolute security of information that is communicated over the internet.

23.7. Privacy. We have adopted an online Privacy Statement for the Services to inform individuals as to our online collection and use of personal information. You agree that, during the term of this Agreement, you will adequately communicate and comply with an appropriate privacy policy explaining your online collection and use of the personal information of your Customers. Unless required by law, Card Organization Rules, or done pursuant to this Agreement, you shall not, under any circumstances, sell, purchase, provide, or otherwise disclose any customer's account information, transaction information, or other personal information to any third party. You shall store all data securely. We may advise potential users of the services that we have a relationship with you.

23.8. Audit Rights. Upon notice to you, we may audit your usage, records and security of the Services, your Customer's payment processing information, and the services provided hereunder to ensure (i) that you are using the Platform and Services in full compliance with the provisions of this Section 23; (ii) that all applicable fees have been paid; (iii) that you are adhering to your Privacy Policy; and; (iv) that you are in full compliance with all applicable laws, regulations and rules (including but not limited to Card Organization Rules). Any such audit shall be conducted during regular business hours at your offices and shall not interfere unreasonably with your business.

23.9. Reserved

23.10. Indemnification. You shall indemnify, defend, and hold us, our subsidiaries and affiliates and our and their officers, directors, employees, shareholders, agents and attorneys from any Claim(s) arising from the conduct of your business, any transactions submitted through the Payeezy Gateway hereunder for payment processing, any false or inaccurate representation made by you or the negligence, fraud, dishonesty or willful behavior of any of your employees or agents, or from your failure to strictly comply, in whole or in part, with any: (i) terms and conditions pursuant to this Agreement and any addenda hereto or Documentation; or (ii) applicable law, regulations or Card Organization Rules. Upon written notice from us to you, you shall immediately undertake the defense of such

Claim by representatives of your own choosing, subject to our reasonable approval.

23.11. Limitation of Liability.

23.11.1. General Limitations. Processor is not liable for the merit and legitimacy of the orders forwarded by you. All liability for validity of orders remains with you. We are not responsible for any data entry errors, Customer misrepresentations, or reporting errors resulting from your actions. We shall not be liable to you or your Customer for the accuracy of the information provided by the Services.

23.11.2. Special Damages. In no event shall we be liable to you, or to any other person or entity, under this Section 23, or otherwise, for any punitive, exemplary, special, incidental or consequential damages, including, without limitation, any loss or injury to earnings, profits or goodwill.

23.11.3. Maximum Liability. Notwithstanding any provision in this Agreement to the contrary, in no event shall our liability under this Section 23 for all Claims arising under, or related to, this Section 23 exceed, in the aggregate (inclusive of any and all Claims made by you against us, whether related or unrelated), the lesser of: (i) the total amount of fees paid by you for the our Services during the 12-month period immediately preceding the date the event giving rise to such Claim(s) occurred; or (ii) \$10,000.00.

23.11.4. Other Damages. Notwithstanding provisions set forth herein, we will not be liable for any Claims under this Agreement arising directly or indirectly from or otherwise concerning: (a) any termination, suspension, delay or disruption of service (including billing for a service) by the Internet, any common carrier or any third party service provider; (b) any failure, disruption or malfunction of the Services provided hereunder or the internet, or any communications network, facility or equipment beyond our reasonable control, whether or not attributable to one or more common carriers or third party service providers; (c) any failed attempts by you or your Customers to access any Systems or to complete processing transactions; or (d) any failure to transmit, obtain or collect data from Customers or for human, machine or software errors or faulty or your or your Customer's; or (e) human, machine or software errors or faulty or your or your Customer's erroneous input.

23.12. DISCLAIMER OF WARRANTIES. YOU ACKNOWLEDGE AND AGREE THAT THE USE OF THE SERVICES AND DOCUMENTATION ARE AT YOUR SOLE RISK WE MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND NO IMPLIED AT LAW WARRANTY SHALL ARISE FROM THIS AGREEMENT THE SERVICES, DOCUMENTATION, OUR PROCEDURES, THE SERVICES PROVIDED HEREUNDER, OR FROM PERFORMANCE BY US, INCLUDING, WITHOUT LIMITATION: (A) ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (B) ANY WARRANTIES OF NONINTERFERENCE OR NON-INFRINGEMENT; OR (C) ANY WARRANTIES THAT ANY PRODUCT OR SERVICE PROVIDED HEREUNDER (INCLUDING BUT NOT LIMITED TO THE SOFTWARE) WILL (1) MEET YOUR REQUIREMENTS; (2) OPERATE ACCORDING TO YOUR EXPECTATIONS; (3) PROVIDE ACCURATE DATA; OR (4) OPERATE UNINTERRUPTED OR ERROR FREE. ANY AND ALL SUCH WARRANTIES ARE EXPRESSLY DISCLAIMED BY US AND WAIVED BY YOU. WE DO NOT WARRANT THAT ANY ERRORS WILL BE CORRECTED. EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH HEREIN, THE SERVICES, (INCLUDING THE SOFTWARE) AND OTHER SERVICES PROVIDED HEREUNDER ARE PROVIDED ON AN "AS-IS, WITH ALL FAULTS" BASIS. THIS DISCLAIMER OF WARRANTIES CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT. All decisions to reject any processing transaction or payment for your products or services are solely your responsibility.

23.13. Notices. You agree to notify us of any change in your name, type of business, or any other information required on your Merchant Processing Application at least thirty (30) business days prior to the effective date of change. Any notice or other communication required or permitted to be given hereunder shall be in writing, addressed or

transmitted to the party to be notified at such party's address or number at such party's last known address or number, and shall be: (i) if sent by us, hand delivered or delivered by facsimile transmission, overnight courier or certified, registered, regular mail or e-mail; or (ii) if sent by you, certified or registered mail, postage prepaid return receipt requested to 6101 Condor Drive, Moorpark, CA 93021. Any notice delivered hereunder shall be deemed effective, as applicable, upon delivery, if hand delivered or sent by overnight courier; upon receipt as evidenced by the date of transmission indicated on the transmitted material, if by facsimile transmission or e-mail; on the date of delivery indicated on the return receipt, if mailed by certified or registered mail; or ten (10) days after mailing, if by regular mail (or as otherwise required by applicable law). The parties' addresses may be changed by written notice to the other party as provided herein.

23.14. Subcontractors. Processor may subcontract all or part of the Services using a variety of providers globally, but, notwithstanding any such subcontract, Processor shall remain fully responsible for performance of the Services, including ensuring the compliance of subcontractors with the terms of this Agreement applicable to such subcontractors. Each of our subcontractors for the Services is a third party beneficiary of Sections 23.4, 23.5, 23.7, 23.8, 23.9, 23.10, 29.11, 23.14 and 23.15 of this Section with rights to enforce the applicable terms of this Section against you.

23.14. Survival. Upon termination or expiration of this Section 29 or the Agreement, a party's obligations shall cease except for those remaining or required to be performed following such termination. For the avoidance of doubt, the parties agree that those provisions of this Section that logically should survive its termination or expiration in order to accomplish its fundamental purposes will do so. All representations, warranties, indemnities and covenants made herein shall survive the termination of this Section and shall remain enforceable after such termination.

24. Choice of Law; Venue; Waiver of Jury Trial; Limitation on Claims

24.1. Choice of Law. Our Agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to its choice of law provisions).

24.2. Venue. We have substantial facilities in the State of New York and many of the services provided under this Agreement are provided from these facilities. The exclusive venue for any actions or claims arising under or related to this Agreement shall be in the appropriate state or federal court located in Suffolk County, New York.

24.3. Waiver of Jury Trial. ALL PARTIES IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY CLAIM RELATING TO OR ARISING UNDER THIS AGREEMENT.

24.4. Without limiting any other terms or conditions contained in this Agreement, you agree that any lawsuit or other action you may wish to bring against us to adjudicate claims arising under this Agreement must be commenced and filed by you within one (1) year of the date on which your claim first accrued, without regard to the date on which your claim was discovered. Any action that is not commenced and filed by you within such one (1) year time period shall be barred, without regard to any other limitations period set forth by law or statute.

24.5. You understand and agree that any additional secondary location(s) that you request to be added shall be subject to this Merchant Processing Agreement.

25. Other Terms

25.1. Force Majeure. No party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by (i) fire, flood, earthquake, elements of nature or other acts of God; (ii) any terrorist attacks or outbreak or escalation of hostilities, war, riots or civil disorders in any country; (iii) any act or omission of the other party or any government authority; (iv) any labor disputes (whether or not employees' demands are reasonable or within the party's power to satisfy); or (v) the nonperformance by a Person for any similar cause beyond the reasonable

control of such party, including without limitation, failures or fluctuations in telecommunications or other equipment. In any such event, the non-performing party shall be excused from any further performance and observance of the obligations so affected only for as long as such circumstances prevail and such party continues to use commercially reasonable efforts to recommence performance or observance as soon as practicable. Notwithstanding anything to the contrary in this paragraph, your failure to receive payment of funds from a Person shall not excuse the performance of your obligations to us under this Agreement.

25.2. Compliance with Laws. In performing its obligations under this Agreement, each party agrees to comply with all laws and regulations applicable to it. You further agree to cooperate and provide information requested by Servicers, as Servicers determine necessary, to facilitate Servicers compliance with any applicable law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the US Department of the Treasury. Without limiting the foregoing, you acknowledge and agree that “restricted transactions” as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and Regulations GG (“Restricted Transactions”) issued thereunder are prohibited from being processed through your Account or any relationship between you and the Bank. You represent and warrant that you will not submit such Restricted Transactions for processing through your Account. You further acknowledge and agree that you will not use your merchant account and/or the Services for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq, as may be amended from time to time, or those involving any Person listed on the U.S. Department of Treasury, Office of Foreign Assets Control, Specially Designated Nationals and Blocked Persons List (available at www.treas.gov/ofac) or the U.S. Department of State’s Terrorist Exclusion List (available at www.state.gov) or the processing and acceptance of transactions in certain jurisdictions pursuant to 31 CFR Part 500 et seq. and other laws enforced by the Office of Foreign Assets Control (“OFAC”) or in connection with illegal activity of any kind.

In the event we identify a suspected restricted transaction, we may block or otherwise prevent or prohibit such transaction, we may close the Account or end the relationship, and we may seek any other remedies available to us under this Agreement or otherwise.

25.3. Notices. Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the processing of Card transactions) shall be in writing, to you at your address appearing in the Application, or via Electronic Communications (as further described in Section 25.13), including but not limited to the e-mail address you have provided on the Application. If to us at our address appearing in Section 41.4 of this Agreement, with a copy to Attention: General Counsel’s Office, 3975 N.W. 120th Avenue, Coral Springs, FL 33065. Notices shall be deemed to have been given (i) if sent by mail or courier, upon the earlier of five (5) days after mailing of when actually received or, in the case of courier, when delivered, and (ii) if sent by facsimile machine, when the courier confirmation copy is actually received. Notice given in any other manner shall be effective when actually received. Notices sent to your last known address (including e-mail address), as indicated in our records, shall constitute effective notice to the Merchant under this Agreement.

Notwithstanding the above, all bankruptcy or collection related, notices must be sent to the following address – Merchant Services Dept., 5251 Westheimer Road, Fourth Floor Houston, Texas 77056 Attn: Bankruptcy, and Collection Notifications. All such notices must include the related merchant name and merchant number. Failure to provide Notice to this address or include this pertinent merchant information will be deemed ineffective. All notices must include your merchant name(s) and merchant number(s). Failure to provide notice in the manner described in this Section will be deemed ineffective.

25.4. Headings. The headings contained in this Agreement are for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25.5. Severability. The parties intend every provision of this Agreement to be severable. If any part of this Agreement is not enforceable, the remaining provisions shall remain valid and enforceable.

25.6. Entire Agreement; Waiver. This Agreement constitutes the entire Agreement between the parties with respect to the subject matter thereof and supersedes any previous agreements and understandings. A party’s waiver of a breach of any term or condition of this Agreement shall not be deemed a waiver of any subsequent breach of the same or another term or condition.

25.7. Amendment. We may modify any provision of this Agreement by providing written notice to you. You may choose not to accept the requirements of any such change by terminating the Agreement within twenty (20) days of receiving notice. If you choose to do so, notify us that you are terminating for this reason so that we may waive any early termination fee that might otherwise apply. For purposes of this section, in addition to Electronic Communications (as further described in Section 25.13) an electronic or “click-wrap” notice intended to modify or amend this Agreement and which you check “I Accept” or “I Agree” or otherwise accept through an electronic process, shall constitute a writing as required herein. This section 25.7 does not apply to fee changes, which are governed by Sections 5.5 and 5.6.

25.8. Third Party Beneficiaries. Our respective Affiliates and any Persons we use in providing the Services are third party beneficiaries of this Agreement and each of them may enforce its provisions as it was a party hereto. Except as expressly provided in this Agreement, nothing in this Agreement is intended to confer upon any Person or entity other than the parties any rights or remedies, and the parties do not intend for any Persons to be third-party beneficiaries of this Agreement.

25.9. Card Organization Rules. The parties acknowledge that the Visa, Mastercard, American Express, Discover and PayPal Card Organization Rules give Visa, Mastercard, Discover and PayPal, certain rights to require termination or modification of this Agreement with respect to transactions involving Visa, Mastercard, Discover and PayPal Cards and the Visa, Mastercard, Discover and PayPal Card systems and to investigate you. The parties also acknowledge that issuers of other Cards, for which we perform services on your behalf, may have similar rights under their applicable Card Organization Rules with respect to this Agreement’s applicability to transactions involving such other Cards.

25.10. Publicity. Client may not use our logo, name, trademark, or service mark of Processor and/or Bank in any manner, including without limitation, in any advertisements, displays, or press releases without the prior written consent of Processor and Bank.

25.11. Electronic Communications and E-Sign Consent Agreement.

1. Consent.

By signing the Confirmation Page, you consent and agree that:

a. Servicers can provide disclosures required by law and other information about your legal rights and duties to you electronically (rather than in paper form).

b. Where required or requested, your electronic signature (via “click-through” or other method) on agreements and documents relating to the Clover Service or the Services has the same effect as if you signed them in ink.

c. Servicers can send all communications, billing statements, amendments, notices, documents, and other disclosures or communications, or other information regarding the Clover Service or the Services, or your use of the Clover Service or the Services as defined in the Agreement (collectively, the “Disclosures”) to you electronically (1) via e-mail at the last known e-mail address that you provide to us, which will be the e-mail address identified on your Application, unless you subsequently notify us that you have a new e-mail address, (2) by access to a web site that we designate in an e-mail notice we send to you at the time the information is available, or (3) to the extent permissible by law, by access to a website that we will generally designate in advance for such purpose.

d. If you want a paper copy, you can print a copy of the Disclosure or download the information for your records.

e. This consent applies to all future Disclosures sent to you in connection with the Clover Service, the Services, the Agreement, or your use of the Clover Service or the Services as defined in the Agreement.

f. You agree to maintain a valid email address and keep your email address current with us at all times. You understand and acknowledge that access to the Internet, e-mail and the worldwide web are required for you to access Disclosures, and you confirm that you have such access. You understand that there may be costs related to accessing Disclosures (e.g. you may have to purchase internet services, software or hardware), and you agree that you are responsible for any such related access costs. At our discretion, we may choose to discontinue or resume sending Disclosures at any time provided that if we elect not to send a document, notice or communication electronically, we will instead send the same in paper form. You acknowledge that if for any reason you are not able to open a readable version of Disclosures that we send to you, it is your responsibility to contact us to notify us of the same and to request a copy in paper form.

2. Legal Effect.

By consenting, you agree that electronic Disclosures have the same meaning and effect as if Servicers provided paper Disclosures to you. When Servicers send you an email or other electronic notification alerting you that the Disclosure is available electronically and makes it available online, that shall have the same meaning and effect as if Servicers provided a paper Disclosure to you, whether or not you choose to view or print or download the Disclosure.

25.12. IRS Reporting. Pursuant to Section 6050W of the Internal Revenue Code, merchant acquiring entities and third party settlement organizations are required to file an information return with the IRS for each calendar year beginning January 1, 2011, reporting all payment card transactions and third party network transactions with merchants occurring in that calendar year. Accordingly, you will receive a Form 1099K reporting your gross transaction amounts for each calendar year beginning with transactions processed in calendar year 2011.

In addition, amounts reportable under Section 6050W are subject to backup withholding requirements. We are required to perform backup withholding by deducting and withholding income tax from reportable transactions if (a) you fail to provide your taxpayer identification number (TIN) to us, or (b) the IRS notifies us that the TIN (when matched with the name) provided by you is incorrect. Accordingly, to avoid backup withholding from your daily merchant funding amount, it is very important that you provide us with the correct name and TIN that you use when filing the tax return that includes the transactions for your business.

PLEASE NOTE THAT VARIOUS STATES MAY HAVE ADDITIONAL REPORTING/WITHHOLDING REQUIREMENTS

B. Operating Procedures

This part of the Program Guide (through Section 39) describes the procedures and methods for submitting Credit Card transactions for payment, obtaining Authorizations, responding to Chargebacks and Media Retrieval Requests, and other aspects of the operations of our services.

Processor is a full-service financial transaction processor dedicated, among other processing services, to facilitating the passage of your Sales Drafts back to the thousands of institutions who issue the Mastercard®, Visa®, Discover and American Express Cards carried by your customers, as well as to the independent Card Issuers of American Express® and Optima. The Operating Procedures contained in this part focus primarily on the Mastercard, Visa and Discover and PayPal and American Express Card Organization Rules, and seek to provide you with the principles for a sound Card program; however, you should consult the Card Organization Rules for complete information and to ensure full compliance with them. They are designed to help you decrease your chargeback liability and train your employees. (In the event we provide Authorization, processing or settlement of transactions involving Cards other than Mastercard, Visa

, Discover, PayPal and American Express you should also consult those independent Card Issuers' proprietary rules and regulations.)

The requirements set forth in these Operating Procedures will apply unless prohibited by law. You are responsible for following any additional or conflicting requirements imposed by your state or local jurisdiction.

26. Mastercard, Visa, Discover, PayPal and American Express Acceptance

26.1. Card Descriptions. At the point of sale, the Card must be carefully examined to determine whether it is a legitimate and valid Card and not visibly altered or mutilated. The name of the Card (e.g., Visa, Mastercard, Discover, PayPal or American Express) should appear in bold letters on the Card. For all Mastercard and Visa Cards and some Discover Cards, the Card Issuer (e.g., XYZ Bank, etc.) should also appear in bold letters on the Card. The following is a description of the authorized Visa, Mastercard, Discover, PayPal and American Express Card designs:

Visa: The Visa Brand Mark must appear in blue and gold on a white background in either the bottom right, top left, or top right corner. Embossed/Unembossed or Printed Account Number on valid cards begins with "4." All digits must be even, straight, and the same size. The Four to Six Digit Bank Identification Number (BIN) must be printed directly below the account number. This number must match exactly with the first four digits of the account number. The Expiration or "Good Thru" date should appear below the account number. The Mini-Dove Design Hologram may appear on the back of the card. The three-dimensional dove hologram should appear to move as you tilt the card. The Magnetic-Stripe is encoded with the card's identifying information. The Card Verification Value 2 (CVV2) is a three-digit code that appears either in a white box to the right of the signature panel, or directly on the signature panel. Portions of the account number may also be present on the signature panel. CVV2 is used primarily in card-absent transactions to verify that customer is in possession of a valid Visa card at the time of the sale. The Signature Panel must appear on the back of the card and contain an ultraviolet element that repeats the word "Visa®." It may vary in length. The words "Authorized Signature" and "Not Valid Unless Signed" must appear above, below, or beside the signature panel. If someone tried to erase the signature panel; the word "VOID" will be displayed. Chip cards contain a small embedded microchip that is virtually impossible to copy or counterfeit. Chip Antenna for contactless cards, the interface can be an antenna embedded into the back of the card and connected to the chip. A contactless transaction works at terminals through the radio frequency wave between the card and the terminal. You are required to familiarize yourself with the new design by consulting the document entitled "Card Acceptance Guidelines for Visa Merchants" and Chargeback Management Guidelines for Visa Merchants. You may download the document from Visa's website at <http://www.visa.com/merchant>.

Mastercard: The Mastercard symbol appears on the front or back of the Card. The Mastercard hologram is a 3 dimensional with a repeat "Mastercard" printed in the background. In addition, the words Classic, Preferred, Gold or Business may appear. When rotated, the hologram will reflect light and appear to move. Mastercard account numbers are sixteen (16) digits, and the first digit is always a two (2) or five (5). The first four digits of the account must be printed directly below the embossed number. The signature panel is tamper evident with the word "Mastercard" printed in multiple colors at a 45° angle. For magnetic swiped transactions, remember to compare the signature on the back of the card with the cardholder's signature on the receipt. The 4 digits printed on the signature panel must match the last 4 digits of the account number, followed by the 3 digit indent printed CVC2 number. A Chip may be present on the card. The cardholder will be prompted to enter a unique personal identification number or PIN when the card is inserted into a chip capable payment terminal. PayPass® contactless payment technology may be present on card. A signature is not required for PayPass® "tapped" transactions below a specified limit. You are required to familiarize yourself with the new design by consulting a document "Mastercard Card Identification Features." You

may download the document from Mastercard's website at <http://www.mastercardmerchant.com/us/merchant>.

Discover: The Discover Network includes Discover, Diners Club International, JCB, UnionPay, BCCard and Dinacard. Valid standard rectangular plastic Cards bearing a Discover® Acceptance Mark include the following common characteristics and distinctive features.

- The Discover Acceptance Mark may appear on the lower right corner of the front, back, or both sides of the Card.
- Cards display either a three-dimensional hologram on the front or back of the Card or a three-dimensional holographic magnetic stripe on the back of the Card. Valid Cards do not display holograms on both front and back.
- Card Numbers may be embossed or unembossed and will appear on either the front or back of a Card. Card Numbers begin with the number “6” and are composed of 16 digits that should be clear and uniform in size and spacing.
- The Cardholder name, and if applicable, business name, may be embossed or unembossed and will appear on either the front or back of the Card.
- The “Valid Thru” date may be embossed or unembossed and will appear on either the front or back of a Card in mm/yy format that indicates the last month in which the Card is valid.
- The words “DISCOVER” or “DISCOVER NETWORK” appears on the front of the Card under an ultraviolet light.
- The signature panel displays the words “DISCOVER” or “DISCOVER NETWORK” and may vary in size. Cards may contain a panel that includes an ultraviolet image of the word “DISCOVER.” An underprint of “void” on the signature panel becomes visible if erasure of the signature is attempted.
- The last four digits of the Card Number may be displayed on the back of the Card and are commonly printed in reverse indent printing on the signature panel.
- On embossed Cards, a security character, displayed as an embossed stylized “D” may appear on the front of the Card.
- The 3-digit CID is printed on the back of the Card in a separate box to the right of the signature panel.

NOTE: Valid Cards may not always be rectangular in shape (e.g., Discover 2GO Cards). Certain valid unembossed Cards or Contactless Payment Devices approved by us for use in accessing Card Accounts (e.g., contactless stickers, key fobs, and Mobile Commerce Devices) and to conduct Contactless Card Transactions may not display the some features described above. Card expiration date and other features listed above are not displayed on such Contactless Payment Devices.

NOTE: For unembossed Cards used to conduct a Card Present Card Sales, Merchants must obtain an Authorization Response electronically using a POS Device. A Card Sale involving an unembossed Card may be subject to Dispute if the Merchant “key enters” Card information into a POS Device and does not use the electronic Authorization procedures.

The features indicated below are found on valid Contactless Chip Payment Devices approved for use in accessing Card Accounts and to conduct Contactless Card Transactions:

- Standard, plastic rectangular Cards that are also Contactless Chip Payment Devices bear the security features described above.
- Contactless Chip Payment Devices other than Mobile Payment Devices bear the Contactless Indicator.
- Contactless Magnetic Stripe Payment Devices bear the Discover Zip Indicator
- Other Acceptance Mark as described below for Diners Club International, JCB, and UnionPay.

Diners Club International:

- A Diners Club International Acceptance Mark in upper left corner.
- Two-character alphanumeric code printed in the lower right corner.
- Embossed 14 – digit Account Number (begins with 36).
- Embossed 16 – digit Account Number (begins with 30).
- Embossed digits on the card must be clear and uniform in size and spacing within groupings.
- Embossed expiration data appears in mm/yy format and indicates the last month in which the Card is valid.

Note: Some valid Cards bearing a Diners Club International Acceptance Mark display a printed, unembossed Card number. If a Card sale involving a Diners Club International Card with an unembossed Card number cannot be completed by swiping the card through the POS Device, the card should not be accepted. If submitted, such card sale may be subject to Dispute.

Union Pay:

- A 16 – digit Card number starting with “622,” “624,” “625,” “626,” or “628” is embossed on the front of the Card.
- Embossed digits on the Card should be clear and uniform in size and spacing.
- The embossed expiration date appears in mm/yy format and indicates the last month in which the Card is valid.
- The Card contains a magnetic stripe.
- A three-dimensional hologram image of Heaven Temple in the foreground with Chinese characters in the background appears on the front of all such Cards. The hologram reflects light as it is rotated.
- “Valid Thru” and the Cardholder name (which may not be in English) are embossed on the front of the Card.
- The CID appears on the upper right corner of the signature panel.

Note: Text on Cards bearing a China UnionPay Acceptance Mark may not be printed in English.

JCB:

- Card Numbers are made up of 16 digits, starting with “35” embossed or printed on the front of the Card.
- Embossed digits on the Card should be clear and uniform in size and spacing within groupings.
- The Cardholder name and, if applicable, business name embossed on the front of the Card.
- A JCB Acceptance Mark appears on the front of the Card.
- A three-dimensional hologram image of rising sun, rainbow, and “JCB” in micro lettering appears on either the front or the back of the Card. The hologram reflects light as it is rotated.
- The embossed expiration date appears in mm/yy or mm/dd/yy format on the front of the Card and indicates the last month in which the Card is valid.
- The Card contains a magnetic stripe on the back of the Card.
- The name “JCB” appears in ultraviolet ink on the left bottom of the front of the Card when held under an ultraviolet light.
- The first four digits of the Card number match the 4-digit number pre-printed just below the embossed Card number of the front of the Card.
- The first four digits of the Card number displayed on the signature panel on the back of the Card match the last four digits of the Card number that appears on the front of the Card.
- The last four digits of the Card number on the back of the Card followed by the 3-digit CID.

- An overprint on the signature panel reads “JCB” in two colors, blue and green.
- Some Cards have an embedded integrated circuit chip on the front of the Card.
- The words “Good Thru,” “Valid Dates,” “Valid Thru,” or “Expiration Date” must be printed near the expiration date. The corresponding words in the language of the country where the JCB Card is issued may also be printed. The words “Month/Year” or the corresponding words in the language of the country where the JCB Card is issued may be printed above or below the expiration date.

Note: Some valid Cards bearing the JCB Acceptance Mark will have a printed, unembossed Card number on the Card. If a Card sale involving a valid, JCB Card with an unembossed Card number cannot be completed by swiping the Card through the POS Device, the Card should not be accepted. If submitted, such Card sale may be subject to dispute.

PayPal Tokens:

- PayPal logo appears on the front of the card with all remaining features appearing on the back of the card
- The following features appear on the back of the card:
 - i. PayPal Account Holder name
 - ii. Last 4 digits of the Account Number printed on the PayPal Card Token
 - iii. Valid thru mm/yy date
 - iv. Tamper proof signature panel followed by a 3 digit CID value
- The full token card number does not appear anywhere on the card.
- Transactions processed using PayPal Card Tokens that do not have all of these features may be subject to Dispute under the Dispute Rules.

American Express:

- All American Express Card Numbers start with “37” or “34.” The Card number appears embossed on the front of the Card. Embossing must be clear, and uniform in sizing and spacing. Some Cards also have the Card Number printed on the back of the Card in the signature panel. These numbers, plus the last four digits printed on the Sales Draft, must match.
- Pre-printed Card Identification (CID) Numbers must always appear above the Card Number on either the right or left edge of the Card.
- Only the person whose name appears on an American Express Card is entitled to use it. Cards are not transferable.
- Some Cards contain a holographic image on the front or the back of the plastic to determine authenticity. Not all American Express Cards have a holographic image.
- Some Cards have a chip on which data is stored and used to conduct a transaction.
- The signature on the back of the Card must match the Cardholder’s signature on the Sales Draft, and must be the same name that appears on the front of the Card. The signature panel must not be taped over, mutilated, erased or painted over.
- Some Cards also have a three digit Card Security Code (3CSC) number printed on the signature panel.

26.2. Effective/Expiration Dates. At the point of sale, the Card should be carefully examined for the effective (valid from) (if present) and expiration (valid thru) dates which are located on the face of the Card. The sale date must fall on or between these dates. Do not accept a Card prior to the effective date or after the expiration date. If the Card has expired, you cannot accept it for a Card sale unless you have verified through your Authorization Center that the Card is in good standing, otherwise, you are subject to a Chargeback and could be debited for the transaction.

26.3. Valid Signature. Check the back of the Card. Make sure that the signature panel has not been disfigured or tampered with in any fashion (an altered signature panel may appear discolored, glued or painted, or show erasure marks on the surface). The signature on the back of the

Card must compare favorably with the signature on the Sales Draft. The Sales Draft must be signed by the Card presenter in the presence of your authorized representative (unless a Card Not Present Sale) and in the same format as the signature panel on the Card; e.g., Harry E. Jones should not be signed H.E. Jones. The signature panels of Visa, Mastercard, Discover and PayPal Cards have a 3-digit number (CVV 2/CVC 2/CID) printed on the panel known as the Card Validation Code.

Visa, Mastercard, Discover, PayPal and American Express: If the signature panel on the Card is blank, in addition to requesting an Authorization, you must do all the following:

- Review positive identification bearing the Cardholder’s signature (such as a passport or driver’s license that has not expired) to validate the Cardholder’s identity.
- Require the Cardholder to sign the signature panel of the Card prior to completing the Transaction.

26.4. Users Other Than Cardholders. A Cardholder may not authorize another individual to use his/her Card for purchases. Be sure the signature on the Card matches with the one on the Sales Draft. Furthermore, any Card having two signatures on the back panel is invalid and any sale made with this Card can result in a Chargeback. For Cards bearing a photograph of the Cardholder, ensure that the Cardholder appears to be the person depicted in the picture which appears on the Card. If you have any questions, call the Voice Authorization Center and request to speak to a Code 10 operator.

26.5. Special Terms. If you limit refund/exchange terms or impose other specific conditions for Card sales, you must provide proper disclosure to the Cardholder at the time of transaction in accordance with applicable law. If applicable, the words “No Exchange, No Refund,” etc. must be clearly printed on the Sales Draft near or above the Cardholder’s signature. The Cardholder’s copy, as well as your copy, must clearly display this information near or above the Cardholder’s signature. Applicable disclosures will vary by transaction type.

During a liquidation and/or closure of any of your outlets, locations and/or businesses, you must post signs clearly visible to customers stating that “All Sales Are Final,” and stamp the Sales Draft with a notice that “All Sales Are Final.”

Generally do not give cash, check or in store credit refunds for Card sales. Visa allows for the following exclusions: a cash refund to the Cardholder for a Visa Easy Payment Transaction, a cash refund, Credit, or other appropriate form of Credit to the recipient of a gift purchased as a Mail/Phone Order transaction, or a cash refund or in-store Credit for a Visa prepaid card transaction if the Cardholder states that the Visa prepaid card has been discarded. NOTE: A disclosure does not eliminate your liability for a Chargeback. Consumer protection laws and Card Organization Rules frequently allow the Cardholder to dispute these items notwithstanding such disclosures.

26.6. Delayed Delivery Transactions or Deposit Balance. In a delayed delivery transaction where a Cardholder makes a deposit toward the full amount of the sale, you should execute two separate Sales Drafts (each completed fully as described in Section 28.1.), the first for a deposit and the second for payment of the balance upon delivery of the merchandise or the performance of the services.

Visa: You must obtain an Authorization for each Sales Draft on each transaction date. You must assign the separate Authorization numbers to each Sales Draft, respectively. You must note on such Sales Drafts the words “delayed delivery,” “deposit” or “balance,” as appropriate, and the authorization dates and approval codes.

Mastercard: For Mastercard transactions, you must obtain an Authorization for each Sales Draft on each transaction date. You must note on both Sales Drafts the words “delayed delivery,” “deposit” or “balance,” as appropriate, and the authorization date and approval code.

NOTE: For Visa and Mastercard transactions, If delivery is more than twenty-five (25) days after the original transaction date and the initial

Authorization request, you should reauthorize the unprocessed portion of the transaction prior to delivery. For Discover transactions, the same rules apply if delivery is more than ninety (90) days after original transaction date and initial Authorization request. If the transaction is declined, contact the Cardholder and request another form of payment. For example: On January 1, a Cardholder orders \$2,200 worth of furniture and you receive an Authorization for the full amount; however, only a \$200 deposit is processed. The above procedures are followed, with a \$2,000 balance remaining on the furniture; the \$2,000 transaction balance should be reauthorized.

Discover: For Discover transactions, you must label one Sales Draft “deposit” and the other “balance,” as appropriate.

You shall submit Authorization requests you receive and await receipt of the Authorization Response prior to completing the Card sale. A positive Authorization Response will remain valid for thirty (30) calendar days from the date of the Authorization response for Card sales in the car rental industry, airline and passenger railway industries, the lodging industry and other travel MCCs including passenger transport and **all International Card sales**. A positive Authorization response will remain valid for ten (10) calendar days from the date of the Authorization response for Card sales in all other industries and MCCs.

In addition, you must complete Address Verification at the time of the “balance” authorization, and you must obtain proof of delivery upon delivery of the services/merchandise purchased. You may not submit sales data relating to the “balance” to us for processing until the merchandise/service purchased has been completely delivered.

American Express: For American Express Card transactions, you must clearly disclose your intent and obtain written consent from the Cardholder to perform a delayed delivery transaction before you request an Authorization. You must obtain a separate Authorization Approval for each delayed delivery transaction on their respective Charge dates and clearly indicate on each record that the Charge is either for the deposit or for the balance of the transaction. You must submit the delayed delivery transaction record for the balance of the purchase only after the items have been shipped, provided or services rendered. For deposits, submission must be on the date the Cardholder agreed to pay for the deposit for the purchase. For balances, submission must be on the date the items are shipped, provided or services rendered. You must submit and

Authorize each delayed delivery transaction under the same Merchant Identification Number and treat deposits on the Card no differently than you treat deposits on all other payment products.

Advance Payment Charges.

Please follow the procedures set out in this section if you permit or require cardholders to make advance payment charges for:

- custom orders (for example, orders for goods to be manufactured to a customer’s specifications);
- ticketing for events or entertainment (for example, sporting events or concerts);
- tuition, room, board, and other mandatory fees (for example, library or other students services fees at universities);
- tickets for airlines, rail lines, cruise lines, lodging, and other travel-related services (for example, tours or guided expeditions);
- vehicle rentals; or
- in-store merchandise not immediately available (for example, merchandise pre-purchased for an upcoming sale event or merchandise on layaway).

For all advance payment transactions:

- do state your full cancellation and refund policies;
- do clearly disclose your intention to receive advance payment;
- before you request an authorization, do obtain written consent from the cardholder to bill the card for an advance payment charge; the

Cardholder’s consent must include (1) a detailed description of the goods or services to be provided, and (2) his or her agreement to all of the terms of the sale, including price, any cancellation or refund policies, and the expected delivery date of the goods or services;

- do obtain an authorization approval;
- do complete a Sales Draft; and

• if you cannot deliver the goods or services (for example, because custom-ordered merchandise cannot be fulfilled) and cannot make other arrangements, do immediately issue a credit for the full amount of the advance payment charge.

For Card Not Present transactions involving an advance payment:

- do ensure that the Sales Draft contains the words “Advance Payment”; and
- within twenty-four (24) hours of the advance charge being authorized, do provide the cardholder with written confirmation (for example, by email or facsimile) that advance payment charge has been made the written confirmation must include (1) a detailed description of the goods or services to be provided; (2) the amount of the charge; (3) the confirmation number (if applicable); (4) the details of any cancellation or refund policies; and (5) the expected delivery date of the goods or services.

26.7. Recurring Transaction and Preauthorized Order Regulations.

If you process recurring transactions and Charge a Cardholder’s account periodically for recurring goods or services (e.g., yearly subscriptions and annual membership fees, etc.), the Cardholder shall complete and deliver to you a Cardholder approval for such goods or services to be charged to his account. The approval must at least specify the Cardholder’s name, address, account number and expiration date, the transaction amounts, the frequency of recurring Charges and the duration of time for which the Cardholder’s permission is granted. For Discover transactions, the approval must also include the total amount of recurring Charges to be billed to the Cardholder’s account, including taxes and tips and your Merchant Number.

If the recurring transaction is renewed, the Cardholder must complete and deliver to you a subsequent written request for the continuation of such goods or services to be charged to the Cardholder’s account. You may not complete a recurring transaction after receiving a cancellation notice from the Cardholder or Issuer or after a request for Authorization has been denied.

If we or you have terminated this Agreement, you may not submit authorization requests or sales data for recurring transactions that are due after the termination date of this Agreement, and you must inform Cardholders for which you have submitted the recurring transactions that you no longer accept the Card.

You must obtain an Authorization for each transaction and write “Recurring Transaction” (or “P.O.” for Mastercard transactions/ “Signature on File” for American Express) on the Sales Draft in lieu of the Cardholder’s signature. A positive authorization response for one recurring transaction Card Sale is not a guarantee that any future recurring transaction authorization request will be approved or paid.

For all recurring transactions, you should submit the 3-digit CID with the first authorization request, but not subsequent authorization requests. Discover Card Organization Rules specifically require that you follow this CID procedure for Discover recurring transactions.

Also, for Discover recurring transactions, the Sales Draft must include a general description of the transaction, your merchant name and a toll-free customer service number that the Cardholder may call to obtain customer assistance from you or to cancel the written approval for the recurring transaction.

For American Express recurring transactions you should periodically verify with Cardholder that their information (e.g., Card Number, expiration date, billing address) is still accurate. This will improve the likelihood of obtaining an approval to an Authorization request.

The method to secure consent for recurring Charges must contain a

disclosure that you may receive updated Card account information from the Issuer. You must retain evidence of consent to receive updated Card account information from the Issuer for twenty-four (24) months from the date you submit the last recurring billing Charge. If you offer Cardholders the option to make recurring billing Charges, you must:

- Ensure that your process for cancellation of recurring billing is simple and expeditious;
- Clearly and conspicuously disclose all material terms of the option, including, if applicable, the fact that recurring billing will continue until the option is cancelled by the Cardholder;
- Within twenty-four (24) hours of incurring the first recurring billing Charge, provide the Cardholder written confirmation (e.g., email or facsimile) of such Charge, including all material terms of the option and details of your cancellation/refund policy; and
- Where the material terms of the option change after submission of the first recurring billing Charge, promptly notify the Cardholder in writing of such change and obtain the Cardholder's express written consent to the new terms prior to submitting another recurring billing Charge.

The cancellation of an American Express Card constitutes immediate cancellation of that Cardholder's consent for recurring Charges. American Express will not have any liability from such cancellation. If an American Express Card is cancelled or a Cardholder withdraws consent to recurring Charges, you are responsible for arranging another form of payment with the Cardholder.

All recurring transactions or preauthorized orders may not include partial payments for goods or services purchased in a single transaction.

You may not impose a finance charge in connection with a Recurring Transaction or Preauthorized Order.

If you process recurring payment transactions, the Recurring Payment Indicator must be included in each Authorization request, and as applicable, each Batch submission entry. Penalties can be assessed by the Card Organizations for failure to use the Recurring Payment Indicator.

26.8. Payments By Installments.

If you process multiple payments for a single purchase of goods or services over a period of time based on an agreement between a Cardholder and a merchant (for example a car payment or furniture purchase) please follow the procedures set out in this section:

- Do obtain written Cardholder approval for goods or services to be charged on an installment basis to the Cardholder's account at the time of the first transaction. Approval must at least specify:
 - Terms of service.
 - Timing of delivery to Cardholder.
 - Transaction amount.
 - Total purchase price.
 - Terms of future payments, including dates, amounts, currency, cancellation and refund policies.
 - Any associated charges, including shipping and handling charges and any applicable tax.
- Installment transaction amount must be less than the total price of the merchandise or services purchased (may include interest charges, except in the US Region) and must be applied to the total obligation.
- Do obtain authorization for each transaction.
- Contact Cardholder in writing if authorization is declined, and allow at least 7 days for payment by other means.
- Provide the following to the Cardholder within 3 business days if they cancel within the terms of the cancellation policy.
 - Cancellation or refund confirmation in writing.
 - Credit transaction receipt for the amount specified in the cancellation policy.

- Process a refund for the full amount paid if unable to adhere to the terms of the sale or service.

- Do include the installment payment indicator in the authorization request.

- Don't impose a convenience fee in connection with an installment payment.

- Don't process installment transactions at intervals less than.

- 7 calendar days.

- Monthly anniversary of the shipment date for the U.S. region.

26.9. Certain Rules and Requirements. The following rules are requirements strictly enforced by Visa, Mastercard and Discover and PayPal:

- Your minimum Credit Card acceptance amount cannot exceed \$10.00. Such minimum amount must be established to all Credit Cards regardless of Card Issuer or Card brands. Unless you are a federal government entity or institution of higher learning, you may not establish a maximum amount as a condition for accepting a Card, except that for Discover transactions, you may limit the maximum amount a Discover Cardholder may spend if, and only if, you have not received a positive authorization response from the Issuer. Setting a minimum transaction amount limit for Debit Cards (PIN Debit or Non-PIN Debit) is prohibited.

- You cannot impose a surcharge or fee for accepting a Debit Card or PayPal Cards.

- You cannot establish any special conditions for accepting a Card.

- You cannot require the Cardholder to supply any personal information (e.g., home or business phone number; home or business address including zip code; or driver's license number) unless instructed by the Authorization Center. The exception to this is for a mail/telephone/Internet order or delivery-required transactions, or as otherwise permitted by applicable law. Any information that is supplied by the Cardholder must not be in plain view when mailed.

- Any tax required to be collected must be included in the total transaction amount and not collected in cash.

- You cannot submit any transaction representing the refinance or transfer of an existing Cardholder obligation deemed uncollectible, for example, a transaction that has been previously charged back, or to cover a dishonored check.

- You cannot accept a Visa Consumer Credit Card or commercial Visa Product, issued by a U.S. Issuer to collect or refinance an existing debt.

- You must create a Sales Draft or Credit Draft for each Card transaction and deliver at least one copy of the Sales Draft or Credit Draft to the Cardholder.

- If you accept Card checks, your Card check acceptance policy must treat the acceptance of checks from all payment card brands that you accept equally. (e.g., if you accept Mastercard, Visa and Discover, your check acceptance policy must treat checks for all three payment card brands equally). You should handle these Card checks like any other personal check drawn upon a bank in the United States.

- Failure to comply with any of the Card Organization Rules may result in fines or penalties.

U.S. merchants may engage in any of the following:

- You may direct customers to a particular brand or type of general purpose card or a particular form of payment. U.S. merchants may also encourage customers who initially present a Visa Card to use a payment card with a different network brand, a different type of payment card or a different form of payment.

- You may provide a discount/incentive for a consumer to pay with cash, check, Credit Card, Debit Card, etc., however, you must clearly and conspicuously disclose the discount to consumers. Also, you must offer the

discount to all consumers and you cannot discriminate based upon Card brand or Card Issuer. However, you may choose not to accept either U.S. issued Debit Cards or U.S. issued Credit Cards under the terms described in Section 26.10.

- You may offer a discount or rebate, including an immediate discount or rebate at the point of sale;
- You may offer a free or discounted product, service or enhanced service;
- You may offer an incentive, encouragement, or benefit;
- You may express a preference for the use of a particular brand or type of general purpose card or a particular form of payment;
- You may communicate to a customer the reasonably estimated or actual costs incurred by the merchant when a customer uses a particular brand or type of general purpose card or a particular form of payment or the relative costs of using different brands or types of general purpose cards or different forms of payment. NOTE: Visa Consumer Debit and Visa Business Debit Card products including prepaid card type can be accepted to collect or refinance an existing debt; or
- You may engage in any other practices substantially equivalent to the above.
- You will inform the Cardholder that you are responsible for the Card transaction including your goods and services and for related customer service, dispute resolution and performance of the terms and conditions of the transaction.

26.10. Card Acceptance. If you have indicated either in the Merchant Processing Application or by registering with us at least thirty (30) days in advance that, as between Non-PIN Debit Card transactions and Credit Card transactions, you will limit your acceptance to either (i) only accept Non-PIN Debit transactions; or (ii) only accept Credit Card transactions, then the following terms in this Section 26.10 will apply:

26.10.1. You will be authorized to refuse to accept for payment either Non-PIN Debit Cards or Credit Cards that are issued within the United States. You will, however, continue to be obligated to accept all foreign issued Credit or Debit Cards issued by Mastercard, Visa or Discover so long as you accept any type of Mastercard, Visa or Discover branded Card.

26.10.2. While many Debit Cards include markings indicating debit (such as "Visa Checkcard, Visa Buxx, Gift Card, DEBIT, or Mastermoney), many Debit Cards may not include such markings. It will be your responsibility to determine at the point of sale whether a Card is of a type that you have indicated that you will accept. You agree to institute appropriate systems and controls to limit your acceptance to the Card types indicated. You may purchase a table of ranges of numbers currently associated with Debit Card transactions upon execution of confidentiality/non-disclosure agreements required by the Card Organizations. You will be responsible for updating your systems to utilize such tables and to obtain updated tables. You must safeguard BIN information provided by us. If you share our provided BIN information with a third party to use on your behalf, you must require they safeguard it also and use it only for card type identification at the POS.

26.10.3. To the extent that you inadvertently or intentionally accept a transaction other than the type anticipated for your account, such transaction will downgrade to a higher cost interchange and you will be billed the difference in interchange (a Non-Qualified Interchange Fee), plus a Non-Qualified Surcharge (see Section 5.1 and Glossary).

26.10.4. Based upon your choice to accept only the Card types indicated in the Application, you must remove from your premises any existing signage indicating that you accept all Visa, Mastercard or Discover Cards and use approved specific signage reflecting your policy of accepting only Non-PIN Debit or Credit Cards.

26.10.5. Even if you elect not to accept Non-PIN Debit Card transactions as provided above, you may still accept PIN Debit Card transactions if you have signed up for PIN Debit Services.

26.10.6. If a Mastercard Card is presented, you must use your best

efforts, by reasonable and peaceful means to retain the Card while making an Authorization request. In a face-to-face environment, you must give a Mastercard Cardholder the option of a signature based transaction. Unless the Cardholder uses a PIN, the Cardholder must sign the transaction receipt.

26.10.7. Mastercard revised standards related to the use of Mobile POS ("MPOS") terminals.

Merchants with less than \$100,000 in annual Mastercard transaction volume may use Chip only MPOS terminals;

- That do not support magnetic stripe capture and cannot print a paper Transaction receipt.
- Have a contact chip reader and magnetic stripe- reading capability but does not support PIN as a Cardholder Verification Method ("CVM") for Contact Chip Transactions.
- Chip-only MPOS Terminal.

Merchants with less than \$100,000 in annual Mastercard transaction volume may use MPOS terminals or Chip-only MPOS solutions that do not support electronic signature capture to complete a transaction without obtaining a CVM.

Please Note: Merchants with more than \$100,000 in annual transactions may use MPOS terminals if the MPOS terminal complies with Mastercard's requirements for POS terminals or hybrid POS terminals (if chip cards are accepted).

26.11. Deposits of Principals. Owners, partners, officers and employees of your business establishment, and the guarantors who signed the Application, are prohibited from submitting Sales Drafts or Credit Drafts transacted on their own personal Cards, other than transactions arising from bona fide purchases of goods or services in the ordinary course of your business. Such use in violation of this Section 26.11 is deemed a cash advance, and cash advances are prohibited.

26.12. Merchants in the Lodging Industry.

26.12.1. Generally. There are additional rules and requirements that apply to merchants in the lodging industry for practices including, but not limited to, Guaranteed Reservations and Charges for no shows, advance deposits, overbookings, and priority checkout. If you are a merchant a lodging merchant and wish to participate in the Card Organization lodging services programs, please, **contact your sales representative or account manager for detail and the appropriate Card Organization Requirements. Failure to do so could result in additional charges or termination of this Agreement.**

26.12.2. Lodging Service Services Programs. In the event you are a lodging merchant and wish to participate in Visa's and/or Mastercard's lodging services programs, please contact your sales representative or account manager for details and the appropriate Mastercard and Visa requirements.

26.12.3. Written Confirmation of Guaranteed Reservations. You must provide the Cardholder with written confirmation of a guaranteed reservation. The confirmation must contain:

- Cardholder's name as it appears on the Card, if present.
- Card Number, truncated where required by applicable law to you or us and Card expiration date if present, unless prohibited by applicable law to you or us.
- Reservation confirmation number.
- Anticipated arrival date and length of stay.
- The cancellation policy in its entirety, inclusive of the date and time the cancellation privileges expire.
- Any other pertinent details related to the reserved accommodations.

26.12.4. Cancellation of Guaranteed Reservations. If a Cardholder requests a cancellation in accordance with Merchant's cancellation policy

and specified time frames, Merchant must provide the Cardholder with a cancellation number and instructions to retain a record of it. If a Cardholder requests a written confirmation of the cancellation, Merchant must forward this confirmation within three (3) Business Days of the Cardholder's request. The cancellation confirmation must contain: Cardholder's reference that Charges were placed on the Card, if applicable, or a guarantee that a "no-show" Charge will not be placed on the Card.

- Cardholder's name as it appears on the Card, if present.
- Card Number, truncated as required by applicable law to you or us.
- Card expiration date, if present, unless prohibited by applicable law to you or us.
- Reservation cancellation number.
- Date of cancellation.
- The name of the Merchant's employee that processed the cancellation.
- Any other pertinent information related to the reserved accommodations.

26.13. Customer Activated Terminals and Self-Service Terminals. Transactions are processed at customer-activated terminals and self-service terminals have specific requirements for processing. Prior to conducting Customer Activated Terminal ("CAT") transactions or Self-Service Terminal transactions for Mastercard, Visa, Discover or PayPal **you must contact us for approval and further instructions, rules and requirements that apply to CAT and Self-Service Terminal transactions. Failure to do so could result in additional charges or termination of this Agreement.**

Customer Activated Terminals for American Express Transactions

Charges for purchases at your Customer Activated Terminals (CATs) must meet the requirements for Sales Draft as detailed below:

You must include:

- Full Magnetic Stripe data stream or chip Card data in all Authorization requests, and;
- CAT indicator on all Authorization requests and Submissions.

American Express will not be liable for actual or alleged fraudulent Charges occurring through Customer Activated Terminals (CAT) and will have the right to Chargeback for those Charges.

26.14. Displays and Advertising. You must prominently display appropriate Visa, Mastercard, Discover, PayPal, American Express, and, if applicable, other Card Organization decals and program Marks at each of your locations, in catalogs, on websites and on other promotional materials as required by Card Organization Rules, if you elected to accept such Card payments on your Application. You may not indicate that Visa, Mastercard, Discover, PayPal or any other Card Organization endorses your goods or services.

Your right to use the program Marks of the Card Organizations terminates upon the earlier of (i) if and when your right to accept the Cards of the respective Card Organization terminates (e.g., if your right to accept Discover Cards terminates, you are no longer permitted to use Discover Program Marks), (ii) delivery of notice by us or the respective Card Organization to you of the termination of the right to use the program Mark(s) for that Card Organization, or (iii) termination of the license to use the program marks by the respective Card Organization to us.

American Express: If you elected to accept the American Express Card on your Application, whenever payment methods are communicated to customers, or when customers ask what payments are accepted, you must indicate your acceptance of the American Express Card and display the American Express Marks (including any Card application forms provided to you) as prominently and in the same manner as you do for any other Card or payment products. You must not use the American Express Marks in any way that injures or diminishes the goodwill associated with the American Express Marks, nor (without prior written consent from us) indicate that American Express endorse your goods or services. You shall

only use the American Express Marks as permitted by the Agreement and shall cease using the American Express Marks upon termination of the Agreement.

26.14.1. Discover Sublicense to Use Discover Program Marks. You are prohibited from using the Discover Program Marks, as defined below, other than as expressly authorized in writing by us. "Discover Program Marks" means the brands, emblems, trademarks and/or logos that identify Discover Cards, including, without limitation, Diners Club International Cards, JCB, UnionPay, BCard, and Dinacard. Additionally, you shall not use the Discover Program Marks other than as a part of the display of decals, signage, advertising and other forms depicting the Discover Program Marks that are provided to you by us or otherwise approved in advance in writing by us.

You may use the Discover Program Marks only to promote the services covered by the Discover Program Marks by using them on decals, indoor and outdoor signs, advertising materials and marketing materials; provided that all such uses by you must be approved in advance by us in writing.

You shall not use the Discover Program Marks in such a way that customers could believe that the products or services offered by you are sponsored or guaranteed by the owners of the Discover Program Marks. You recognize that you have no ownership rights in the Discover Program Marks. You shall not assign to any third party any of the rights to use the Discover Program Marks.

26.14.2. American Express sublicense to Use American Express Marks. You shall only use the American Express Marks as reasonably necessary to perform your obligations under the Agreement. The guidelines listed below apply to the Merchant's use of the American Express "Blue Box" logo.

- The "Blue Box" logo must always be shown in the pre-approved "American Express blue" or, in one or two color communications, or black.
- The space around the "Blue Box" must equal at least 1/3 the size of the box.
- The "Blue Box" logo minimum size is 3/8" and 1/2" is the preferred size.
- A minimum distance of 1-1/2 times the size of the "Blue Box" must be allowed between the "Blue Box" logo and another Mark.
- For additional guidelines on the use of the American Express Marks, you can visit the American Express website at www.americanexpress.com/decals.
- You must remove American Express Marks from your website and wherever else they are displayed upon termination of the Agreement or if do not elect to accept or are not authorized to accept American Express Cards.

26.14.3. PayPal Sublicense to Use PayPal Marks. You are prohibited from using the PayPal Marks, as defined below, other than as expressly authorized in writing by us. "PayPal Marks" mean the brands, emblems, trademarks, and/or logos that identify PayPal acceptance. You may use the PayPal Marks only to promote PayPal products, offers, services, processing and/or acceptance. Your use of the PayPal Marks is restricted to the display of decals, signage, advertising, and marketing materials provided or approved by PayPal in writing pursuant to the process set forth in the PayPal Card Organization Rules. You shall not use the PayPal Marks in such a way that PayPal Account Holders could believe that the products or services offered by you are sponsored or guaranteed by the owners of the PayPal Marks. You recognize that you have no ownership rights in the PayPal Marks. You shall not assign to any third party any of the rights to use the PayPal Marks. You are prohibited from using the PayPal Marks, not permitted above, unless expressly authorized in writing by PayPal.

26.15. Cash Payments by and Cash Disbursements to Cardholders. You must not accept any direct payments from Cardholders for Charges of merchandise or services which have been included on a Sales Draft; it is the right of the Issuer to receive such payments. You may not make any cash disbursements or cash advances to a Cardholder as part of a Card

transaction unless you are a financial institution with express authorization in writing in advance by Servicers. For Discover, cash advances in authorized jurisdictions other than the United States may be conducted in an originating currency provided that cash advances may be subject to dispute and/or Acquirer fees.

26.16. Discover Cash Over Transactions. Cash Over transactions are not available for Mastercard or Visa transactions. You may issue Cash Over in connection with a Discover Card sale provided that you comply with the provisions of this Agreement including the following requirements:

- You must deliver to us a single authorization request for the aggregate total of the goods/services purchase amount and the Cash Over amount of the Card sale. You may not submit separate authorization requests for the purchase amount and the Cash Over amount.
- The Sales Draft must include both the purchase amount and the Cash Over amount, and you may not use separate Sales Drafts for the purchase amount and Cash Over amount.
- Cash Over may only be offered with a Card Present Card Sale that includes a purchase of goods or services by the Cardholder. You must not issue Cash Over as a stand-alone transaction. Merchants that offer Cash Over may require the total amount of a Card Sale with a Credit product, including Cash Over, to meet a minimum transaction amount of up to \$10.00.
- You shall not assess or charge fees of any type or amount, including any surcharges, on Cash Over transactions. None of the fees or charges applicable to Cash Advances shall be applied to Cash Over transactions.
- Cash Over may not be dispensed in connection with Credits, Cash Advances, or any Card Sale for which you are unable to electronically capture Track Data using the POS Device.
- The maximum amount of cash that you may issue as Cash Over is \$100.00.

(Cash Over may not be available in certain markets. Contact us for further information.)

26.17. Telecommunication Transactions. Telecommunication Card Sales occur when a telephone service provider is paid directly using a Card for individual local or long-distance telephone calls. (**NOTE:** pre-paid telephone service cards are not and do not give rise to Telecommunication Card Sales). **Prior to conducting Telecommunication transactions you must contact us for approval and further instructions, rules and requirements. Failure to do so could result in additional charges or termination of this Agreement.**

27. Suspect Transactions

If the appearance of the Card being presented or the person presenting the Card appears to be suspicious or you otherwise suspect fraud, you must immediately call the Voice Authorization Center and ask to speak to a Code 10 operator. Answer all their questions and follow their instructions. While not proof that a transaction is fraudulent, the following are some suggestions to assist you in preventing fraudulent transactions that could result in a Chargeback:

Ask yourself, does the Customer:

- appear nervous/agitated/hurried?
- appear to be making indiscriminate purchases (e.g., does not care how much an item costs, the size, etc.)?
- make purchases substantially greater than your usual customer (e.g., your average transaction is \$60, but this transaction is for \$360)?
- insist on taking the merchandise immediately (e.g., no matter how difficult it is to handle, is not interested in free delivery, alterations, etc.)?
- appear to be purchasing an unusual amount of expensive items or the same items?
- take an unusual amount of time to sign the Sales Draft, or look at the back of the Card as he signs?

- talk fast or carry on a conversation to distract you from checking the signature?
- take the Card from a pocket instead of a wallet?
- repeatedly come back, in a short amount of time or right before closing time, to make additional purchases?
- cause an unusual, sudden increase in the number and average sales transactions over a one- to three-day period?
- tell you he has been having some problems with his Issuer and request that you call a number (that he provides) for a “special” handling or Authorization?
- have a previous history of disputed Charges?
- place orders to be shipped to an address other than the billing address, or use anonymous/free email domains?
- place orders sent to zip codes or countries where you show a history of fraudulent claims?
- frequently make purchases and then return goods for cash?
- use a prepaid Card to purchase other prepaid Cards?
- use a large numbers of prepaid Cards to make purchases?

Does the Card:

- have characters the same size, height, style and all within alignment?
- appear to be re-embossed (the original numbers or letters may be detected on the back of the Card)?
- have a damaged hologram?
- have a Magnetic Stripe on the back on the Card?
- have an altered Magnetic Stripe?
- have an altered signature panel (e.g., appear discolored, glued or painted, or show erasure marks on the surface)?
- have “valid from” (effective) and “valid thru” (expiration) dates consistent with the sale date?

If you use an electronic terminal and swipe the Card, make sure the account number displayed on the terminal and/or the Sales Draft matches the number on the Card. If you cannot or do not verify the account number and accept the sale, you are subject to a Chargeback and could be debited for the amount of the transaction. IF THE NUMBERS DO NOT MATCH, DO NOT ACCEPT THE CARD AS A FORM OF PAYMENT, EVEN THOUGH AN AUTHORIZATION CODE FOR THE MAGNETICALLY SWIPED CARD NUMBER MAY BE RECEIVED.

Fraud-Prone Merchandise Tips:

- Gift Cards, jewelry, video, stereo, computer and camera equipment, shoes and men’s clothing are typically fraud-prone because they can easily be resold.
- Be suspicious of high dollar amounts and transactions with more than one fraud-prone item, e.g., two VCRs, three gold chains, etc.

If you suspect fraud:

- Call the Voice Authorization Center and ask to speak to a Code 10 operator.
- If the terminal does not display the Card number, call the POS Help Desk for terminal assistance.

REMEMBER: AN AUTHORIZATION CODE ONLY INDICATES THE AVAILABILITY OF A CARDHOLDER’S CREDIT AT THE TIME OF THE TRANSACTION. IT DOES NOT WARRANT THAT THE PERSON PRESENTING THE CARD IS THE RIGHTFUL CARDHOLDER. IF PROPER PROCEDURES ARE NOT FOLLOWED AT THE TIME OF THE TRANSACTION, YOU ARE SUBJECT TO A CHARGEBACK AND YOUR ACCOUNT MAY BE DEBITED FOR THE AMOUNT OF THE TRANSACTION.

28. Completion of Sales Drafts and Credit Drafts

You must prepare a Sales Draft or Credit Draft, as applicable, for each Card transaction and provide a copy of it or a transaction receipt or copy of the Draft to the Cardholder at the time the Card transaction is completed.

28.1. Information Required. All of the following information must be contained on a single page document constituting a Sales Draft or Credit Draft:

- Cardholder's account number must appear on the Sales Draft or Credit Draft in the manner required by applicable law and Card Organization Rules. NOTE: The copy of the Sales Draft or Credit Draft you provide to a Cardholder must not include the Cardholder's expiration date or any more than the last four digits of the Cardholder's Card number. Some states have similar requirements that also apply to the Sales Drafts or Credit Drafts you retain. Mastercard requires that Card expiration dates be excluded from the Sales Drafts or Credit Drafts your business retains. You are solely responsible to determine the Card account number truncation requirements and Card expiration date exclusion requirements for your state/ jurisdiction;

- Clear imprint of the Card. Whenever the term "imprint" is used it refers to the process of using a manual imprinting machine to make an impression of the Card on a Sales Draft; it does not include the printout from a printer attached to an electronic device. If you use a device (e.g., authorization/draft capture terminal, cash register, POS Device, etc.) to electronically capture the card information (magnetic swipe, chip or contactless data), you do not have to imprint the Card. HOWEVER, IF THE CARD HAS A CHIP OR MAGNETIC STRIPE AND THE POS DEVICE FAILS TO READ THE CHIP OR MAGNETIC STRIPE OR IF YOU ARE REQUIRED TO OBTAIN A VOICE AUTHORIZATION, YOU MUST ALSO USE A MANUAL INPRINTING MACHINE TO MAKE A CLEAR IMPRESSION OF THE CARD ON THE SAME SIDE OF THE SIGNED SALES DRAFT. IF YOU WORK IN THE FACE-TO-FACE SALES ENVIRONMENT, YOU MAY INCLUDE THE CARD VERIFICATION CODE IN THE AUTHORIZATION REQUEST FOR U.S. DOMESTIC KEY-ENTERED TRANSACTIONS IN LIEU OF TAKING A MANUAL CARD IMPRINT, WITH THE EXCEPTION OF DISCOVER. FAILURE TO FOLLOW THESE PROCEDURES WILL PREVENT YOU FROM DEFENDING A TRANSACTION IN THE EVENT THAT IT IS CHARGED BACK UNDER A CLAIM THAT THE RIGHTFUL CARDHOLDER DID NOT AUTHORIZE THE PURCHASE. ENTERING INFORMATION INTO A TERMINAL MANUALLY WILL NOT PREVENT THIS TYPE OF CHARGEBACK. FOR MAIL/TELEPHONE/INTERNET AND OTHER CARD NOT PRESENT ORDERS SEE SECTION 28.2. IF THE PHYSICAL CARD IS NOT PRESENT, ANOTHER FORM OF PAYMENT MUST BE REQUESTED;

- Cardholder's signature. However, eligible merchants participating in Mastercard's Quick Payment Service Program, Visa No Signature Required Program, American Express No Signature Program, Discover's No Signature Program, PayPal's No Signature Program, and/or certain Discover transactions (see note below) are not required to obtain the Cardholder's signature under certain conditions set forth by each program;

- Date of the transaction
- Amount of the transaction (including the approved currency of the sale);
- Description of the goods and/or services involved in the transaction (if there are too many items, combine them into one description; e.g. "clothing" instead of "one pair of pants, one shirt"). Do not carry information onto a second Sales Draft;
- Description of your merchandise return and Credit/refund policy;
- A valid authorization code; and
- Merchant's Doing Business As ("D/B/A") name and location (city and state required) and Merchant Identification Number.

When imprinting Sales Drafts, do not alter the Cardholder account number, circle or underline any information on the Sales Draft or alter a Sales Draft in any way after the transaction has been completed and

signed. Stray marks and other alterations on a Sales Draft may render it electronically unscannable, unreadable or illegible. This may result in a Chargeback or summary adjustment to your account.

For Discover sales using a paper Sales Draft (as opposed to Electronic Draft Capture), the paper sales draft must also contain the initials of your representative or employee that conducted the transaction. For Discover Credits, the Credit Draft must contain the signature of your authorized representative or employee that conducted the transaction.

Discover and PayPal Card Sales in an amount more than \$50.00 including sales taxes, tip, surcharge and/ or Cash Over amount are not eligible for treatment as No Signature Required Card Sales and you may lose a dispute of such a Card Sale if the Merchant fails to obtain the Cardholder's Signature on the Sales Draft.

Eligible merchants participating in Visa Easy Payment Service ("VEPS") (Visa's No Signature Required Program), Quick Payment Service and/ or Small Ticket are only required to provide the Cardholder with the completed Sales Draft when requested by the Cardholder.

NOTE: If you are a merchant operating under certain merchant category codes ("MCC") approved by the Card Organizations, you are not required to provide a transaction receipt, unless requested by the Cardholder or obtain the Cardholder's signature provided that you transmit the full track data in the authorization request and the sale amount is below the applicable program floor limit (Mastercard/ Discover/PayPal/ American Express/STAR is \$50.00 or less. Visa's program limit remains at \$25.00 or less excluding U.S. grocery stores (MCC 5411) and discount stores (MCC 5310) where the limit is \$50.00.

For Discover only include the last 4-digits of the merchant identification number.

For Mastercard, if you are operating vending machines under MCC 5499 (Miscellaneous Food Stores-Convenience Stores, Markets, Specialty Stores), you need not provide a receipt at the time a transaction is conducted. If a vending machine cannot provide a printed receipt, you must disclose and post instructions advising customers how a receipt may be obtained.

Sales Drafts for American Express Transactions.

You must create a Sales Draft for every Charge. For each Charge submitted electronically, you must create an electronically reproducible Sales Draft. The Sales Draft (and a copy of the customer's receipt) must disclose your return and/or cancellation policies.

If the Cardholder wants to use different Cards for payment of a purchase, you may create a separate Sales Draft for each Card used. However, if the Cardholder is using a single Card for payment of a purchase, you shall not divide the purchase into more than one Charge, nor shall you create more than one Sales Draft.

- Submit the Charge to American Express directly, or through your Processor, for payment.

- Retain the original Sales Draft (as applicable) and all documents evidencing the Charge, or reproducible records thereof, for the timeframe listed in our country-specific policies.

- Provide a copy of the Sales Draft to the Cardholder.

You may be able to create more than one Sales Draft if the purchase qualifies for a delayed delivery Charge. The retention time frame for Sales Drafts is twenty-four (24) months from the date you submitted the corresponding Charge to us. Pursuant to applicable law, truncate the Card number and do not print the Card's expiration date on the copies of Sales Drafts delivered to Cardholders. Truncated Card number digits must be masked with replacement characters such as "x," "*" or "#," and not blank spaces or numbers.

If you submit Charges on paper, you must create a Sales Draft containing all of the following required data:

- Provide a copy of the Sales Draft to the Cardholder.

- Full Card number and expiration date (pursuant to applicable law), and

if available, Cardholder name.

- The date the Charge was incurred.
- The amount of the Charge, which must be the total price for the purchase of goods and services (plus applicable taxes and gratuities) purchased on the Card.
- A clear description of the goods or services purchased by the Cardholder.
- An imprint or other descriptor of your name, address, Merchant Identification Number and, if applicable, store number.
- The words “no refunds” if you have a no refund policy, and your return and/or cancellation policies.

American Express No Signature Program/ No PIN Required Program.

You may participate in the American Express No Signature/ No PIN Program. This No Signature/ No PIN Program allows establishments not to request a signature from Cardholders on the Sales Draft. To qualify for the No Signature/ No PIN Program, both the establishment and each Charge must meet the following criteria:

Establishment Criteria.

If your establishment is classified in an industry that accepts in-person Charges, then the establishment may participate in the No Signature/ No PIN Program with the exception of the following categories:

- Merchants who do not conduct in-person Charges (i.e., internet, mail order or telephone order).
- Prohibited transactions as set forth in the American Express Card Organization Rules or illegal transactions or activity, as described in Section 25.2.
- High Risk Merchants (e.g., establishments whose business type has had historically high occurrences of fraud and disputed charges with American Express or as compared to other similarly situated merchants (or both); examples include internet electronic services or nightclubs/lounges) as determined by American Express in its sole discretion.

- Merchants placed in American Express' Fraud Full Recourse Program.

Charge Criteria:

- The amount or Charge must meet the threshold established in American Express' country specific policy.
- The Charge Submission must include the appropriate indicator to reflect that the Card and the Cardholder were present at the point of sale.
- The Charge Submission must include a valid approval.

Under the No Signature/ No PIN Program, Chargebacks will not be exercised for such Charges based solely on the establishment's failure to obtain the Cardholder's signature at the point of sale. If a disproportionate amount or a number of disputed Charges under the No Signature/ No PIN Program occur, you must cooperate to reduce the amount or number of disputed Charges. If such efforts fail, you may be placed in American Express Chargeback programs, or your establishment's participation in the No Signature Program may be modified or terminated. The established threshold for charges to qualify under the No Signature/ No PIN Program is \$50.00 or less.

28.2. Mail / Telephone/ Internet (Ecommerce) Orders and Other Card Not Present Sales. You may only engage in mail/ telephone/ Internet orders provided they do not exceed the percentage of your total payment Card volume reflected on your Application. Failure to adhere to this requirement may result in cancellation of your Agreement. Merchants conducting Internet transactions using Mastercard or Visa Cards must have special codes (an “Electronic Commerce Indicator”) added to their authorization and settlement records. Discover does not use an Electronic Commerce Indicator. Failure to register as a merchant conducting Internet transactions can result in fines imposed by the Card Organizations.

Mail, Telephone, Internet and other Card Not Present transactions have a substantially higher risk of Chargeback. Since you will not have an

imprinted or magnetically swiped transaction and you will not have the Cardholder's signature on the Sales Draft as you would in a face-to-face transaction, you will assume all risk associated with accepting a mail/ telephone/Internet or other Card Not Present transaction. The following procedures, while they will not eliminate Chargebacks, are useful in reducing them and should be followed by you:

- Obtain the expiration date of Card.

• On the Sales Draft, clearly print the Cardholder's account number; effective and expiration dates; date of transaction; description of the goods and services; amount of the transaction (including shipping, handling, insurance, etc.); Cardholder's name, billing address and shipping address; authorization code; and merchant's name and address (city and state required); provided, that you must effect PAN Truncation, and must not include the expiration date, on the copy of the Sales Draft or Credit Draft that you provide to the Cardholder, or as required by applicable law, the Sales Draft or Credit Draft you retain.

- For mail orders, write “MO”; for telephone orders, write “TO” on the Cardholder's signature line.

• If feasible, obtain and keep a copy of the Cardholder's signature on file on a form authorizing you to submit telephone and mail order transactions.

• You should utilize the Address Verification Service for all Card Not Present Transactions (see note below). Address Verification is specifically required for all Discover Card Not Present Transactions. **If you do not receive a positive match through AVS, you may not process the Discover Card Not Present Transaction. If you do not have AVS, contact us immediately.**

• You should obtain the 3 or 4 digit Card Verification Code number and include it with each authorization request. Discover Card Organization Rules specifically require that you submit the Card Verification Code with the authorization request for all Discover Card Not Present Transactions.

• For telephone orders, it is recommended that written verification of the sale be requested from the Cardholder (sent by mail or fax).

• You may not submit a transaction for processing until after the merchandise has been shipped or the service has been provided to the customer. (The Card Organizations will permit the immediate billing of merchandise manufactured to the customer's specifications [i.e., special/ custom orders] provided the Cardholder has been advised of the billing details.)

• You should provide a copy of the Sales Draft to the Cardholder at the time of delivery. You must also obtain proof of delivery of the goods or services to the address designated by the Cardholder (i.e., by getting a signature of the Cardholder or person designated by the Cardholder through the delivery carrier). If the Cardholder visits one of your locations to receive the goods or services purchased, obtain an imprint of the card and the Cardholder's signature.

• Notify the Cardholder of delivery time frames and special handling and/ or of cancellation policies. Merchandise shipping dates must be within seven (7) days of the date Authorization was obtained. If, after the order has been taken, additional delays will be incurred (e.g., out of stock), notify the Cardholder. If you have not shipped the product by the seventh day, you must reverse the original authorization then reauthorize the transaction.

• You may not require a Cardholder to complete a postcard or other document that displays the Cardholder's account number in clear view when mailed.

• If you accept orders via the Internet, your web site must include the following information in a prominent manner:

- Complete description of the goods or services offered
- Description of your merchandise return and Credit/refund policy;
- Customer service contact, including email address and/or telephone number;
- Transaction currency (U.S. dollars, unless permission is otherwise

received from Servicers);

- Any applicable export or legal restrictions;
- Delivery policy;
- Consumer data privacy policy;
- A description of the transaction security used on your website; and
- The sale or disclosure of databases containing Cardholder account numbers, personal information, or other Card transaction information to third parties is prohibited.
- Address of merchant including country.
- Cancellation policy; and
- Date any free trial period ends.
- You may not accept Card Account Numbers through Electronic Mail over the Internet.

NOTE: Address Verification Service (AVS) (and other fraud mitigation tools such as Verified by Visa®, Mastercard® Secure Code, Discover Protect Buy, SafeKey, Card Validation Codes and Card Identification) does not guarantee against Chargebacks, but used properly, it assists you in reducing the risk of fraud by confirming whether certain elements of the billing address provided by your customer match the billing address maintained by the Issuer. AVS also may help you avoid incurring additional interchange expenses. AVS is a separate process from obtaining an Authorization and will provide a separate response. A transaction may be authorized regardless of the AVS response. It is your responsibility to monitor the AVS responses and use the information provided to avoid high-risk transactions.

American Express Internet Charges.

Processing a Card Not Present Charge for American Express Transactions you must:

- Submit the Charge to American Express;

For Card Not Present Charges, you must create a Sales Draft and ask the Cardholder to provide:

- Card number;
- Card expiration date;

In addition, it is recommended that you ask for:

- Name as it appears on the Card,
- Cardholder's billing address, and
- Ship-to address, if different from the billing address.

American Express will not Chargeback for such charges based solely upon a Card- member claim that he or she did not receive the disputed goods if you have:

- Verified the address to which the goods were shipped was the Cardholder's full billing address.
- Provided proof of delivery signed by the Cardholder or an authorized signer of the Card indicating the delivery of the goods or services to the Card- member's full billing address.

American Express will not be liable for actual or alleged fraudulent transactions over the internet and will have the right to Chargeback for those charges.

For Internet Orders, you must:

- Use any separate merchant numbers (seller ID) established for your internet orders in all of your requests for Authorization and Submission of charges.
- Provide us with at least one (1) month's prior written notice of any change in your internet address.
- Comply with any additional requirements that American Express provides from time to time. Additionally, if a disputed Charge arises involving a Card Not Present Charge that is an internet electronic delivery

Charge, American Express may exercise Chargeback for the full amount of the Charge and place you in any of its Chargeback programs.

28.2.1. Discover Protocol for Internet Transactions. Each Internet Discover Card transaction accepted by you and submitted to us shall comply with Discover standards, including, without limitation, Discover standards governing the formatting, transmission and encryption of data, referred to as the "designated protocol." You shall accept only those Internet Discover Card transactions that are encrypted in accordance with the designated protocol. As of the date of these Operating Procedures, the designated protocol for the encryption of data is Secure Socket Layer (SSL). We may, at our discretion, withhold Settlement until security standards can be verified. However, the designated protocol, including any specifications with respect to data encryption, may change at any time upon thirty (30) days advance written notice. You shall not accept any Internet Discover Card transaction unless the transaction is sent by means of a browser which supports the designated protocol.

28.3. Customer Service Telephone Numbers for Card types which are funded by individual non-bank Card Organizations include:

American Express EDC Program 1-800-528- 5200

American Express 1-800-451-5817

JCB, International 1-800-366-4522

(For YEN and CAD currency only)

TeleCheck 1-800-366-1054

Voyager 1-800-987-6591

WEX 1-800-492-0669 (24 hours)

29. Data Security

THE FOLLOWING IS IMPORTANT INFORMATION REGARDING THE PROTECTION OF CARDHOLDER DATA. PLEASE REVIEW CAREFULLY AS FAILURE TO COMPLY CAN RESULT IN SUBSTANTIAL FINES AND LIABILITIES FOR UNAUTHORIZED DISCLOSURE AS WELL AS TERMINATION OF THIS AGREEMENT.

29.1. Payment Card Industry Data Security Standards (PCI DSS).

Visa, Mastercard, Discover and JCB and American Express aligned data security requirements to create a global standard for the protection of Cardholder data. The resulting Payment Card Industry Data Security Standards (PCI DSS) defines the requirements with which all entities that store, process, or transmit payment card data must comply. PCI DSS is the name used to identify those common data security requirements. The Cardholder Information Security Program (CISP) is Visa USA's data security program, the Site Data Protection (SDP) program is Mastercard's data security program and Discover Information Security and Compliance (DISC) is Discover's data security program, and the Data Security Requirements (DSR) is American Express' data security program, each based on the PCI DSS and industry aligned validation requirements. PCI DSS PCI compliance validation is focused on Merchant Equipment (as defined below) where Cardholder data is processed, stored, or transmitted, including:

- All external connections into your network (i.e., employee remote access, third party access for processing, and maintenance).
- All connections to and from the Authorization and settlement environment (i.e., connections for employee access or for devices such as firewalls, and routers); and
- Any data repository outside of the Authorization and settlement environment.

For the purposes of this Section 29, "Merchant Equipment" means any and all equipment you use in connection with Card authorization, clearing, completing, settling, transmitting or other related processing, including, without limitation, all telecommunication lines and wireless connections and software, systems, point-of-sale terminals, card readers, merchandise and card scanners, printers, PIN pad devices and other hardware, whether owned by you, Merchant Providers or other Persons used by you.

The Card Organizations or we may impose fines or penalties, or restrict you from accepting Cards if it is determined that you are not compliant with the applicable data security requirements. We may in our sole discretion, suspend or terminate Services under this Agreement for any actual or suspected data security compromise. You agree that you will not request any Authorizations, submit any Sales Drafts or Credit Drafts until you have read and understood the PCI DSS, CISP, SDP and DISC for which you acknowledge we have provided you sufficient information to obtain, and you will be deemed to have done so upon our receipt of your request or submission of any Authorizations, Sales Drafts or Credit Drafts.

You must comply with the data security requirements described in this Section 29.1, including without limitation, PCI DSS, SDP, CISP and DISC, and any additional Card Organization requirements applicable to payment applications and PIN transactions.

Detailed information about PCI DSS, can be found at the PCI DSS Counsel's website: www.pcisecuritystandards.org.

Detailed information about Visa's CISP program can be found at Visa's CISP website: www.visa.com/cisp.

Detailed information about Mastercard's SDP program can be found at the Mastercard SDP website: www.mastercard.com/sdp.

Detailed information about DISC can be found at Discover DISC website: <http://www.discovernetwork.com/fraudsecurity/disc.html>.

Detailed information can be found at American Express' website: www.americanexpress.com/merchanttopguide.

29.2. Data Security Requirements. You must comply with the data security requirements shown below:

- You must install and maintain a secure firewall configuration to protect data.
- You must protect stored data and do encrypt transmissions of data sent across open/public networks using methods indicated in the Payment Card Industry Data Security Standard (PCI DSS) which is available at www.pcisecuritystandards.org.
- You must use and regularly update anti-virus software and keep security patches up-to-date.
- You must restrict access to data by business "need to know," assign a unique ID to each person with computer access to data and track access to data by unique ID.
- You must not use vendor-supplied defaults for system passwords and other security parameters.
- You must regularly test security systems and processes.
- You must maintain a policy that addresses information security for employees and contractors.
- You must restrict physical access to Cardholder information.
- You may not transmit Cardholder account numbers to Cardholders for Internet transactions.
- You cannot store or retain Card Verification Codes (three-digit codes printed in the signature panel of most Cards, and a four digit code printed on the front of an American Express Card) after final transaction authorization.
- You cannot store or retain Magnetic Stripe data, PIN data or AVS data. Only Cardholder account number, Cardholder Name and Cardholder expiration date can be retained subsequent to transaction authorization.
- You must destroy or purge all Media containing obsolete transaction data with Cardholder information.
- You must keep all systems and Media containing Card account, Cardholder or transaction information (whether physical or electronic) in a secure manner so as to prevent access by, or disclosure to any unauthorized party.
- For Internet transactions, copies of the transaction records may be

delivered to Cardholders in either electronic or paper format.

- You must use only those services and devices that have been certified as PCI DSS compliant by the Card Organizations and by vendors approved by your bank.

29.3. Compliance Audits. You may be subject to ongoing validation of your compliance with PCI DSS standards. Furthermore, we retain the right to conduct an audit at your expense, performed by us or a third party designated by us to verify your compliance, or that of your agents or Merchant Providers, with security procedures and these Operating Procedures. In any event, upon request, you shall provide us with copies of any and all reports developed by your forensic vendor(s), and you shall ensure that we have direct communication access with such forensic vendor(s).

29.4. Immediate Notice Required. In the event that transaction data is known or suspected of having been accessed or retrieved by any unauthorized Person, you must contact us immediately and in no event more than 24 hours after becoming aware of such activity.

29.5. Investigation. You must, at your own expense (i) perform or cause to be performed an independent investigation, including a forensics analysis performed by a certified forensic vendor acceptable to us and the Card Organizations in accordance with Card Organization standards, of any data security breach of Card or transaction data, (ii) provide a copy of the certified forensic vendors final report regarding the incident to us and the Card Organizations, (iii) perform or cause to be performed any remedial actions recommended by any such investigation, and (iv) cooperate with us in the investigation and resolution of any security breach. Notwithstanding the foregoing, if required by the Card Organization, we will engage a forensic vendor approved by a Card Organization at your expense. You must cooperate with the forensic vendor so that it may immediately conduct an examination of Merchant Equipment, and your Merchant Providers' procedures and records and issue a written report of its findings.

29.6. Required Information for Discover or PayPal Security Breaches. For security breaches involving Discover or PayPal transactions and/or track data, you must provide us and/or Discover or PayPal (as applicable) with the following information: (i) the date of breach; (ii) details concerning the data compromised (e.g., account numbers and expiration dates, Cardholder names and addresses, etc.); (iii) the method of such breach; (iv) your security personnel contacts; (v) the name of any person (including law enforcement) assisting you with your investigation of such breach; and (vi) any other information which we reasonably request from you concerning such breach, including forensics reports. You shall provide such information as soon as practicable, and the items listed in (i)-(v) shall be provided to us in any event within 48 hours of your initial notification to us of the breach.

29.7. Merchant Providers. The data security standards set forth in this Section 29 also apply to Merchant Providers. Before you engage any Merchant Provider, you must provide to us in writing (a) the Merchant Provider's legal name, (b) contact information, and (c) intended function. You acknowledge and agree that you will not use, or provide Card holder data access to, any Merchant Provider until you receive our approval and, if required, confirmation of our registration of that Merchant Provider with applicable Card Organizations. You must ensure that you and Merchant Providers: (i) comply with the registration process which can involve site inspections, background investigations, provision of financial statements, and any other information required by a Card Organization; (ii) comply with the periodic and other reporting required by a Card Organization; and (iii) comply with all applicable Card Organization Rules, including without limitation, those requiring security of Cardholder data. You may allow Merchant Providers access to Cardholder data only for purposes authorized under and in conformance with the Card Organization Rules. You are responsible for all our costs and expenses associated with our review, approval, certification (and recertification as may required by us or the Card Organization Rules) and registration of any Merchant Providers.

Your use of the Services, equipment, software, systems, materials, supplies or resources of third parties regarding your Card transactions processing, including, without limitation, Merchant Providers and any third party lessors or licensors, will not affect your obligations under this Agreement to us which will apply to the same extent as if you had not used them.

We have no liability or responsibility to you or others regarding these third parties, even if we referred them to you. These third parties are your agents, and you are solely responsible for (i) determining whether they can meet your needs and standards, (ii) their actions, inactions and compliance with the terms of this Agreement and the Card Organization Rules and (iii) any and all fees, costs, expenses and other obligations owed to them by you or owed by them to us or to Card Organizations.

29.8. Reserved.

29.9. Costs. If you or a Merchant Provider (or other Person used by you) are determined by any Card Organization, regardless of any forensic analysis or report, to be the likely source of any loss, disclosure, theft or compromise of Cardholder data or Card transaction information (together, “**Compromised Data Events**”) and regardless of your belief that you have complied with the Card Organization Rules or any other security precautions and are not responsible for the Compromised Data Event, you must promptly pay us for all related expenses, claims, assessments, fines, losses, costs, and penalties and Issuer reimbursements imposed by the Card Organizations against us (together, “Data Compromise Losses”). In addition to the foregoing, you must also pay us promptly for all expenses and claims made by Issuers against us alleging your responsibility for the Compromised Data Event, apart from any claim procedures administered by the Card Organizations.

30. Authorizations

Each authorization request you submit to us must fully comply with the applicable provisions of this Agreement. Submission of an authorization request that does not fully comply may result in assessment of additional fees to you, a declined authorization response or a Chargeback to you.

An Authorization Approval Code only indicates the availability of funds on an account at the time the Authorization is requested. It does not guarantee or warrant that the person presenting the Card is the rightful Cardholder, the Charge is in fact valid or bona fide, nor is it a promise or guarantee that you will be paid for the Charge and not be subject to a Chargeback and/or adjustment.

A positive (approved) authorization response remains valid for:

- seven (7) days for Visa, Mastercard and American Express electronic processed transactions;
- ten (10) days for Visa, Discover, and STAR electronic processed transactions subject to the following exception:
 - thirty (30) days for Visa, Discover and PayPal, twenty (20) days for STAR for the following Industries:
 - car rental;
 - airline and passenger railway;
 - lodging;
 - other Travel & Entertainment (T&E) categories.
- seven (7) days for American Express electronic processed transaction subject to the following exception:
 - thirty (30) days for the Travel & Entertainment (T&E) industries.

Delayed deliveries.

If delivery is longer than the allowable timeframes after the initial Authorization request, per payment type, the Authorization must be reversed for the unused portion and a new authorization obtained for the remaining amount prior to delivery:

- seven (7) days (Mastercard, Visa, American Express, and STAR transactions);

- ten (10) days (Discover Network and PayPal transactions);

For Card present transactions, it is highly recommended that you use your electronic authorization device to capture card data using the POS device by inserting the card (chip card), swiping the card (magnetic stripe) or tapping/ waving the card (contactless).

Do not attempt to obtain an Authorization Approval Code provided by someone other than us except as described in Section 30.4. If a Cardholder or another service provider provides you with either an authorization number or with a telephone number for obtaining Authorizations, the Authorization Approval Code you receive may not be valid. Even if the transaction is initially processed and funded, it may be charged back at a later date. Also, if you receive a purported Authorization Approval Code from someone other than us, we will not have the supporting records and will be unable to verify that you received the authorization if that is later questioned in a Chargeback.

If you obtain Address Verification, you must review the AVS response separately from the authorization response and make your own decision about whether to accept the transaction. A transaction can receive an Authorization Approval Code from the Card Issuer even if AVS is unavailable or reflects that the address provided to you does not match the billing address on file at the Issuer. If the authorized Cardholder disputes such a transaction, you will be responsible for the resulting Chargeback.

If you receive a Referral response to an attempted Authorization for American Express or Discover, you may not submit the transaction without calling for and receiving a voice authorization. After receiving a Referral response you may not attempt another Authorization on the same Card through your POS Terminal.

If you fail to obtain an Authorization Approval Code or if you submit a Card transaction after receiving a decline (even if a subsequent Authorization attempt results in an Authorization Approval Code), your transaction may result in a Chargeback and may be assessed fines or fees by the Card Organizations for which you will be responsible. These currently range from \$25 to \$150 per transaction. To avoid these costs and related Chargebacks, always obtain an Authorization Approval Code directly from your terminal before submitting a transaction for settlement.

You may not attempt to obtain multiple Authorizations for a single transaction, except when incremental Authorizations are allowed. Refer to Section 26.13 and www.americanexpress.com/merchanttopguide regarding additional provisions for specific industries. If a sale is declined, do not take alternative measures with the same Card to obtain an approval of the sale from other authorization sources. Instead, request another form of payment. If you accept and process a transaction that was declined, or attempt multi-transactions and/or multi-Authorizations, you are subject to a Chargeback, Card Organization Fines and/or cancellation of your Agreement. Do not discuss reason for decline with a Cardholder rather refer them to the customer service number on the back of the Card.

For Visa, Mastercard, Discover and PayPal transactions, Automated Fuel Dispensers must ensure that completion messages are submitted for Mastercard’s Card within 60 minutes of the Authorization.

For Visa, Mastercard, STAR, American Express, Discover and PayPal transactions, Merchants operating in the petroleum industry that conduct Card Sales at Automated Fuel Dispensers (AFDs), may submit an Authorization Request for \$1.00 to verify the validity of the Card presented. Under such circumstances, you must submit an Authorization Advice Message for the actual amount of the Card Sale within sixty (60) minutes of completion of fuel delivery regardless of whether you previously received a Partial Authorization Response or a positive Authorization Response for any other amount. If you do not complete the Card Sale following receipt of an approved Authorization Response for any amount, a request to cancel the Authorization Request must be submitted within sixty (60) minutes of the completion of fuel delivery.

30.1. Card Not Present Transactions. You must obtain the 3 digit Card Verification Code on the back of the Card (or the 4 digit Card Verification Code on the front of American Express Cards) and that include this code

with each Card Not Present authorization request unless the transaction is a recurring transaction. However, for recurring transaction Authorizations you submit the Card Verification Code only with the first authorization request, and not with subsequent recurring transaction authorization requests (See Section 26.7). **NOTE: For each Card Not Present Discover transaction, you must also verify the name and billing address of the Discover Cardholder using the Address Verification System (AVS).**

For Gateway merchants, it is your responsibility to ensure AVS/CVV2/CVC2 settings are appropriate to deter fraud for your particular type of business.

30.2. Authorization via Telephone (Other than Terminal/Electronic Device Users).

- Call your designated voice authorization toll free number and enter the authorization information into the VRU using a touch tone phone or hold for an authorization representative.

- If advised to pick up a Card, use reasonable and peaceful means to do so, and do not take any action that will alarm or embarrass the Card presenter. You will bear all responsibility for claims, liabilities, costs and expenses as a result of any action by you, your employees, vendors or agents, that attempt to retain a Card without the Issuer's direct request or failure to use reasonable, lawful means in retaining or attempting to retain the Card. Forward the Card to: Attn: Rewards Department, P.O. Box 5019, Hagerstown, MD 21740. You may be paid a reward for the return of the Card.

- On occasion, the Authorization Center will ask you to obtain identification from the Cardholder before issuing an approval code. If you are instructed to do so, clearly write the appropriate identification source and numbers in the space provided on the Sales Draft unless otherwise prohibited by law.

- If the sale is declined, please remember that our operators are only relaying a message from the Issuer. The fact that a sale has been declined should not be interpreted as a reflection of the Cardholder's creditworthiness. The Cardholder should be instructed to call the Issuer.

30.3. Authorization via Electronic Devices.

- If you use an electronic terminal to obtain Authorization Approval Code, all sales should be authorized through this equipment. Authorizations through other methods will result in additional charges to you.

- If your terminal malfunctions, refer to your Quick Reference Guide, if necessary, or call the POS Help Desk. The problem will either be corrected promptly or may require terminal programming or replacement. During the period in which your terminal is not functioning, remember to check it periodically since most terminal problems are temporary in nature and are quickly corrected.

- If a terminal is moved or if wires are disconnected, causing malfunction, call the POS Help Desk immediately and follow their instructions. You may be responsible for any service charges incurred for reactivation of the terminal.

- Until the terminal becomes operable, you must call your designated voice authorization toll free number and enter authorization information into the VRU using a touchtone phone. During this time, each transaction must be imprinted using a manual Imprinter machine. Failure to obtain an Authorization Approval Code and to imprint these transactions could result in a chargeback to your account.

30.4. Third Party Authorization System. If you have contracted with another authorization network to obtain Credit Card authorization, i.e., your terminal can Split Dial, liability resulting from discrepancies with that network must be resolved between you and that network.

We will not research Chargebacks resulting from Authorization Approval Codes obtained from another authorization service organization. Such Chargebacks will be passed through to you for resolution. If an authorization provided by a third party authorization system is challenged in a Chargeback, you must obtain proof (e.g., third party authorization logs)

from the authorization source and submit it to us within the time frame specified on the Chargeback documentation received.

IF YOU CONTRACTED TO USE ONE OF OUR AUTHORIZATION SERVICES, YOU MUST NOT USE ANOTHER THIRD PARTY AUTHORIZATION SYSTEM WITHOUT VERIFYING THEY ARE PROPERLY REGISTERED WITH THE NETWORKS BY YOUR BANK. THIS CAN BE DONE BY NOTIFYING CUSTOMER SERVICE AND HAVING THEM CHECK THE REGISTRATION STATUS. OTHERWISE, WE WILL BE UNABLE TO SUCCESSFULLY RESEARCH AND DEFEND ANY AUTHORIZATION RELATED CHARGEBACKS ON YOUR BEHALF. THIS DELAY WILL SIGNIFICANTLY DECREASE YOUR TIME TO RESEARCH AND PROVIDE PROOF OF AUTHORIZATION, THUS REDUCING YOUR OPPORTUNITY TO REVERSE A CHARGEBACK.

Third Party Vendors

You must confirm Bank approval prior to using any vendor that is providing services that stores, processes, or transmits Cardholder data. This includes, but is not limited to: authorization, encryption key/software application loading, terminal driving/servicing (remote servicing), and shopping carts. This can be done by notifying Customer Service and having them check the registration status.

If you utilize another authorization network, you will be responsible for the downgrade of any transactions to a higher cost interchange that result from a mismatch of information to our systems and those of third party authorization networks (see Section 5.1).

If you use a third party authorization network, you must also comply with Section 29.7.

Call the following for other Card types:

American Express EDC Program 1-800-528-5200

JCB, International 1-800-522-9345

(For YEN and CAD currency only)

TeleCheck 1-800-366-5010

Voyager 1-800-987-6589

WEX 1-800-842-0071

Available 24 hours/day; 7 days/week

All approved sales authorized in this manner must be entered manually as "post authorization" transactions into the terminal, once the terminal becomes operational. All credit transactions must be entered into the terminal for data capture. You may be subject to a Chargeback if you receive a Referral and subsequently receive an approval. To reduce the risk of such a Chargeback, the Card should be imprinted using a manual Imprinter machine. (For specific procedures on Electronic Data Capture, refer to the Terminal Operating Instructions/Users Guide.) If the terminal malfunctions for more than twenty-four (24) hours, contact Customer Service for further instructions on processing your transactions.

30.5. Automated Dispensing Machines. Records must be produced for all transactions whose origin and data capture are automated dispensing machines or Limited Amount Terminals. Records should include the Cardholder account number, merchant's name, terminal location, transaction date, identification of transaction currency, transaction type (purchase), authorization code and amount.

30.6. Pre-Authorization for T&E (Travel & Entertainment) and Restaurant Merchants. If you are a business engaged in providing travel and/or entertainment services (e.g., car rentals, hotels, motels, etc.) or a restaurant business, and engage in the practice of "pre-Authorization." You must comply with the following general procedures:

- A hotel, motel, or car rental merchant may obtain an estimated Visa, Mastercard, Discover or PayPal Authorization at the time of check-in.

- Restaurants must not add an estimated tip amount to the authorization request beyond the value of the goods provided, or services rendered, plus

any applicable tax.

- You must notify the Cardholder of the dollar amount you intend to “Pre-Authorize.”

- If the customer decides to use another form of payment (e.g., cash, check, etc.) you must promptly call the Voice Authorization Response Unit to delete the authorization hold. Provide the Cardholder’s account number, original dollar amount and date of the transaction, and the authorization code. If a new transaction takes place, a new imprinted and signed Sales Draft for the exact amount and a new authorization code for that amount must be obtained.

• **VEHICLE RENTAL PROVIDERS MAY NOT INCLUDE POTENTIAL VEHICLE DAMAGE OR INSURANCE DEDUCTIBLES IN ANY PREAUTHORIZATIONS.**

- If you receive a decline on a transaction, you must wait twenty four (24) hours before attempting to reauthorize. If you reauthorize prior to this time frame and receive an approval, you may be subject to a chargeback and a fine imposed by the Card Organizations.

- Hotels, motels, and car rental merchants are allowed up to a 15% variance above the amount authorized. If the final amount charged to the Cardholder exceeds the original estimate by more than 15% above the preauthorization, you must authorize any additional amounts, and all incremental authorization codes must be written in the authorization area along with the date of authorization and the amount authorized.

- Pre-Authorization for certain establishments services, are allowed up to a 20% (instead of 15%) variance above the amount authorized. If the final amount exceeds the amount “preauthorized” by more than 20%, you must authorize the additional amount. Estimating the Authorization amount to include a tip is prohibited. The authorization request should include only the amount associated with the bill presented to the consumer.

- You must obtain an Authorization for the initial estimated charges and then monitor the charges to ensure that the actual charges made do not exceed the estimated charges. If the actual charges exceed the amount of the initial estimated authorization (and any subsequent estimated authorizations), then you must secure a positive authorization for the additional amount. **NOTE:** Subsequent Authorizations should only be for the additional amount of total charges and must not include amounts already authorized.

- The estimated amount of any pre-authorization for lodging accommodations must be based on (i) the intended length of stay; (ii) the room rate; (iii) applicable taxes and service charges; and (iv) other miscellaneous charges as dictated by experience.

- If an authorization request is declined, no charges occurring after that date will be accepted for that Cardholder.

- You do not need to obtain a final Authorization if the total sum of charges (the final amount) does not exceed 20% of the previously authorized charges. You must record the dates, authorized amounts, and their respective Authorization Approval Codes on the Sales Draft(s).

30.7. Discover and PayPal Procedure for Request for Cancellation of Authorization. If a Discover or PayPal Card sale is cancelled or the amount of the transaction changes following your receipt of Authorization for the sale, you must process an authorization reversal via your POS Device or, for voice-approved authorizations for Discover Card sales, call your Authorization Center directly and request a cancellation of the Authorization. An Authorization may be cancelled at any time within ten (10) days of your receipt of the Authorization, but must be cancelled before the sales data relating to the transaction is submitted to us, after which the Authorization cannot be changed. For an Authorization cancellation, you must provide us with the following information, in this order:

- The Discover Merchant Identification Number used in the Authorization;
- The Card number;

- The original amount of the Authorization being cancelled;
- The new amount of the total transaction (if any);
- The original authorization code for the Authorization being cancelled;
- The expiration date of the Card; and
- A brief reason for the Authorization cancellation.

30.8. Partial Authorization and Authorization Reversal.

Partial Authorization provides an alternative to a declined transaction by permitting a Card Issuer to return an Authorization approval for a partial amount, an amount less than the transaction amount requested by the merchant when the available card balance is not sufficient to approve the transaction in full. The Cardholder is able to use up the remaining funds on the Card and select another form of payment (i.e. another payment Card, cash, check) for the remaining balance of the transaction. For Mastercard transactions, partial authorization is optional for batch authorized e-commerce transactions, mail order, telephone order transactions and recurring payment transactions. For Discover transactions, partial Authorization support is optional for Card Not Present transactions. If you support partial Authorizations, a partial Authorization indicator must be included in each Authorization request.

An Authorization reversal must be submitted if the Authorization is no longer needed a partial amount of the total authorized is submitted for the settled transaction, or the Cardholder elects not to the purchase. The transaction sent for settlement must be no more than the amount approved in the partial Authorization response. In the event that you wish to support the partial Authorization functionality, you must contact us for additional rules and requirements. An authorization reversal may only be submitted if the transaction has not settled. Once the transaction has settled, only a Credit or refund can occur.

31. Submission/Deposit of Sales Drafts and Credit Drafts

31.1. Submission of Sales for Merchants Other Than Your Business.

You may present for payment only valid charges that arise from a transaction between a bona fide Cardholder and your establishment. If you deposit or attempt to deposit transactions that arise from sales between Cardholders and a different business than the one approved by us in our agreement with you, then the transaction may be charged back, we may suspend or debit funds associated with all such transactions, and we may immediately terminate your account and the Agreement.

31.1.1. Factoring. Factoring is considered merchant fraud and strictly prohibited. Factoring is the submission of authorization requests and/or Sales Drafts by a merchant for Card transactions transacted by another business. If you submit Sales Drafts on behalf of another Person, you will suffer any losses associated with the disputes of any such Sales Draft and/or transaction. Also if any fraud is involved, you could face criminal prosecution.

31.2. Timeliness. In order to qualify for the lowest fees for Services, all Sales and Credit Drafts must be properly completed and submitted daily. If you have not received payment for submitted Sales Drafts after one (1) week from your normal payment date, contact Customer Service. Late Submission of Sales or Credit Drafts may result in increased interchange rates or fees or in a Chargeback to you.

31.3. Electronic Merchants: Daily Batching Requirements & Media Submission. Batches must be transmitted to us by the time indicated on the Additional Important Information Page in Section 40.2 of the Agreement in order to be processed on the date of transmission. Additionally, if you deposit via magnetic tape, electronic transmissions, or Electronic Data Capture terminal and have contracted to send the actual Sales Drafts and Credit Drafts to us for imaging and retrieval, the Sales Drafts the Media must be batched daily by register/terminal following the procedures below. Failure to do so may result in a processing fee and/or a Chargeback due to our inability to retrieve the Media as requested by the Issuer.

- A register/terminal Batch header form must be filled out for each Batch of Media.

- The Batch header must be imprinted with your Merchant Identification Card, and all areas completed properly (i.e., Batch number, date, amount, number of items, etc.).

- The Batch/deposit total must match to the settled/reconciled amount displayed on the terminal upon closing the Batch.

- Any discrepancies between the actual Media and electronic display must be reconciled and corrected before storing the Media (for merchants who contract to hold their Media) or before sending us the copies of the deposit. Otherwise, transactions may appear to be a new Submission and may be manually keyed (causing duplicate billing to Cardholders and resulting in Chargebacks) or we may not be able to retrieve an item when requested by the Issuer.

- It is your responsibility to ensure that the actual Media is batched correctly and, depending on the terms of your Agreement, either stored at your location or sent to Processor. (In some cases, the actual Media is sent daily to your head office, and forwarded to Processor for imaging.)

- You must confirm that your equipment has transmitted your Batches to us at least once daily. Even if your equipment is designed or programmed to close and submit Batches without your intervention, it is ultimately your responsibility to confirm that the Batches have been transmitted to us for processing.

Note: A batch is defined as: Sales Drafts and Credit Drafts received per day, per transaction date, per location (maximum, 500 documents per batch).

32. Settlement

Except as otherwise set forth in this Program Guide, your funds for Mastercard, Visa, Discover, PayPal and American Express transactions will ordinarily be processed and transferred to your Settlement Account within two (2) Business Days from the time a Batch is received by Processor if your Settlement Account is with the Bank. If your Settlement Account is not with the Bank or one of its affiliates, as otherwise agreed upon by the parties, your Mastercard/ Visa/ Discover/ PayPal transactions will ordinarily be processed and transferred to the Federal Reserve within two (2) Business Days from the time a Batch is received by Processor. The Federal Reserve will transfer such amounts to your financial institution.

If you have been classified by Discover as having a Discover Direct Strategic Relationship with Discover, we will not acquire your Discover transactions and they will be subject to your agreement with Discover. If you have a direct relationship with PayPal, we will not acquire your PayPal in-store transactions (we will simply pass transaction data to PayPal) and they will be subject to your agreement with PayPal.

You acknowledge and agree that if we had not agreed or do not acquire transactions for any Card type (i) we have no liability or responsibility whatsoever for the settlement of or disputes regarding those transactions and (ii) you will pursue directly with the related Card Organization all claims and disputes regarding those transactions. You agree to pay us per item processing, authorization and other fees in the Application for any non-acquired transaction services you receive from us. For the avoidance of doubt, with respect to the payments you have elected to accept on your Merchant Processing Application, you authorize us to submit Card transactions to, and receive settlement for such transactions from, the applicable Card Organizations on your behalf.

33. Refunds/Exchanges (Credits)

33.1. Refunds.

- You must promptly complete and submit a Credit Draft for the total amount of the Credit which must include the following information:

- The account number;
- The Cardholder's name;
- Your name, city, state and Merchant Identification Number;
- A description of the goods or services;
- The transaction date of the Credit;

- The total amount of the Credit; and

- For Discover / PayPal in-store Card transactions, the approved currency used and the signature of your authorized representative or employee.

Note: PayPal is limited to U.S. currency.

- You cannot process a Credit transaction that does not correspond to a refund on a previous transaction on the original Sales Draft.

- Full refunds must be for the exact dollar amount of the original transaction including tax, handling charges, etc. (You must identify the shipping and handling charges incurred.) The refund amount may not be for more than the original Card sale amount.

- All dollar amounts and other handwritten information must be clearly written. (Stray marks on the Credit Draft will render it unscannable/ illegible.)

- Do not circle or underline any information on the Credit Draft.

- Imprint the Credit Draft with the same Card used by the Cardholder to make the original purchase when applicable. You should not credit an account that differs from the account used for the original transaction.

- Never give cash or check Credit refunds or other consideration for Card sales with the exception of the following type of Visa transactions only:

- Visa Easy Payment Service Transaction (Visa's 'no signature required' program);

- A gift purchased as a Mail/Phone Order transaction; or

- Visa prepaid Card transaction if the Cardholder states that the Visa prepaid Card has been discarded.

- Have the Cardholder sign the Credit Draft, give the Cardholder the appropriate copy, and deposit the Credit Draft immediately. Failure to process a credit within five (5) calendar days may result in a Chargeback.

- Authorization is not required for Credits.

- You cannot intentionally submit a sale and an offsetting Credit at a later date solely for the purpose of debiting and crediting your own or a customer's account.

- You are responsible for paying all refunds submitted to us on your merchant account. We assume no responsibility for verifying any Credits or refunds.

- Do not process a Credit transaction once a Chargeback is received. Credits issued after a Chargeback has been received may not be recoverable and the merchant would be financially responsible for the Credit as well as the Chargeback.

- **YOU ARE RESPONSIBLE TO SECURE YOUR TERMINALS AND TO INSTITUTE APPROPRIATE CONTROLS TO PREVENT EMPLOYEES OR OTHERS FROM SUBMITTING CREDITS THAT DO NOT REFLECT BONA FIDE RETURNS OR REIMBURSEMENTS OF PRIOR TRANSACTIONS.**

- For Discover only include the last 4 digits of the merchant identification number.

33.1.1. Processing a Credit for American Express Transactions.

These are additional requirements for a Credit for purchases or payments made on an American Express Card.

To issue a Credit, you must:

1. Compare the last four digits on the Sales Draft against the Card presented (when applicable).
2. Have the Cardholder sign the Credit Draft (when applicable).
3. Provide a copy of the Credit Draft to the Cardholder.

You must not issue a Credit when there is no corresponding Charge, nor issue a Credit in exchange for cash or other consideration from a Cardholder. You must submit all Credits under the establishment where the Credit originated. A Credit must be issued in the currency in which the original Charge was submitted to us. You must issue Credits to the Card

used to make the original purchase; however, if the Credit is for the return of a gift by someone other than the Cardholder who made the original purchase, apply your usual refund policy.

If the Cardholder indicates that the Card on which the purchase was originally made is no longer active or available, do the following:

- For all Cards except Prepaid Cards, advise the Cardholder that you must issue the Credit to that Card. If the Cardholder has questions, advise him or her to call the customer service number on the back of the Card in question.
- If the inactive or unavailable Card is a Prepaid Card, apply your usual refund policy for returns.

If you issue a Credit, American Express will not refund the discount or any other fees or assessments previously applied on the corresponding Charge. The discount on Chargebacks will not be refunded.

Your return and cancellation policies must be fair and clearly disclosed at the time of sale in compliance with applicable law. Your policies must be conveyed to the Cardholder prior to completion of the Charge and printed on a copy of a receipt or Sales Draft. Your refund policy for purchases on the American Express Card must be at least as favorable as your refund policy for purchases made with other payment products or other payment methods.

Return Policy recommendations.

Provide clear return instructions for your customers, including the following information:

- Customer service telephonenumber.
- Reference number for the return.
- Expected processing time for the Credit.
- Return address, preferably on a pre-formatted shipping label (if applicable).

You must submit all Credits to us within seven (7) days of determining that a Credit is due.

Cancellation Policy Recommendations.

- Provide document cancellation policy and terms and conditions on the contract the Cardholder signs, or on your website, as applicable.
- Provide Cardholder with a cancellation number that can be tracked in your records.

American Express Return Policy For Prepaid Products.

If your return policy for the purchase of prepaid products is different from your standard return policy, you must ensure that such prepaid product-specific return policy is clearly disclosed to the Cardholder at the time of purchase in accordance with applicable law and also coded to print on all receipts and copies of Sales Drafts you provide to Cardholders.

33.2. Exchanges.

- No additional paperwork is necessary for an even exchange. Just follow your standard company policy.
- For an uneven exchange, complete a Credit Draft (follow the procedures outlined in Section 33.1.) for the total amount of only the merchandise returned. The Cardholder's account will be credited for that amount. Then, complete a new Sales Draft for the total amount of any new merchandise purchased.

34. Retention of Records For Retrievals and Chargebacks.

34.1. Retain Legible Copies.

For Visa, Mastercard and STAR: You must securely retain legible copies of all Sales and Credit Drafts or any other transaction records for a period of thirteen (13) months from the date of each transaction and a period of five (5) years for the retention of healthcare Sales Drafts and Credit Drafts. The Sales Draft you retain must comply with all requirements (see Section 28.1).

For Discover: You must securely retain legible copies of all Sales and Credit Drafts or any other transaction records for the longer of (i) 365 days or (ii) the resolution of any pending or threatened disputes, claims, disagreements or litigation involving the Card transaction. You must also keep images or other copies of Sales Drafts for no less than three (3) years from the date of the Discover transaction.

For PayPal: the longer of (i) (A) one (1) year from the transaction date, or (B) if the transaction date was subject to dispute, two (2) years from the transaction date or (ii) the time period required by applicable law.

For American Express: You must submit the Credit to your Processor, for payment. You must securely retain legible copies of all Sales Drafts and Credit Drafts or any other transaction records for 24 months from the date you submitted the corresponding Credit to us. You must also provide a copy of the Credit Draft to the Cardholder or as required by applicable law, truncate the Card Number and do not print the Card's expiration date on copies of Credit Drafts delivered to the Cardholder.

34.2. Provide Sales and Credit Drafts. You must provide all Sales Drafts and Credit Drafts or other transaction records requested by us within the shortest time limits established by Card Organization Rules. You are responsible for any deficiencies in Card transaction data transmitted or otherwise delivered to us.

35. Lost/Recovered Cards

If a card is left behind and remains unclaimed, you should call the appropriate payment organization's Customer Service team via the number below or the number printed on the back of the Card and they will instruct you on how to handle it:

Visa: 1-800-336-8472

Mastercard: 1-800-826-2181

Discover: 1-800-DISCOVER (1-800-347-2683)

American Express: 1-800-992-3404

PayPal: 1-877-569-1113

36. Chargebacks, Retrievals and Other Debits

36.1. Chargebacks.

36.1.1. Generally. Both the Cardholder and the Issuer have the right to question or dispute a transaction. If such questions or disputes are not resolved, a Chargeback may occur. A Chargeback is a Card transaction that is returned to us by the Card Issuer. As a result, we will debit your Settlement Account or settlement funds for the amount of each Chargeback. It is strongly recommended that, whenever possible, you contact the Cardholder directly to resolve a disputed transaction or Chargeback, unless the dispute involves a Discover Cardholder, in which case Discover rules and regulations expressly prohibit you from contacting the Discover Cardholder regarding the dispute. You are responsible for all Chargebacks, our Chargeback fees, and related costs arising from your transactions.

36.1.2. Transaction Documentation Requests. In some cases, before a Chargeback is initiated, the Issuer will request a copy of the Sales Draft via a request for transaction documentation. We will forward the request to you. You must respond to the request within the time frame and manner set forth in the request. We will then forward your response to the Issuer. If you fail to timely respond, we will so notify the Issuer and a Chargeback may result. Upon receipt of a transaction documentation request, immediately retrieve the requested Sales Draft(s) using the following guidelines:

- Make a legible copy, centered on 8-1/2 x 11-inch paper (only one (1) Sales Draft per page).
- Write the 'case number' from the request for transaction documentation on each copy/page.
- If applicable, make copies of a hotel folio, car rental agreement, or mail/phone/internet order form, or other form of receipt.
- If a Credit transaction has been processed, a copy of the Credit Draft is

also required.

- Letters are not acceptable substitutes for Sales Drafts.
- Respond via Dispute Manager, fax or mail legible copies of the Sales Draft(s) to the fax number or mail address provided on the request form. You may be charged for the fax or mail options.
- If you fax your response, please set your fax machine to print your fax number and name on the documents that you send. We can use this information to determine where the documentation received originated from should additional research be required.
- Additionally, please set the scan resolution on your fax machine to the highest setting. The higher resolution setting improves the clarity of characters and graphics on the documentation transmitted and helps reduce the number of illegible fulfillments and/or Chargebacks.

If we do not receive a clear, legible and complete copy of the transaction documentation within the timeframe specified on the request, you may be subject to a Chargeback for which there may be no recourse.

A handling fee may be charged by the Issuer and will be debited from your Settlement Account or settlement funds if a Transaction Documentation Request results from a difference in the following information on the Sales Draft and the transmitted record: merchant name or an incorrect city, state, foreign country and/or transaction date.

36.1.3. Chargeback Process. Regardless of whether you respond to a Transaction Documentation Request, a Chargeback may be debited to your Settlement Account for numerous reasons (see below). If the Card Issuer submits a Chargeback, we will send you a Chargeback notification, which may also include a request for transaction documentation. **Due to the short time requirements imposed by Mastercard, Visa, Discover, PayPal and American Express, it is extremely important that you respond to a Chargeback notification and Transaction Documentation Request within the time frame set forth in the notification.** Do not process a credit transaction once a Chargeback is received; the Issuer will Credit the Cardholder's account. Credits issued after a Chargeback has been received, may not be recoverable and you may be financially responsible for the Credit as well as the Chargeback. If the information you provide is both timely and, in our sole discretion, sufficient to warrant a representment of the transaction and/or reversal of the Chargeback, we will do so on your behalf. However, representment and/or reversal is ultimately contingent upon the Card Issuer and/or Cardholder accepting the transaction under applicable Card Organization guidelines. Representment or reversal is not a guarantee that the Chargeback has been resolved in your favor.

For Visa Chargebacks: If we reverse the Chargeback and represent the transaction to the Issuer, the Issuer, at its sole discretion, may elect to submit the matter for arbitration before Visa. Visa currently charges a \$250 filing fee and a \$250 review fee. Whether or not a decision is made in your favor, you will be responsible for all such fees and charges, and any other applicable fees and charges imposed by Visa, as they may change from time to time. Such fees and charges will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.

For STAR Chargebacks: If we reverse the Chargeback and re-present the transaction to the Card issuing bank, the Card issuing bank, at its sole discretion, may elect to submit the matter for arbitration before STAR. Whether or not a decision is made in your favor, you will be responsible for all fees and charges relating to that arbitration and any other applicable fees and charges imposed by STAR. Such fees and charges will be debited from your Settlement Account or Settlement funds in addition to the Chargeback.

For Mastercard Chargebacks: If we reverse the Chargeback and represent the transaction to the Card Issuer, at its sole discretion, may elect to resubmit the Chargeback. In such event, at the discretion of Processor, we will debit your Settlement Account or settlement funds for the Chargeback. However, if you feel strongly that it is an invalid Chargeback, we may, on your behalf and at your request, submit the matter for arbitration before

Mastercard. Mastercard currently charges a \$250 filing fee and a \$250 review fee. Whether or not a decision is made in your favor, you will be responsible for all such fees and charges, and any other charges imposed by Mastercard, as they may change from time to time. Such fees and charges will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.

For Discover and PayPal Chargebacks: If Discover or PayPal rejects our representment request and you feel strongly that the Chargeback is invalid, we may, at the discretion of Processor and on your behalf and at your request, submit the matter for dispute arbitration before Discover or PayPal. Discover and PayPal charges acquirers fees for representment requests and matters submitted to Discover or PayPal for arbitration. We, in turn, may charge you fees for these items.

If the Chargeback is not disputed within the applicable time limits set forth by Mastercard, Visa, Discover, PayPal and American Express rules and regulations, reversal rights are forfeited. Our only alternative, for Visa and Mastercard non-fraud Chargeback reason codes, is to attempt a "good faith collection" to the Issuer on your behalf. This process can take up to six (6) months and must meet the Issuer's criteria (e.g., at or above a set dollar amount. Good faith collection attempts are not a guarantee that any funds will be collected on your behalf. Issuers normally charge good faith collection fees, which are deducted from the transaction amount if accepted in addition to any processing fees that are charged by us.

For American Express Chargebacks: You may request a Chargeback reversal if the Chargeback was applied in error. In order for us to consider your request, you must have responded to the original inquiry within the specified timeframe, request the

Chargeback reversal no later than 20 days after the date of the Chargeback, and provide all supporting documentation to substantiate the error.

Note: Discover and American Express do not offer good faith collection for Acquirers.

Mastercard and Visa Card Organization Rules require that a merchant make a good faith attempt and be willing and able to resolve any disputes directly with the Cardholder. Discover rules and regulations, however, prohibit you and/or us from contacting the Cardholder directly regarding dispute(s) or any other matter, except as required for acceptance of Discover transactions, and require you and/or us to submit any responses to dispute notices directly to Discover.

Due to Card Organization Rules, you may not re-bill a Cardholder after a Chargeback is received for that transaction, even with Cardholder authorization.

We strongly recommend that you include a detailed rebuttal letter along with all pertinent documents when responding to a transaction request or a Chargeback notification (e.g., rental agreement, imprinted portion of the invoice or Sales Draft; the portion signed by the Cardholder; and the area where the authorization codes, with amounts and dates, are located).

Due to the short time frames and the supporting documentation necessary to successfully (and permanently) reverse a Chargeback in your favor, we strongly recommend the following:

- Avoid Chargebacks by adhering to the guidelines and procedures outlined in these Operating Procedures.
- If you do receive a Chargeback, investigate, and if you dispute the Chargeback, submit the appropriate documentation within the required timeframe.
- Whenever possible, contact the Cardholder directly to resolve the dispute, unless the dispute relates to a Discover Cardholder, in which case direct contact with the Discover Cardholder regarding the dispute is prohibited by their Card Organization Rules.
- If you have any questions, call Customer Service.

36.1.4. Chargeback Reasons. This section outlines the most common types of Chargebacks. This list is not exhaustive. For ease of understanding,

we have combined like Chargebacks into six groupings. We have included recommendations on how to reduce the risk of Chargebacks within each group. These are recommendations only, and do not guarantee that you will be able to prevent Chargebacks.

1. Authorization Issues: Proper Authorization procedures were not followed and valid Authorization was not obtained.

The following scenarios could cause an Authorization Related Chargeback to occur:

- Authorization not obtained.
- Authorization was declined.
- Transaction processed with an expired card and Authorization was not obtained.
- Transaction was processed with an invalid account number and Authorization was not obtained.
- Card Recovery Bulletin (CRB) or Exception File was not checked (transactions below floor limit).

To reduce your risk of receiving an Authorization Related Chargeback:

- Obtain valid Authorization on the day of the transaction.
- Card Present Transactions-Authorization must be obtained on the transaction date for the amount settled.
- Card Not Present Transactions-Authorization must be obtained on the transaction date for the amount settled. However, if merchandise is being shipped, Authorization must be obtained within seven calendar days of the transaction ship date.
- If a declined response is received, then request another form of payment from the Cardholder.
- If a Referral response is received, then follow proper voice procedures to obtain a valid Authorization and obtain an imprint of the card
- "Pick-up" response indicates that the Issuer is requesting for the card to be retained and returned back to them. The Credit Card should not be accepted for payment. Alternatively, you should call the appropriate payment organization's Customer Service team via the number below or the number printed on the back of the Card and they will instruct you on how to handle it.
- Merchants should not exceed any predetermined thresholds for specific terminal types as specified by each Card Organization.

2. Cancellations and Returns: Credit was not processed properly or the Cardholder has cancelled and/or returned items.

The following scenarios could cause a Cancellation and Return Related Chargeback to occur:

- Cardholder received damaged or defective merchandise.
- Cardholder continued to be billed for cancelled recurring transaction.
- Credit transaction was not processed.

To reduce your risk of receiving a Cancellation and Return Related Chargeback:

- Issue Credit to the Cardholder for the same account as the purchase in a timely manner.
- Do not issue Credit to the Cardholder in the form of cash, check or in-store/merchandise Credit as we may not be able to recoup your funds in the event the transaction is charged back.
- Ensure customers are fully aware of the conditions for recurring transactions. Cancel recurring billings as soon as notification is received from the Cardholder or as a Chargeback, and Issue a Credit as needed to the cardholder in a timely manner.
- Pre-notify the Cardholder of billings within 10 days (Domestic) and 15 (International) prior to billing, allowing the Cardholder time to cancel the transaction.

• Provide proper disclosure of your refund policy for returned/cancelled merchandise, or services to the Cardholder at the time of transaction in accordance with applicable law.

- Card present, Cardholder signed the Sales Draft containing disclosure.
- If applicable, the words "NO EXCHANGE, NO REFUND," etc. must be clearly printed in ¼ inch lettering on the Sales Draft near or above the Cardholder signature.
- Ecommerce, provide disclosure on website on same page as check out showing Cardholder must click to accept prior to completion.
- Card Not Present, provide cancellation policy at the time of the transaction.
- Provide cancellation numbers to Cardholder's when lodging services are cancelled.
- Ensure delivery of the merchandise or services ordered to the Cardholder.

3. Fraud: Transactions that the Cardholder or authorized user claims are unauthorized; the account number is no longer in use or is fictitious, or the merchant was identified as "high risk".

The following scenarios could cause a Fraud Related Chargeback to occur:

- Multiple transactions were completed with a single card without the Cardholder's permission.
- Counterfeit card was utilized and proper acceptance procedures were not followed.
- Authorization was obtained; however, full track data was not transmitted.
- Cardholder states that they did not authorize or participate in the transaction.

NOTE: Visa Fraud:

- Complete a retrieval request and/or provide a sales slip that contains all required data elements; and
- Respond to all retrieval requests with a clear legible copy of the transaction document that contains all required data elements within the specified timeframe.

To reduce your risk of receiving a Fraud Related Chargeback:

Card Present Transactions:

- Pre-notify the Cardholder of billings within 10 days.
- American Express customers have the option to receive written notification of the recurring transaction at least (10) days prior to submitting, or any time the Charge amount exceeds a maximum amount that has been set by the cardholder.
- Obtain an Authorization for all transactions.
- If you are utilizing an electronic device to capture Card data information, swipe all Card transactions through your electronic authorization device to capture Cardholder information and ensure the displayed Cardholder number matches the number on the Card.
- You should avoid keying the Card data into your electronic authorization device unless you are unable to capture the Card data through one of the above methods. If you do not key the Card data into your electronic authorization device, it is highly recommended that you also key in the 3 or 4 digit Verification Code. Otherwise, you should imprint the card using a valid imprinting device that will capture the embossed Card and merchant information. Do not alter the imprint on the draft in any way. Manually entering the information into the terminal does not protect you from this type of Chargeback. All pertinent information relating to the transaction must be written on the manually imprinted draft (transaction date, dollar amount, authorization code and merchandise description) along with the Cardholder signature.

Note: Do not imprint on the back of a signed Sales Draft. The imprint must be on the transaction document that contains all transaction

elements to prove the Card was present at the time of the transaction.

- Obtain the Cardholder signature for all transactions; ensure the signature on the Sales Draft matches the signature on the back of the Card.
- Process all transaction one time and do not Batch out transactions multiple times.
- Educate staff on procedures to eliminate point of sale (POS) fraud.

Card Not Present Transactions:

- Participation in recommended Fraud Prevention Tools.
- Verified by Visa Program.
- Mastercard SecureCode.
- Discover ProtectBuy Program.
- American Express SecureKey Program.
- Address Verification Services.
- Use of Card Verification Code.

Note: While transactions utilizing these tools may still be disputed, the service may assist you with your decision to accept the Card for the transaction.

- Ensure you ship to the AVS confirmed address (bill to and ship to should match).
- Obtain Authorization for all transactions.
- Ensure merchant descriptor matches the name of the business and is displayed correctly on the Cardholder statement.
- Ensure descriptor includes correct business address and a valid customer service number.
- American Express offers fraud mitigation tools for both Card Present and Card Not Present transactions to help verify that a Charge is valid. These tools help you mitigate the risk of fraud at the point of sale, but are not a guarantee that a Charge is in fact valid or bona fide, or that you will not be subject to a Chargeback. For optimal use of the tools, please visit American Express' Fraud Prevention Information at: www.americanexpress.com/fraudinfo.

4. Cardholder Disputes: Merchandise or services not received by the Cardholder, Merchandise defective or not as described.

The following scenarios could cause a Cardholder Dispute Chargeback to occur:

- Services were not provided or merchandise was not received by the Cardholder.
- The Cardholder was charged prior to merchandise being shipped or merchandise was not received by agreed upon delivery date or location.
- Cardholder received merchandise that was defective damaged or unsuited for the purpose sold, or did not match the description on the transaction documentation/verbal description presented at the time of purchase.
- Cardholder paid with an alternate means and their Card was also billed for the same transaction.
- Cardholder cancelled service or merchandise and their Card was billed.
- Cardholder billed for a transaction that was not part of the original transaction document.

To reduce your risk of receiving a Cardholder Dispute Related Chargeback:

- Provide Services or Merchandise as agreed upon and described to the cardholder; clearly indicate the expected delivery date on the sales receipt or invoice.
- Contact the cardholder in writing if the merchandise or service cannot be provided or is delayed, and offer the cardholder the option to cancel if your internal policies allow.

• In the event that the cardholder received defective merchandise or the merchandise received was not as described; resolve the issue with the cardholder at first contact.

• If the merchandise is being picked up by the Cardholder, have them sign for the merchandise after inspection that it was received in good condition.

• Do not Charge the Cardholder until the merchandise has been shipped, ship according to the agreed upon terms and obtain signed Proof of Delivery from the Cardholder.

• If unable to provide services or merchandise, issue credit to cardholder in a timely manner.

• Accept only one form of payment per transaction and ensure the cardholder is only billed once per transaction.

• Do not bill Cardholder for loss, theft or damages unless authorized by the Cardholder.

5. Processing Errors: Error was made when transaction was processed or it was billed incorrectly.

The following scenarios could cause a Processing Error Chargeback to occur:

- Transaction was not deposited within the Card Organization specified timeframe.
- Cardholder was issue a Credit Draft; however, the transaction was processed as a sale.
- Transaction was to be processed in a currency other than the currency used to settle the transaction.
- The account number or transaction amount utilized in the transaction was incorrectly entered.
- A single transaction was processed more than once to the Cardholders account.
- Cardholder initially presented card as payment for the transaction; however Cardholder decided to use an alternate form of payment.
- Limited amount or self-service terminal transaction was processed for an amount which is over the pre-determined limit.

To reduce your risk of receiving a Processing Error Related Chargeback:

- Process all transactions within the Card Organization specified timeframes.
- Ensure all transactions are processed accurately and only one time.

Note: In the event that a transaction was processed more than once; immediately issue voids, transaction reversals or Credits.

• Ensure that credit transaction receipts are processed as Credits and sale transaction receipts are processed as sales.

• Ensure all transactions received a valid Authorization Approval Code prior to processing the transaction and obtain a legible magnetic swipe or imprinted Sales Draft that is signed.

• Do not alter transaction documentation or make any adjustments unless the Cardholder has been contacted and agrees to any modifications of the transaction amount.

• Ensure limited amount, self-service and automated fuel dispenser terminals are set properly to conform to the pre-determined limits.

Chargebacks due to non-receipt of information Description:

- The transaction documentation was not provided to fulfill the retrieval request.
- The retrieval request was fulfilled with an illegible sales draft or was an invalid fulfillment (incorrect sales draft or the sales draft did not contain required information that may include signature).
- The Cardholder does recognize or is unfamiliar with the transaction

due to the merchant name and/or location not matching the name and/or location where the transaction took place.

Recommendations to reduce such risk of Chargebacks:

- Provide a clear and legible copy of the sales draft that contains all required data elements within the required timeframe that is specified on the retrieval request.
- Ensure that the most recognizable merchant name, location and/or Customer Service phone number is provided on all transactions.
- Retain copies of all transaction documentation for the required timeframe that is specified by each payment organization.
- Develop efficient methods to retrieve transaction documentation to maximize ability to fulfill request.

36.2. Summary (Deposit) Adjustments / Electronic Rejects.

Occasionally, it is necessary to adjust the dollar amount of your summaries/Submissions (deposits) and Credit or debit your Settlement Account or settlement funds accordingly. The following is a list of the most frequent reasons for Summary (Deposit) Adjustments/Electronic Rejects:

- Your summary reflected an arithmetic error.
- Submitted sales not included in your Agreement (e.g., American Express).
- The dollar amount is unreadable/ illegible.
- The Cardholder's account number is unreadable/ illegible.
- Duplicate Sales Draft submitted.
- Card number is incorrect /incomplete.
- Summary indicated Credits, but no Credits were submitted.

36.3. Disputing Other Debits and Summary Adjustments. In order to quickly resolve disputed debits and Summary Adjustments, it is extremely important that the items listed in this section be faxed or sent to the address listed on the notification.

If the Summary Adjustment is for an unreadable or incorrect Cardholder account number, resubmit the corrected Sales Draft with your next deposit. Also, if the transaction is over thirty (30) calendar days old, you must reauthorize and obtain a valid Authorization Approval Code.

A clear and legible copy of the Sales Draft containing the following should be obtained from your files:

- Date of sale/Credit;
- Cardholder's account number, name and signature;
- Total amount of the sale and description of goods and services; and
- Date and Authorization Approval Code.

Include a dated cover letter detailing the reasons for requesting a review of the debit or Summary Adjustment and documentation to support your dispute. (You should retain a copy of the correspondence and all documentation for your files.) If the inquiry is related to prior correspondence, be sure to include the control number we previously used.

Immediately fax or mail the Sales Draft or Credit Drafts to the fax number or address provided on your notification letter.

If you have any questions, please call the Customer Service number provided on the last page of this Program Guide. If a Customer Service Representative informs you that additional documentation is required in order to fully review the item, please immediately submit your rebuttal and transaction documentation to the fax number or address listed on the debit notification.

37. Account Maintenance

37.1. Change of Settlement Account Number. If you change the Settlement Account in which you receive the proceeds of your transactions, you must call Customer Service or your Account Manager immediately. If you accept payment types other than Visa, Mastercard, Discover, PayPal and American Express (such as where you have a direct relationship with

American Express, and TeleCheck Services), you are also responsible for contacting the Card Organizations or companies governing those Cards to notify them of this change.

37.2. Change in Your Legal Name or Structure. You must call Customer Service or your Account Manager and request a new Agreement.

37.3. Change in Company DBA Name, Address or Telephone/ Facsimile Number. To change your company or location DBA name, address (or e-mail address), or telephone/facsimile number, you must send the request in writing to the address on your statement.

37.4. Other Change(s) in Merchant Profile. You must immediately notify us of any change to the information on file with us in your merchant profile, including: (i) any new lines or types of business; (ii) change in ownership; (iii) the opening, closing or liquidation of business or any location; (iv) change in Card processing method (i.e., paper Sales Drafts to POS Device); (v) voluntary or involuntary party to a bankruptcy case; (vi) entry into a loan or other agreement with a third party that seeks to affect this Merchant Agreement; and/or (vii) change from a business that exclusively conducts card-present retail sales to one that accepts Card sales by mail, telephone or Internet transactions. We retain the right to terminate this Agreement if you fail to notify us of any change to the information in your merchant profile.

37.5. Charges for Changes to Account Maintenance. You may be charged for any changes referenced in this section or any other changes requested by you or otherwise necessary related to account maintenance.

38. Card Organization Monitoring

Mastercard, Visa and Discover, PayPal and American Express have established guidelines, merchant monitoring programs and reports to track merchant activity such as, but not limited to excessive Credits, reported fraud and Chargebacks, and increased deposit activity. In the event you exceed the guidelines or engage in practices that could circumvent such monitoring programs or submit suspicious transactions as identified by a Card Organization or any related program or reports, you may be subject to: (i) operating procedure requirement modifications; (ii) incremental Chargebacks and/or increased fees; (iii) settlement delay or withholding; (iv) termination of your Agreement; or (v) audit and imposition of fines.

39. Supplies

Placing Orders.

- To order additional supplies, call Customer Service or order through the customer service IVR when you have two months' inventory left. We will ship you an adequate amount of supplies. The amount of supplies (based on usage) on hand should not exceed a three to six-month supply.

- In an EMERGENCY, please contact Customer Service using the number provided on the last page of this Program Guide. If supplies are sent via an express delivery service, the delivery charges will be debited to your account.

- You are responsible for unauthorized use of sales/credit and summary Media. We recommended that you store all supplies in a safe location.

- You may be charged for supplies and taxes plus applicable shipping and handling charges.

40. Special Provisions for American Express

The provisions in this Section 40 apply to American Express Card acceptance and Transactions.

40.1. Treatment of the American Express Brand. Except as expressly permitted by applicable law, you must not:

- indicate or imply that you prefer, directly or indirectly, any other payment products over the Card,
- try to dissuade Cardholders from using the Card,
- criticize or mischaracterize the Card or any of American Express' services or programs,
- try to persuade or prompt Cardholders to use any other payment

products or any other method of payment (e.g., payment by check),

- impose any restrictions, conditions, disadvantages or fees when the Card is accepted that are not imposed equally on all other payment products, except for electronic funds transfer, or cash and check,
- suggest or require Cardholders to waive their right to dispute any transaction,
- engage in activities that harm the American Express business or the American Express Brand (or both),
- promote any other payment products (except your own private label card that you issues for use solely at your establishments) more actively than you promote the Card, or
- convert the currency of the original sale transaction to another currency when requesting Authorization or submitting transactions (or both).

You may offer discounts or in-kind incentives from your regular prices for payments in cash, ACH funds transfer, check, Debit Card or Credit Card, provided that (to the extent required by applicable law): (i) you clearly and conspicuously disclose the terms of the discount or in-kind incentive to your customers, (ii) the discount or in-kind incentive is offered to all of your prospective customers, and (iii) the discount or in-kind incentive does not differentiate on the basis of the issuer or, except as expressly permitted by applicable law and Card Organization (e.g., Visa, Mastercard, Discover, JCB, American Express). The offering of discounts or in-kind incentives in compliance with the terms of this section will not constitute a violation of the provisions set forth in the above section "Treatment of the American Express Brand."

40.2. Treatment of the American Express Marks.

Whenever payment methods are communicated to customers, or when customers ask what payments are accepted, you must indicate your acceptance of the Card and display American Express' Marks (including any Card application forms provided to you) as prominently and in the same manner as any other payment products. You must not use the American Express Marks in any way that injures or diminishes the goodwill associated with the American Express Marks, nor (without prior written consent from Processor) indicate that American Express endorses your goods or services. You shall only use the American Express Marks as permitted by the Agreement and shall cease using American Express' Marks upon termination of the Agreement.

40.3. Treatment of American Express Card Member Information. Any and all Cardholder Information is confidential and the sole property of the Issuer, American Express or its Affiliates. Except as otherwise specified, you must not disclose Cardholder Information, nor use nor store it, other than to facilitate transactions at your Establishments in accordance with the Agreement.

40.4. American Express Transaction Data. The transaction data you collect to facilitate the Charge must be or have been provided directly to you by the Cardholder. You must not accept or have accepted transaction data from, nor shall you provide or have provided transaction data to, any third parties other than your covered parties (as defined in the Data Security Requirements (DSR)). If you fail to comply with this requirement, in addition to other rights and remedies regarding "monitoring", you may be charged a fee as indicated on the Merchant Processing Application, we may suspend Card acceptance privileges at your establishments, or terminate the Agreement. Where Cardholders pay you using payment or "e-wallet" accounts (which Cardholders may have created by providing Card- member information when the account was established), the transaction data collected to facilitate the Card Not Present Charge has already been provided directly by the Cardholder. You are not required to have the Cardholder re-enter the transaction data. All information required by American Express evidencing one or more transactions, including information obtained at the point of sale, information obtained or generated during Authorization and Submission, and any Chargeback.

40.5. Treatment of American Express Cardholder Information. You acknowledge that any and all American Express Cardholder information is

confidential and the sole property of the Issuer, American Express or any of its Affiliates. Except as otherwise specified in the Agreement, you must not disclose Cardholder information, nor use nor store it, other than to facilitate transactions at your establishments in accordance with the Agreement.

40.6. Disclosure and Use of Data Collected Under Agreement.

We may disclose to American Express data and information that you provide on your Application and that we collect as part of performing American Express payment processing services or transaction related services including information about you. American Express may use the information that you provide in the Application at the time of setup to screen and monitor your American Express acceptance, to perform its responsibilities in connection with your American Express Card acceptance to respond to court orders and legal investigations, and to perform analytics and create reports for our and American Express's internal purposes, and for any other lawful business purposes, including marketing purposes. American Express may otherwise use and share your information for business purposes and as permitted by Applicable Law. American Express uses reasonable administrative, technical and physical security measures to protect Program Merchant information consistent with the sensitivity of the information.

40.6.1. Consent for American Express to Contact You by Phone, eMail, Text or Facsimile. American Express may use the information you provide in the Application (as such information may be updated) to call you or send you communications or materials via email, SMS, text or facsimile regarding American Express products, services and resources available to you. These messages may be sent to the mailing address, phone numbers, email addresses or fax numbers that you provide. You consent and agree to receive autodialed, automated and/or prerecorded calls and communications (which may include SMS or text messages) at the telephone number(s) you have provided. If you provide a fax number, you consent and agree to receiving fax communications from American Express. In connection with the foregoing, you understand that the calls made or communications sent to you by American Express may be subject to charges or fees by your telecommunications or other applicable service provider that are your responsibility to pay. You understand that your consent under this Section 40.6.1 is not a condition of purchasing or receiving any product or service or entering into this Agreement.

40.6.2. Opt-Out: You may opt-out of receiving marketing related communications and materials from American Express by calling Processor at the Customer Service number indicated in the Program Guide and indicating that you no longer want to receive marketing or other communications from American Express, in which case Processor will disable your American Express acceptance services, and you will no longer be permitted to accept American Express payment cards under the Agreement.

40.7. Conversion to a Direct Relationship with American Express. You acknowledge and agree that upon written notice from us, you will be converted to a direct American Express Card acceptance relationship with American Express if and when the annual American Express Card charges that you submit under this Agreement are greater than \$1,000,000. You agree that, upon conversion, (i) you will be bound by American Express' then-current Card Acceptance Agreement with respect to American Express Transactions; (ii) American Express will set pricing and other fees payable by you for American Express Card acceptance; and (iii) you will no longer be able to submit American Express Card transactions under this Agreement, but this Agreement will continue in full force and effect with respect to other payments and services you elected to receive on your Application. If you need to receive American Express related services from us after you have been converted to a direct relationship with American Express, then you will need to contact our Customer Service at 1-800-451-5817 to request that your account be entitled for American Express acceptance and to acknowledge the new pricing terms for our services associated with your direct relationship with American Express.

40.8. Reserved.

40.9. Third Party Beneficiary Rights. American Express is a direct

and intended third-party beneficiary of this Agreement, and may enforce any terms of this Agreement that apply to American Express, including American Express Card acceptance and transaction processing, directly against you.

40.10. Your Right to Opt Out of American Express Card Acceptance.

You may opt out of accepting American Express Cards at any time without directly or indirectly affecting your rights to accept any other payment products. In order to opt out you must complete the Limited Acceptance Form. To obtain a copy of this form, you call Processor at the Customer Service Number stated in Section 42.4 of the Program Guide.

40.11. Collections from American Express Cardholder. You may not bill or collect from any American Express Cardholder for any purchase or payment on the American Express Card unless a Chargeback has been exercised, you have fully paid for such Charge, and you otherwise have the right to do so.

40.12. American Express Key-Entered Charges.

If a Card cannot be read electronically, in addition to the “Magnetic Stripe Card Charges” requirements, you must:

- Key-enter the data.

40.13. Keyed No Imprint for American Express Transactions.

• Your establishments may be eligible to participate in the American Express “Keyed No Imprint Program.” The “Keyed No Imprint Program” allows you to submit in-person charges without taking an imprint of the Card if you meet the following Charge criteria:

- All Cards qualify for the “Keyed No Imprint Program.”
- The Charge must be key-entered.
- The Charge Submission must include the appropriate indicator to reflect that the Card and the Cardholder were present at the point of sale.
- The Charge Submission must include a valid approval, and;
- The CID Number must be confirmed as a positive match. Under the “Keyed No Imprint Program,” Chargebacks will not be exercised for such charges based solely on the establishment’s failure to obtain an imprint of the Card. If a disproportionate amount or number of disputed charges under the “Keyed No Imprint Program” occurs, you must cooperate to reduce the number of disputed charges. If such efforts fail, you may be placed in any of American Express’ Chargeback programs or your participation in the “Keyed No Imprint Program” may be modified or terminated.

40.14. Merchant Website Information Display Guidelines.

- An accurate description of the goods/services offered, including the currency type for the transaction (e.g., U.S. Dollars). Transaction currency must be in U.S. Dollars.
- Your physical address in the U.S.
- An email address and a telephone number for customer service disputes.
- Return/refund policy.
- A description of your delivery policy (e.g., No COD, No overnight).
- A description of your security practices (e.g., information highlighting security practices you use to secure transactions conducted on the internet).
- A statement of known export restrictions, tariffs, and any other regulations.
- A privacy statement regarding the type of personal information collected and how the information is used. Additionally, you must provide to customers the option to decline being included in marketing campaigns or having their personal information included on lists sold to third parties.

40.15. Aggregated Charges.

If you are classified as an internet industry, you may process aggregated charges, provided the following criteria are met:

- Clearly disclose your intent and obtain written consent from the Cardholder that their purchases or refunds (or both) on the Card may be aggregated and combined with other purchases or refunds (or both) before you request an Authorization.

- Each individual purchase or refund (or both) that comprises the aggregated Charge must be incurred under the same merchant number and on the same Card.

- Obtain a pre-Authorization of no more than \$15

- Create a Sales Draft for the full amount of the aggregated Charge.

- The amount of the aggregated Charge must not exceed \$15 or the amount for which you obtained pre-Authorization.

- Submit each Sales Draft within our submission timeframe.

- Provide the Cardholder with an email containing the date, amount, and description of each individual purchase or refund (or both) that comprises the aggregated Charge, and the date and the amount of the aggregated Charge.

40.16. American Express-Excessive Disputes. You may be subject to various fees and assessments as set forth on the Application including fees for excessive disputes. Some fees and assessments are for special products or services, while others may be applied based upon non-compliance of American Express policies and procedures. Many non-compliance fees and assessments can be avoided by correcting the actions that are causing such non-compliance.

40.17. American Express Right to Modify or Terminate Agreement.

American Express has the right to modify the Agreement with respect to American Express Card transactions or to terminate your acceptance of American Express Card transactions and to require Processor to investigate your activities with respect to American Express Card transactions.

40.18. Acceptance Procedures for American Express Travelers and Gift Cheques.

Procedures for accepting American Express Travelers and Gift Cheques:

- Watch Merchant’s customer countersign in the lower left corner of the cheque, and compare the countersignature to the signature in the upper left corner for American Express Travelers Cheques and Gift Cheques. For Cheques for Two, the customer’s countersignature must match either one of the two signatures on top.

- Obtain authorization - American Express recommends obtaining an authorization to reduce the chances of accepting fraudulent cheques. American Express offers a variety of authorization tools. Obtain online authorization at www.americanexpress.com/verifyamextc.

41. Glossary

As used in this Program Guide, the following terms mean as follows:

Acquirer: Bank in the case of Mastercard, Visa and certain debit transactions or Processor in the case of Discover and PayPal (in-store only) transactions that acquire Card sale transactions from merchants such as yourself.

Address Verification: A service provided through which the merchant verifies the Cardholder’s address, in whole or in part. Primarily used by Mail / Telephone/Internet order merchants. Address verification is intended to deter fraudulent transactions, however, an AVS match does not guarantee that a transaction is valid. An AVS request should generally be submitted with an authorization request. The AVS response, if available, however will not impact whether any associated authorization request is approved or denied. You may be charged an AVS fee for any AVS request you submit even if we are not able to provide a response to the request.

Affiliate: “Affiliate” of a Person means another Person that, directly or indirectly, (i) owns or controls such Person or (ii) is under common ownership or control with such Person.

Agreement: The Agreements among Client, Processor and Bank

contained in the Application, the Program Guide and the Schedules thereto and documents incorporated therein, each as amended from time to time, which collectively constitute the Agreement among the parties.

Annualized Sales Volume: Annualized Sales Volume is the greater of (1) the sum of the monthly Sales Volume since the account was activated, divided by the number of months the account has been active, and then multiplied by twelve (12), or (2) the estimated annual Sales Volume listed in the Agreement. An active account is defined as an account having a Sales Volume of fifty dollars (\$50.00) or greater for that month. If the Client has three months or less of Sales Volume, the "Annualized Sales Volume" is the estimated annual Sales Volume provided by the Client in the Agreement.

Application: See Merchant Processing Application.

Authorization: Approval by, or on behalf of, the Card Issuer to validate a transaction. An authorization indicates only the availability of the Cardholder's Credit Limit or funds at the time the Authorization is requested. An Authorization Fee (see Fee Schedule) can be charged for each Authorization, whether approved or declined.

Authorization Approval Code: A number issued to a participating merchant by the Authorization Center which confirms the authorization for a sale or service.

Authorization and Capture: Refers to the communication of instructions from your POS device or other systems to our computer systems, whether the communications are for authorization requests or any other capture of information. If your Service fee Schedule reflects an authorization and capture fee it may be applied to each communication you transmit to us.

Authorization Center: A department that electronically communicates a merchant's request for authorization on Credit Card transactions to the Cardholder's bank and transmits such authorization to the merchant via electronic equipment or by voice authorization.

Authorization /EDC Fees: A fee that applies to all Visa, Mastercard and Discover Card approvals (pre-authorizations, authorizations & authorization reversals), denials, batch inquiries, and batch entry transactions and includes any transaction fees and capture fees.

Bank: The bank identified on the Application signed by you.

Bankruptcy Code: Title 11 of the United States Code, as amended from time to time.

Batch: A single Submission to us of a group of transactions (sales and credits) for settlement. A Batch usually represents a day's worth of transactions.

Business Day: Monday through Friday, excluding Bank holidays.

Buyer Initiated Payment (BIP): A payment that occurs when a cardholding business approves an invoice (or invoices) and submits an electronic payment instruction causing funds to be deposited directly into a their supplier's merchant account.

Card: Means a Credit Card and/or a Debit Card.

Cardholder: Means the Person whose name is on a Card and any authorized user of such Card, including the Person that has entered into an agreement establishing a Card account with an Issuer. The words "Card Member" refer to Cardholder.

Card General Terms: Section of the Program Guide, including any amendments or modifications.

Card Not Present Sale/Transaction: A Transaction that occurs when the Card is not present at the point-of-sale, including Internet, mail-order and telephone-order Card sales.

Card Organization: Any entity formed to administer and promote Cards, including without limitation Mastercard Worldwide ("Mastercard"), Visa U.S.A., Inc. ("Visa"), DFS Services LLC ("Discover"), PayPal, Inc. ("PayPal"), American Express Company, Inc. ("American Express") and any applicable debit networks.

Card Organization Rules: The rules, regulations, standards, releases,

interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Card Organization and related authorities, including without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association (including with respect to EBTs, the Quest Operating Rules).

Card Verification: A three-digit value printed in the signature panel of most Cards and a four-digit value printed in the front of an American Express Card. Visa's Card Verification Code is known as CVV2; Mastercard's Card Verification Code is known as CVC2; the Card Verification Codes for Discover, PayPal and American Express are known as a Card Identification Numbers (CID). Card Verification Codes are used to deter fraudulent use of an account number in a non-face-to-face environment, (e.g., mail orders, telephone orders and Internet orders).

Card Verification Value (CVV) / Card Validation Code (CVC) / Card Identification Data (CID): A unique value encoded on the Magnetic Stripe of a Card used to validate Card information during the Authorization process.

Cardholder Verification Method (CVM): A method used to confirm the identity of a Cardholder and to signify Cardholder acceptance of a transaction, such as signature, Offline PIN, and Online PIN.

Cash Benefits: An EBT account maintained by an Issuer that represents pre-funded or day-of-draw benefits, or both, administered by one or more government entities, and for which the Issuer has agreed to provide access under the EBT program. Multiple benefits may be combined in a single cash benefit account.

Cash Over Transaction: Dispensing of cash by a merchant in connection with a Card sale, other than a PIN Debit Card transaction, for the purchase of goods or services.

Charge or Charges: The total price, including all applicable taxes and gratuities, for the purchase of goods or services at a merchant for which a Cardholder has signed a Sales Draft or otherwise indicated intent to pay with a Card.

Chargeback: A Card transaction (or disputed portion) that is returned to us by the Issuer. Client is responsible for payment to us for all Chargebacks.

Check Warranty: A service provided through a merchant's POS equipment which guarantees payment up to a defined limit, provided the merchant follows proper steps in accepting the check.

Check Verification: A service provided in which a merchant accesses a national negative file database through its terminal/register to verify or authorize that a person has no outstanding bad check complaints at any of the member merchants. This is not a guarantee of payment to the merchant.

Chip: An integrated microchip embedded on a Card containing cardholder and account information.

Chip Card: A Card with an embedded EMV-compliant chip containing memory and interactive capabilities used to identify and store additional data about a Cardholder, an Account, or both.

Claim: Means any claim (including initial claims, counterclaims, cross-claims, and third party claims), dispute, or controversy between you and us arising from or relating to the Agreement or prior Card acceptance agreements, or the relationship resulting therefrom, whether based in contract, tort (including negligence, strict liability, fraud, or otherwise), statutes, regulations, or any other theory, including any question relating to the existence, validity, performance, construction, interpretation, enforcement, or termination of the Agreement or prior Card acceptance agreements or the relationship resulting therefrom.

Client: The party identified as "Client" on the Application. The words "Subscriber," "you," "your" and "Customer" refer to Client. Also, sometimes referred to as "Merchant."

Contactless Payment: payment performed in a Card-Present Environment with a Contactless card or Payment Device (e.g., Mobile

phone) at the Point-of-Transaction.

Credit: A refund or price adjustment given for a previous purchase transaction.

Credit Card: A device bearing a valid Organization Mark of Visa, Mastercard, Discover, PayPal or American Express and authorizing the Cardholder to buy goods or services on Credit and, to the extent the Schedules so provide, a valid device authorizing the Cardholder to buy goods or services on Credit and issued by any other Card Organizations specified on such Schedules.

Credit Draft: A document evidencing the return of merchandise by a Cardholder to a Client, or other refund or price adjustment made by the Client to the Cardholder, whether electronic, paper or some other form, all of which must conform to Card Organization Rules and applicable law.

Credit Limit: The credit line set by the Issuer for the Cardholder's Credit Card account.

Customer Activated Terminal (CAT): A Magnetic Stripe terminal or chip-reading device (such as an automatic dispensing machine, Limited Amount Terminal, or Self-Service) that is not an ATM.

Data Incident: Any actual or potential unauthorized or fraudulent access to (or use, disclosure, or alteration of) transaction data, whether consisting of a single event, a continuous course of events, or a series of related events.

Data Incident Expenses: Means: (a) any obligations that you have to us arising from a Data Incident including EMV Upgrade Costs; (b) the costs of a security assessment conducted by a qualified security assessor approved by a Payments Organization or PCI to determine the cause and extent of a Data Incident; and (c) any reasonable fees and expenses incurred by us, or by you with our prior written consent, for any Mitigation Services specifically approved by us in writing but only if the Mitigation Services are provided within one (1) year following discovery of the relevant Data Incident.

Debit Card: Means a PIN Debit Card and/or a Non-PIN Debit Card.

Dial-Up Terminal: An Authorization device which, like a telephone, dials an Authorization Center for validation of transactions.

Discount Rate: A percentage rate charged to merchants, as applicable, for processing Card transactions.

Discover International Service Fee: A fee assessed by Discover on the amount of Card Sales (excluding Cash Over) conducted at a Client location in the United States where the domicile of the Issuer of the Card used in the Card Sale is a country other than the United States. This fee is not applicable to Card Sales with JCB and China Union Pay cards.

Electronic Benefit Transfer (EBT): An Electronic Benefits Transfer system used to deliver certain government delivered benefits, including without limitation Cash Benefits and FNS, SNAP and WIC Benefits, to EBT customers.

Electronic Draft Capture (EDC): A process which allows a merchant's Dial-Up Terminal to receive Authorization and capture transactions, and electronically transmit them to the Processor. This eliminates the need to submit paper for processing.

EMV: Developed by Europay, Mastercard, and Visa. It is the global standard for chip based payments.

EMV Upgrade Costs: The costs you agree to incur to upgrade payment acceptance and processing hardware and software to enable you to accept and process EMV-enabled Cards in a manner compliant with the PCI DSS.

Entity: Means a corporation, partnership, sole proprietorship, trust, association, or any other legally recognized entity or organization.

Factoring: The submission of authorization requests and/or Sales Drafts by a merchant for Card sales or cash advances transacted by another business. Factoring is prohibited.

Fraud Full Recourse: One of American Express's Chargeback programs

Gross: When referred to in connection with transaction amounts or fees, refers to the total amount of Card sales, without set-off for any refunds or Credits.

Imprinter: A manual or electric machine used to physically imprint the merchant's name and ID number as well as the Cardholder's name and Card number on Sales Drafts.

Issuer: The financial institution or Card Organization (or other Entity authorized by a Card Organization) which has issued a Card to a Person.

Limited Amount Terminal: A customer Activated Terminal that has data capture only capability, and accepts payment for items such as parking garage fees, road tolls, motion picture theater entrance, or magnetic stripe telephones.

Magnetic Stripe: A stripe of magnetic information affixed to the back of a plastic Credit or Debit Card. The Magnetic Stripe contains essential Cardholder and account information.

Marks: Names, logos, emblems, brands, service marks, trademarks, trade names, tag lines or other proprietary designations.

Mastercard Account Status Inquiry Service Fee: Zero dollar Account Status Inquiry Service requests (including AVS, CVC2 or both).

Mastercard CVC2 Fee: A fee assessed for transactions acquired in the U.S. Region with the CVC2 (Three digit code on the back of the Mastercard issued card) included in the transaction for authorization and where the CVC2 response value equals 'M' (Match) or 'N' (Invalid/did not match). The fee will not be applied to Account Status Inquiry (ASI) requests.

Mastercard Digital Enablement Fee: A fee assessed by Mastercard on select Card Not Present transactions.

Media: The documentation of monetary transactions (i.e., Sales Drafts, Credit Drafts, computer printouts, etc.)

Merchant Identification Card: A plastic embossed card supplied to each merchant to be used for imprinting information to be submitted with each batch of paper Sales Drafts. Embossed data includes Merchant Identification Number, name and sometimes merchant ID code and terminal number.

Merchant Identification Number: A number that numerically identifies each merchant location, outlet, or line of business to the Processor for accounting and billing purposes.

Merchant Processing Application ("MPA"): The Merchant Processing Application and Agreement executed by Client, which is one of the documents comprising the Agreement.

Merchant Provider: Any Person engaged by you to provide services to you involving or relating to (i) access to Cardholder data, transaction data or information related to either Cardholder data or transaction data or (ii) PIN encryption, including without limitation, Encryption Service Organizations (ESOs).

Mitigation Service: A service provided to a cardholder whose information is the subject of a Data Incident, where the primary purpose of the service is to mitigate the effects of the Data Incident, including identity theft education and assistance and credit monitoring.

Non-Bank Services: Products and/or Services for which Bank is not responsible, or a party to, including American Express EDC Transactions, PIN Debit Card, and Electronic Benefits Transfer Transactions, TeleCheck Check Services, Gift Card Services and Transactions involving Cards from other Non-Bank Card Organizations, such as Voyager Fleet Systems, Inc., WEX, Inc. and WEX Bank, Discover, PayPal, Leasing, TransArmor, Fraud Services, Wireless, Payeezy Gateway Services, and other items as may be indicated in this Program Guide.

Non-PIN Debit Card: A device with either a Visa, Mastercard or Discover Mark that is tied to a Cardholder's bank account or a prepaid account and which is processed without the use of a PIN.

Non-Qualified Interchange Fee: The difference between the interchange fee associated with the anticipated interchange program and the

interchange fee associated with the more costly interchange level at which the transaction actually was processed.

Non-Qualified Surcharge: A surcharge applied to any transaction that fails to qualify for the anticipated interchange program and is therefore downgraded to a more costly interchange level. The Non-Qualified Surcharge (the amount of which is set forth on the Service Fee Schedule) is in addition to the Non-Qualified Interchange Fee, which is also your responsibility (see above and Section 5.1).

Operating Procedures: The information prepared by Processor, containing operational procedures, instructions and other directives relating to Card transactions. The current Operating Procedures are set forth in Part B of the Program Guide.

PAN Truncation: A procedure by which a Cardholder's copy of a Sales Draft or Credit Draft, or as required by applicable law, the Sales Draft or Credit Draft that you retain, will only reflect the last four digits of the Card account number.

Person: A third party individual or Entity, other than the Client, Processor or Bank.

PIN: A Personal Identification Number entered by the Cardholder to submit a PIN Debit Card transaction.

PIN Debit Card: A device bearing the Marks of ATM networks (such as NYCE, Star) used at a merchant location by means of a Cardholder-entered PIN in the merchant PIN Pad.

PIN Debit Banks: The PIN Debit Bank(s) identified on the Application signed by you that is/ are the sponsoring or acquiring bank(s) for certain PIN Debit networks.

PINless Transaction: A PIN Debit transaction using a Debit Card that does not require the Cardholder to enter a PIN. .

Point of Sale (POS) Terminal: A device placed in a merchant location which is connected to the Processor's system via telephone lines and is designed to authorize, record and transmit settlement data by electronic means for all sales transactions with Processor.

Processor: The entity identified on the Application (other than the Bank) which provides certain services under the Agreement.

Program Guide (also known as the Merchant Services Program Terms and Conditions): The booklet which contains Operating Procedures, General Terms, Third Party Agreements, and Confirmation Page, which, together with the Application and the Schedules thereto and documents incorporated therein, constitute your Agreement with Processor and Bank.

Recurring Payment Indicator: A value used to identify transactions for which a Cardholder provides permission to a merchant to bill the Cardholder's Card account at either a predetermined interval or as agreed by the Cardholder for recurring goods or services.

Referral: A message received from an Issuer when an attempt for Authorization requires a call to the Voice Authorization Center or Voice Response Unit (VRU).

Reserve: Monies held by us in order to secure or fund your obligations with us.

Reserve Account: An account established and funded at our request or on behalf, pursuant to Section 11 of the Agreement.

Resubmission: A transaction that the merchant originally processed as a Store and Forward transaction but received a soft denial from the respective debit network or Card Organization. The Resubmission transaction allows the merchant to attempt to obtain an approval for the soft denial, in which case Client assumes the risk that the transaction fails.

Retrieval Request/Transaction Documentation Request: A request for documentation related to a Card transaction such as a copy of a Sales Draft or other transaction source documents.

Revenue: Total fees for Services minus the amount of interchange,

assessments and other pass through fees paid by you and passed through to payment networks by us. Total fees for Services includes Credit Card and Non-PIN Debit processing fees, PIN debit, non-bank, chargeback and other fees listed in the Pricing Terms.

Rules: The rules, regulations, standards, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Card Organization and related authorities, including without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association (including, with respect to EBTs, the Quest Operating Rules).

Sales/Credit Summary: The identifying form used by a paper Submission merchant to indicate a Batch of Sales Drafts and Credit Drafts (usually one day's work). Not a Batch header, which is used by electronic merchants.

Sales Draft: Evidence of a purchase, rental or lease of goods or Services by a Cardholder from, and other payments to, Client using a Card, including preauthorized orders and recurring transactions (unless the context requires otherwise); regardless of whether the form of such evidence is in paper or electronic form or otherwise, all of which must conform to Card Organization Rules and applicable law.

Sales Volume: The total combined amount of Credit Card, PIN Debit and Non-PIN Debit (Mastercard, Visa, Discover and American Express) payment transactions processed by us minus any amounts attributable to returned items.

Schedules: The attachments, addenda and other documents, including revisions thereto, which may be incorporated into and made part of this Agreement concurrently with or after the date of this Agreement.

Self Service Terminals: A Customer Activated Terminal that accepts payment of goods or services such as prepaid cards or video rental, has electronic capability, and does not accept PIN's.

Servicers: Bank and Processor collectively. The words "we," "us" and "our" refer to Servicers, unless otherwise indicated in this Program Guide.

Services: The activities undertaken by Processor and/or Bank, as applicable to authorize, process and settle all United States Dollar denominated Visa, Mastercard, Discover, PayPal and American Express transactions undertaken by Cardholders at Client's location(s) in the United States, and all other activities necessary for Processor and Bank to perform the functions required by this Agreement for all other Cards covered by this Agreement. For the avoidance of doubt, and without limiting the foregoing, "Services" shall include any ancillary products or services provided to You by Processor and/or Bank in connection with this Agreement to the extent such products or services are not provided to you pursuant to a separate agreement with Processor and/or Bank.

Settlement Account: An account or accounts(s), unless otherwise agreed upon by the parties, at Wells Fargo Bank or one of its affiliates, designated as the account to be debited and credited by Processor or Bank for Card transactions, fees, chargebacks and other amounts due under the Agreement or in connection with the Agreement.

Signature Debit: A transaction using a Debit Card that requires the Cardholder to provide a signature rather than a PIN.

Split Dial: A process which allows the authorization terminal to dial directly to different Card Processors (e.g., American Express) for Authorization. In this instance, the merchant cannot be both EDC and Split Dial. Split Dial is also utilized for Check Guarantee companies.

Split Dial/Capture: Process which allows the Authorization terminal to dial directly to different Card processors (e.g., American Express) for Authorization and Electronic Draft Capture.

Store and Forward: A transaction that has been authorized by a merchant when the merchant cannot obtain an authorization while the customer is present, typically due to a communications failure. The merchant will store the transaction electronically in their host system and retransmit the transaction when communications have been restored.

Submission: The process of sending Batch deposits to Processor for

processing. This may be done electronically or by mail.

Summary Adjustment: An adjustment to your Submission and / or Settlement Accounts in order to correct errors. (See Sections 36.2. and 36.3.)

Telecommunication Card Sales: Individual local or long distance telephone calls, for which the telephone service provider is paid directly by use of a Card. These do not include, however, calls paid for with pre-paid telephone service cards. Telecommunication Card Sales are considered Card Not Present Sales.

Transaction Fees: Service costs charged to a merchant on a per transaction basis.

Us, We and Our: See Servicers.

You, Your: See Client.

42. ADDITIONAL IMPORTANT INFORMATION PERTAINING TO THIS ENTIRE AGREEMENT

42.1. Electronic Funding Authorization

All payments to Client shall be through the Automated Clearing House ("ACH") and shall normally be electronically transmitted directly to the Settlement Account you have designated or any successor account designated to receive provisional funding of Client's Card sales pursuant to the Agreement. Client agrees that any Settlement Account designated pursuant to the preceding sentence will be an account primarily used for business purposes. Neither Wells Fargo Bank, N.A. ("Wells Fargo Bank") nor Wells Fargo Merchant Services, L.L.C. can guarantee the timeframe in which payment may be credited by Client's financial institution where the Settlement Account is maintained.

Client hereby authorizes Wells Fargo Bank and its authorized representative, including Wells Fargo Merchant Services, L.L.C., to access information from the Settlement Account and to initiate credit and/or debit entries by bankwire or ACH transfer and to authorize your financial institution to block or to initiate, if necessary, reversing entries and adjustments for any original entries made to the Settlement Account and to authorize your financial institution to provide such access and to credit and/or debit or to block the same to such account. This authorization is without respect to the source of any funds in the Settlement Account, is irrevocable and coupled with an interest. This authority extends to any equipment rental or purchase agreements which may exist with Client as well as to any fees and assessments and Chargeback amounts of whatever kind or nature due to Wells Fargo Merchant Services, L.L.C. or Wells Fargo Bank under terms of this Agreement whether arising during or after termination of the Agreement. This authority is to remain in full force and effect at all times unless and until Wells Fargo Merchant Services, L.L.C. and Wells Fargo Bank have consented to its termination at such time and in such a manner as to afford them a reasonable opportunity to act on it. In addition, for each ACH which cannot be processed, and all subsequent funding may be suspended until Client either (i) notifies Wells Fargo Merchant Services, L.L.C. that ACH's can be processed or (ii) a new electronic funding agreement is signed by Client. Client's Settlement Account must be able to process or accept electronic transfers via ACH.

42.2. Funding Acknowledgement Automated Clearing House (ACH).

Automated Clearing House (ACH). I acknowledge that the funds for Mastercard, Visa and Discover, PayPal and American Express transactions will be processed and transferred to my Settlement Account within two (2) Business Days from the time a Batch is closed (by 11:00 p.m. PT) and within one (1) Business Day from the time the Batch is closed (by 11:00 p.m. PT) if such account is a Wells Fargo Settlement Account. The ACH transactions will appear on your statement as "Merchant Bnkcd".

42.3. Additional Fees and Early Termination

The fees for Services as shown on your pricing disclosure are based on the assumption that your Credit Card and Non-PIN Debit transactions will qualify at the anticipated interchange programs associated with your account.

If a transaction fails to qualify for your anticipated interchange programs, you will be billed a Non-Qualified Interchange Fee, plus a Non-Qualified Surcharge for each such non-qualifying transaction (see Section 5.1 and Glossary).

Your initial fees for Services are stated on your Application and may be adjusted from time to time to reflect:

- a. Any increases or decreases in the interchange and/or assessment portion of the fees,
- b. The appropriate interchange level as is consistent with the qualifying criteria of each transaction submitted by Client, and
- c. Increases in any applicable sales or telecommunications charges or taxes levied by any state, federal or local authority related to the delivery of the services provided by Wells Fargo Merchant Services, L.L.C. when such costs are included in the Service or other fixed fees.

In addition to the Debit Card transaction fees set forth on the Application, Client shall be responsible for the amount of any fees imposed upon a transaction by the applicable debit network.

A Monthly Minimum Processing Fee will be calculated beginning thirty (30) days after the date Client's Application is approved. (Refer to your pricing disclosures.)

Authorization Fees are charges that apply each time you communicate directly with Processor.

Authorization /EDC Fee applies to all Visa, Mastercard and Discover Card approvals (pre-authorizations, authorizations and authorization reversals), denials, batch inquiries, and batch entry transactions and includes any transaction fees and capture fees.

An equipment rental fee will be charged each month for each piece of equipment rented, plus tax as applicable. Client will be charged for actual shipping fees for equipment and cost of supplies.

The parties further agree and acknowledge that, in addition to any remedies contained herein or otherwise available under applicable law, if (a) Client breaches this Agreement by improperly terminating it prior to the expiration of the applicable term of the Agreement, (b) this Agreement is terminated prior to the expiration of the applicable term of the Agreement due to an Event of Default, or (c) the actual volume is materially less than the anticipated annual volume, then Servicers will suffer a substantial injury that is difficult or impossible to accurately estimate. Accordingly, in an effort to liquidate in advance the sum that should represent such damages, the parties have agreed that the amount calculated in the manner specified below (the "Early Termination Fee") is a reasonable pre-estimate of Servicers' probable loss. The Early Termination Fee shall be paid to SERVICERS within 7 days after Client's receipt of Servicers' calculation of the amount due.

The amount of the Early Termination Fee will be calculated as follows:

- (i) If the Client's total Sales Volume for the preceding 12 months* is less than One Million Dollars (\$1,000,000) there is no Early Termination Fee; or
- (ii) If the Client's total Sales Volume for the preceding 12 months* is greater than or equal to One Million Dollars (\$1,000,000) and the termination occurs during the initial term or any renewal term, then the Early Termination fee is Five Hundred Dollars (\$500.00) per location plus six (6) times the highest amount of Revenue in any single calendar month during the initial term or any renewal term.

* If you have been processing with us for less than 12 months, the early termination fee shall be calculated based on "Annualized Sales Volume" in lieu of "Sales Volume."

Client's obligation with respect to any Monthly Minimum Processing Fee will end when Servicers receive the aforementioned Early Termination Fee.

42.4. Addresses for Notices

PROCESSOR:

Wells Fargo Merchant Services, L.L.C.:

P.O. Box 6079
Concord, CA 94524
Attn: Sales Manager

BANK:

Wells Fargo Bank:

P.O. Box 6079
Concord, CA 94524
Attn: Merchant Services

Important Phone Numbers: (see also Sections 28.3 and 30.4)

Customer Service: 1-800-451-5817 press 2

Mastercard/Visa/Discover Authorization Center

1-800-626-4480

POS Help Desk: 1-800-622-0842

If this application for business credit is denied you may obtain a written statement of the specific reasons for the denial. To obtain the statement, please contact Credit Initiation, PO Box 6079, Concord, CA 94524, within sixty (60) days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within thirty (30) days of receiving your request.

Part III: Third Party Agreements

The following Agreements are Third Party Agreements entered into between Client and the Third Parties identified in the Third Party Agreements. If Client desires to receive the products and/or services offered under a Third Party Agreement, Client must check the appropriate box or otherwise indicate such desire in the Merchant Processing Application, in which case the terms and conditions of the Third Party Agreement shall be binding upon Client. The Signature page in the Merchant Processing Application or any Schedule thereto shall also serve as a signature page to the Third Party Agreements.

Client acknowledges that the Third Parties are relying upon the information contained on the Merchant Processing Application and the Schedules thereto, all of which are incorporated by reference into the Third Party Agreements.

1.0. TeleCheck Solutions Agreement

1. Services. TeleCheck will provide Client (also referred to as Company) with the Telecheck services indicated in the Merchant Processing Application and Agreement which may include: (i) coded information that it may use when deciding whether to accept a check or electronic funds transfer item (each an **Item**, and together, **Items**) when provided by its consumers as payment, (ii) settlement processing services and (iii) warranty or verification services; all as described in this Agreement (together, **Services**). TeleCheck will be Company's exclusive provider of the Services during the Term (defined below) of this Agreement. Company agrees to the terms of this Agreement by signing the Merchant Processing Application; clicking "Accept" or "Install" when presented via an App (as applicable and described below); or using any of the Services. Company acknowledges that the Specialty Items (Settlement Only) service does include receiving coded information, warranty or verification services.

1.1. Delivery by Application. If the TeleCheck Services are provided through TeleCheck's check acceptance application (**App**) that resides on a Clover® point of sale device (a **Device**), Company agrees that this Agreement will govern Company's access to and use of TeleCheck's Services on such App. Company's use of its Device is subject to its agreement with the supplier of the Device (and not TeleCheck), and this Agreement does not alter Company's agreement with its Device supplier. Company will comply with the terms of its agreement with the Device supplier; and warrants that it is authorized to install and use TeleCheck's App on the Device.

1.2. Submitting Items. Company will designate the types of Items it accepts and that it will submit to TeleCheck for processing under this Agreement as indicated on the Merchant Processing Application. Company must submit the Item to TeleCheck through the appropriate service. For example, checks presented in person by consumers at Company's point of sale can only be submitted through the In-Person Warranty (or Verification) service, checks sent through the mail to Company can only be submitted through the By Mail/Drop Box service. Company will submit all of its designated Items to TeleCheck for processing under this Agreement. Except for Items processed through the By Mail/Drop Box service, TeleCheck will analyze each Item that Company submits for processing and, in its discretion, provide Company with an approval or decline code with respect to each Item. TeleCheck will give Company operating guidelines and specifications, as applicable, to assist Company with properly accepting and submitting its Items for processing (operating guidelines and specifications may be provided to Company electronically or made available via the Internet).

1.3. Information Warranty. If Company has selected a warranty service in the Merchant Processing Application, TeleCheck warrants the accuracy of the information given in its approval code (the **Information Warranty**) when an Item meets the warranty requirements described below. Items that satisfy TeleCheck's Information Warranty and meet the corresponding warranty requirements are **Eligible Items**. TeleCheck will purchase Eligible Items that are subsequently dishonored, returned, reversed, or otherwise not paid by a consumer's financial institution (these Items are **Return Items**). Company's sole remedy for a breach of TeleCheck's Information Warranty is the right to require TeleCheck to purchase an Eligible Item that became a Return Item. TeleCheck's liability to Company

for breach of its Information Warranty will not exceed the lesser of: (a) the amount of the Eligible Item, or (b) the Warranty Maximum set forth in the TeleCheck Service Application and Agreement. Company may accept Items that do not receive an approval code or that do not meet the warranty requirements (these Items are **Ineligible Items**); however, Ineligible Items are not covered under TeleCheck's Information Warranty and TeleCheck will not purchase them.

1.4. Warranty Requirements. Company represents and warrants that each Item it submits to TeleCheck for processing and coverage under the Information Warranty meets the following requirements:

A. General Requirements. The following apply to all Items unless otherwise specified:

- (1) the Item was submitted to TeleCheck for processing according to TeleCheck's operating guidelines and specifications, and Company obtained a single approval code for it;
- (2) the Item is drawn on the consumer's deposit account at a United States or Canadian financial institution (for example, and without limitation, money orders, cashier's checks, travelers checks, insurance checks, credit card checks, or non-first party Items are Ineligible Items);
- (3) the Item, or a clear image of the Item (if submitted using a mobile or other optical imaging device), shows the consumer's name, address, check number, and routing and account numbers in the MICR line (not applicable if the payment is online or over the phone);
- (4) the Item is a properly completed first party Item that is dated, payable to Company, made out for the amount due to Company for its goods or services, and signed by the consumer (not applicable if the payment is online or over the phone);
- (5) the consumer authorized debiting its account by electronic funds transfer or remotely created check for the amount of the Item (an **Authorization**) in accordance with TeleCheck's operating guidelines and specifications and the rules of the National Automated Clearinghouse Association (**NACHA Rules**), as applicable, for the services utilized;
- (6) the Item represents the consumer's payment obligation to Company for its goods or services, and has not been used in another transaction;
- (7) the amount of the Item (a) is for the price of Company's goods or services, (b) matches the amount submitted to TeleCheck for processing, and (c) does not exceed the Warranty Maximum;
- (8) the Item was not submitted as a split sale or in other ways to avoid these warranty requirements or the Warranty Maximum;
- (9) the Item is not for credit, cash, or payment on an account, debt, or Item already due to Company;
- (10) the Item does not pre-date or post-date the date of the transaction and corresponding inquiry to TeleCheck by more than 1 calendar day;
- (11) the transaction and corresponding Item are not subject to any stop payment, dispute or setoff right;
- (12) Company is not aware of anything that invalidates the Item, prevents its collection, or relieves the consumer from liability for it; and
- (13) Company provided the notices required by applicable Law (defined in **Section 21.1** below), authorizing TeleCheck to process the Item as an

electronic funds transfer or remotely created check and imposing (and authorizing such processing of) a fee for Return Items.

B. Requirements For In Person Payments: If a consumer presents a paper check in-person at Company's point of purchase location, in addition to those in **Section 1.4 A.** above the following requirements apply and must be followed in accordance with TeleCheck's operating guidelines and specifications: (a) the consumer signed an authorization to debit consumer's account and consumer's signature on the authorization reasonably matches the name imprinted on the Item; (b) the authorization must be clearly and conspicuously posted and a copy of the authorization must be provided to the consumer and (c) the Item must be voided and returned to the consumer after submission to TeleCheck for processing. If such in-person payment is approved as a paper check that cannot be settled as an electronic funds transfer, the additional requirements in Section 1.4 F below apply.

C. Requirements For Online Payments: If a consumer makes an online payment, the following requirements apply in addition to those in **Section 1.4 A** above: (a) the consumer electronically authorized the transaction in accordance with TeleCheck operating guidelines and specifications and **(b)** the payment website site authenticates the consumer's identity and uses appropriate site security and internet session security standards in accordance with the NACHA Rules.

D. Requirements For Phone Payments: If the consumer makes payment over the phone, the following requirements apply in addition to those in **Section 1.4 A.** above: (a) the consumer provided a telephonic authorization in accordance with TeleCheck operating guidelines and specifications; (b) the payment is not the result of Company initiating an unsolicited telephone call to consumer with which Company had no prior relationship; and (c) Company directly tape recorded the verbal telephonic authorization from consumer or, alternatively, Company sent the required written confirmation notice of the oral authorization to the consumer.

E. Requirements for Mail/Drop Box Checks: If the consumer provides a paper check which was mailed in or submitted in a drop box to Company, the requirements in **Section 1.4 A** above apply except (a) the check must be for payment that is not more than 60 days past due; (b) the check must not be post-dated or dated earlier than 20 days from the date of inquiry to TeleCheck; and (d) Company must securely store the check for at least 60 days following the corresponding payment transaction at which time it must be destroyed. Additionally, the consumer must not have notified Company that the check was not to be converted into an electronic funds transfer. If such mail/drop box check is approved as a paper check that cannot be settled as an electronic funds transfer, the additional requirements in **Section 1.4 F** below apply.

F. Requirements for Mobile Checks or any Checks Approved as Paper Only. If TeleCheck approves an Item as a paper check that could not be settled as an electronic funds transfer (i.e. check is to be deposited by Company) or the check is submitted to TeleCheck as an image through a mobile device (either, a **Paper Settlement Item**), the following requirements apply in addition to those in **Section 1.4 A** above: (a) the check must include the consumer's name (imprinted by the manufacturer), physical address (imprinted by the manufacturer or written on the check according to TeleCheck's operating guidelines – P.O. Boxes will not be accepted), phone number (with area code), identification type and number (imprinted or written on check), Company's TeleCheck Subscriber Number and TeleCheck's approval code; (b) the consumer's signature must reasonably match the name imprinted on the check and (c) Company must send Paper Settlement Items that were presented in-person at Company's point of purchase and that become Return Items directly from its financial institution to TeleCheck within 30 days of the date on the check. If the Paper Settlement Item was mailed in or submitted in a drop box by the consumer to Company, or if the Item was presented by the consumer to Company and submitted through a mobile device by Company to TeleCheck, and subsequent to the transaction TeleCheck instructs Company to deposit the check (due to image quality issues (a **Redeposit Check Item**), Company must deposit the Redeposit Check Item within 2

days of TeleCheck's instruction to do so and TeleCheck must receive it for purchase within 45 days of the date on the check. Paper Settlement Items and Redeposit Check Items may only be presented once for payment (TeleCheck will not accept Paper Settlement Items or Redeposit Check Items that Company or its financial institution presented for payment more than once). In addition, Company must securely store the physical check for at least 60 days following the corresponding payment transaction.

1.5. Electronic Images. If the Item is submitted to TeleCheck by Company as an image using a mobile device or other image reader, the ability to settle imaged Eligible Items to the banking system depends on (a) the quality of the image and (b) the banking system's ability to accept the image for settlement processing. Company will use a third party provider to capture images of Items using a mobile device (this third party, an **Image Vendor**) and submit those images to TeleCheck. Company acknowledges that its Image Vendor will require some of Company's account information (including, without limitation, merchant account number, contact name, email address and device identifier) to submit Item images to TeleCheck; and authorizes TeleCheck to provide the Image Vendor with the information necessary to allow it to submit Item images to TeleCheck on behalf of Company. TeleCheck is not responsible for the image quality of Items submitted through Company's Image Vendor, or submission of the images by Company's Image Vendor to TeleCheck. Company will destroy the physical checks that were submitted as electronic images after storing them securely for at least 60 days.

1.6. Authorization. Company will maintain a copy of each consumer's Authorization for the longer of: (a) 2 years, or (b) the period of time required by the NACHA Rules. Company will provide TeleCheck with legible copies of Authorizations within 7 days of TeleCheck's request for them.

1.7. Assignment of Items. Company assigns all if its right, title, and interest in each Eligible Item that it submits to TeleCheck for warranty coverage when the Item becomes a Return Item. Company will reasonably aid TeleCheck in its enforcement of the rights associated with an assigned Eligible Item.

1.8. Processing Notices; Return Item Fees. Company will post, and provide consumers with, notices at the point of sale that are required to process Items using the Services and to collect fees on Return Items. Company will assess the highest fee amount allowed by applicable Laws on all Return Items, which TeleCheck may collect and retain from consumers.

1.9. "Goodwill" of an Ineligible Item. TeleCheck may elect to provide warranty coverage for an Ineligible Item that Company submits for processing. Providing warranty coverage for an Ineligible Item will not constitute a course of dealing, waiver of rights, or prevent TeleCheck from rejecting warranty coverage for any other Ineligible Items.

1.10. Updating Information. Company will promptly notify TeleCheck if (a) a consumer makes any payment to Company or returns any goods in connection with a Return Item that is subject to warranty coverage, or (b) Company cancels any services paid for by an Item that is subject to warranty coverage; both representing a full or partial satisfaction of the Return Item. Company's notice of payment or cancellation of services will identify the consumer.

1.11. Chargeback. TeleCheck may chargeback any Eligible Item that it purchased from Company for coverage under the Information Warranty if:

- (1) the consumer returned the goods or services (in whole or in part) that were paid for with the Item;
- (2) Company has not delivered the goods or services that were paid for using the Item;
- (3) the Item is subject to any stop payment, dispute, or setoff;
- (4) the consumer makes full or partial payment to Company for the Item, or provides any form of security to ensure its payment;
- (5) the goods or services were initially delivered on credit or under a lease;

(6) the purchase transaction, the payment represented by the Item, or transferring the Item to TeleCheck (by assignment or otherwise) is void or invalid for any reason other than the consumer's bankruptcy;

(7) Company breaches the applicable warranty requirements for Eligible Items;

(8) Company submits multiple Items or duplicate Items related to the same transaction for processing (e.g., deposits a paper Item previously submitted for processing as an electronic Item without TeleCheck's direction to do so);

(9) Company does not submit its Items to TeleCheck for processing within 1 calendar day of the transaction date (for batch processing, Items must be submitted to TeleCheck for processing within 7 calendar days of the transaction date);

(10) the consumer disputes authorizing the Item, its validity, or the amount debited for it (except in the case of third party fraud committed with a consumer's check);

(11) the consumer's Authorization is incomplete or invalid;

(12) Company fails to provide TeleCheck with a legible copy of an Authorization within 7 days of a request for it; or

(13) Company breaches this Agreement, alters an Item or approval code, or submits an Item with Knowledge it is likely to become a Return Item.

Knowledge means facts or circumstances which, if known, would cause a merchant, using commercially reasonable judgment, to independently refuse to accept an Item (including, without limitation, splitting single transactions into smaller components or resubmitting Items that were previously denied).

Company will immediately notify TeleCheck if it has Knowledge that any of the above circumstances occur. Company will continue to be responsible for its chargebacks after termination of this Agreement. TeleCheck may chargeback any amounts that exceed the Warranty Maximum for an Eligible Item.

2. Non-Warranty Services.

2.1. If any of the verification services or the Specialty Items (Settlement Only) services are selected by Company in the Merchant Processing Application (**Non-Warranty Services**), TeleCheck will have no liability for any Item that is processed using the Non-Warranty Services that is subsequently returned, dishonored, reversed or otherwise unpaid, and does not warranty the checks processed using the Non-Warranty Services. There will be no payment to Company for any loss from transactions processed through the Non-Warranty Services. Company assumes all risks that Items accepted by Company may result in Return Items. Company will be fully responsible and liable to TeleCheck for all Return Items, regardless of the reason or timing. TeleCheck will deduct or offset all Return Items against any amounts to be paid to Company for Items to settled under this Agreement or, alternatively, TeleCheck may initiate debits to Company's Settlement Account (defined in Section 3.1 below) for all such Return Items.

2.2. Representations and Warranties. Company represents and warrants that each Item submitted under any of the Non-Warranty Services complies with the following, (a) the Item was submitted to TeleCheck in accordance with the TeleCheck's operating guidelines and specifications, (b) the consumer authorized debiting its account by electronic funds transfer or remotely created check for the amount of the Item in accordance with in accordance with the TeleCheck's operating guidelines and specifications and NACHA Rules including, without limitation, providing any necessary notices to consumer (not applicable to the Specialty Items (Settlement Only) services) and (c) the requirements in **Sections 1.4. B., C. and D** (as applicable to the type of Item presented) have been complied with.

3. Settlement.

3.1. Company will identify one or more bank accounts held in its name (each, a **Settlement Account**) that TeleCheck will use in connection

with the Services. Company authorizes TeleCheck to (a) initiate credits to the Settlement Account for proceeds that correspond to Company's transactions; (b) initiate debits to the Settlement Account for any amounts that may be owed or are required to be paid under this Agreement; (c) initiate the transaction to a consumer's deposit account on Company's behalf for Items that are owed to it; and (d) initiate adjustments related to the foregoing (including, without limitation, adjustments for chargebacks or partial adjustments). TeleCheck may initiate any transfer by Automated Clearing House (**ACH**) entry.

3.2. TeleCheck reserves the right to decline processing any Item.

TeleCheck will initiate a funds transfer for Company's transactions that were processed under this Agreement; less any amounts due from Company for fees, refunds, adjustments or its other obligations. TeleCheck will typically credit Company's settlement funds to its Settlement Account within 2 banking days once the transactions are finally submitted to TeleCheck for settlement processing.

3.3. TeleCheck may recover amounts associated with any adjustments for an Item that are made to the Settlement Account at Company's request or due to its error. TeleCheck may also recover amounts associated with any fees that a consumer paid to its financial institution because of these adjustments.

3.4. Company must promptly notify TeleCheck if it fails to receive any settlement funds or if there are any changes to the Settlement Account. Transfer of settlement funds may be delayed or misdirected if Company provides inaccurate information about, or fails to notify TeleCheck of changes to, the Settlement Account. TeleCheck is not responsible for settlement errors that arise if Company provides inaccurate information about, or fails to notify TeleCheck of changes to, the Settlement Account.

4. Financial Information. Company will promptly provide any financial or other information reasonably requested by TeleCheck to perform credit risk, security, qualification, and other reviews related to providing the Services, transactions submitted, fulfillment of obligations to TeleCheck, or the financial condition of Company. Company authorizes TeleCheck to obtain information from third parties when performing credit risk, security, qualification, and other reviews.

5. Notice of Material Changes. Company will provide TeleCheck with reasonable advance notice of any material change in the nature of Company's business (including, without limitation, any change to Company's operations that would materially affect its products sold, services provided, or the procedures it follows for payments acceptance). The failure to provide TeleCheck with this notice constitutes a material breach of this Agreement.

6. Company's Payment Obligations.

Fees. Company will pay TeleCheck for: (a) all fees and charges for the Services that are set forth in the TeleCheck Service Application and Agreement; (b) all Items that are charged back; (c) all adjustments required in connection with Company's transactions; and (d) all costs, liabilities, or other obligations imposed on TeleCheck by third parties as a result of transactions submitted by Company, its actions, or inactions.

6.1. Other Fees. Company will also pay TeleCheck for the following fees and charges for the Services (as applicable): (a) **Customer Requested Operator Call Fee** (also called **CROC** or **Voice Authorization Fee**), which is an additional \$2.50 fee per operator or Interactive Voice Response (IVR)-assisted call that Company initiates, but TeleCheck does not request; (b) **December Risk Surcharge**, which is an additional percentage charge added to the Inquiry Rate for each authorization inquiry in the month of December; (c) **Funding Report Fee**, which is a \$10.00 monthly fee to receive daily funding or weekly funding reports (the Funding Report Fee does not apply if TeleCheck provides the funding report monthly); (d) **Inquiry Rate**, which is the percentage rate that applies to the face amount of each Item (up to the Warranty Maximum) that Company submits to TeleCheck for authorization (whether or not TeleCheck issues an approval code for the Item); (e) **Monthly Minimum Fee**, which is the minimum aggregate amount of the Inquiry Rate fees that Company must pay on a monthly

basis (if the total Inquiry Rate fees for Company's Items submitted during any month is less than the Monthly Minimum Fee, then the Monthly Minimum Fee will apply); (f) **Monthly Processing Fee** is a monthly fee for handling Company's account; (g) **Special Handling Fee**, which is a \$5.00 fee applied when the following occur: (1) a chargeback of an Eligible Item, (2) an Item processed for payment must be corrected due to Subscriber's error or at Subscriber's request, or (3) TeleCheck elects (in its discretion) to process an Item that fails to meet the applicable warranty requirements, or that is a Return Item, as a "Goodwill" Item; (h) **Transaction Fee**, which is the additional per transaction charge for each Item that Company submits to TeleCheck for authorization or processing (whether or not TeleCheck issues an approval code for the Item); and (i) **Unauthorized Return Fee** is a fee applicable to any Item that is dishonored, returned, reversed, or otherwise not paid by the Consumer's financial institution for the reason that such Item is unauthorized by the Consumer.

6.2. Early Termination Fee. TeleCheck will suffer substantial injury, for which it would be difficult to determine damages, if Company breaches this Agreement or terminates it early in violation of the Agreement's terms. TeleCheck may recover damages equal to 90% of the aggregate Monthly Minimum Fees and Monthly Processing Fees that are payable for the unexpired portion of the then-current Term as an accurate reflection of these damages and realistic pre-estimate of TeleCheck's losses caused by an early termination of this Agreement.

7. Reserve.

7.1. TeleCheck may require Company to fund a cash reserve (**Reserve**) in an amount that reflects TeleCheck's assessment of risk, as it may determine in its discretion from time-to-time. The Reserve is a payment obligation of TeleCheck, established by holding back transaction proceeds or debiting the Settlement Account in order to potentially offset any obligations that Company may have to TeleCheck. The Reserve is not a segregated fund that Company may claim to own. TeleCheck is obligated to pay to Company any amounts remaining from the Reserve after all other then-current and contingent liabilities or obligations related to Company's payment transactions have expired.

7.2. The obligations due to Company from the Reserve will not accrue interest unless required by applicable Laws.

7.3. TeleCheck will notify Company if a Reserve is established (including its amount) or if the amount of the Reserve is modified.

7.4. TeleCheck may set off any obligations that Company owes to TeleCheck from the Reserve.

7.5 Although Company acknowledges that the Reserve is a general obligation of TeleCheck, and not a specifically identifiable fund, if any person claims that the Reserve is an asset of Company that is held by TeleCheck, Company grants and acknowledges that TeleCheck have a security interest in the Reserve and, at TeleCheck request, will provide documentation to reflect this security interest.

8. Setoff and Priority. All funds that TeleCheck owes to Company under this Agreement are subject to Company's payment obligations under this Agreement. TeleCheck may setoff or recoup amounts Company owes to TeleCheck against any funds that TeleCheck owes to Company.

9. Statements, Reporting. TeleCheck will provide Company with statements or electronic reporting (together, **Statements**) reflecting the fees, settlement amounts, and other information related to the Services. Company must review the Statements and inform TeleCheck of any errors within 60 days following the date that the error was, or should have been, reported; provided, Company must report settlement or funding errors to TeleCheck within 30 days (reporting errors will enable TeleCheck to recover amounts or prevent them from continuing). TeleCheck will have no obligation to provide refunds for errors that Company reports more than 60 days or 30 days (as applicable) after the errors were, or should have been, reported. Company and TeleCheck will work together to resolve issues or disputes that arise in connection with the Statements, or the funds credited or debited to the Settlement Account.

10. Term. This Agreement begins on the earlier of the dates when Company signs its TeleCheck Services Application and Agreement, submits its first Item for processing under this Agreement, or when Company downloads the App (this date, the **Effective Date**). The length of this Agreement's initial term is designated in the TeleCheck Services Application and Agreement (Initial Term). This Agreement will automatically renew for successive one-year periods (each, a **Renewal Term**), unless TeleCheck or Company provides the other with at least 30 days' written notice of non-renewal at the end of the Initial Term. The Initial Term together with any Renewal Term(s) is the Term of this Agreement.

11. Termination; Modification; Suspension.

11.1. General Termination. Either Company or TeleCheck may terminate this Agreement by giving 30 days' advance notice if the other materially breaches this Agreement and fails to remedy the breach within 30 days of receiving notice of it. TeleCheck may terminate this Agreement upon written notice to Company for any reason (with or without cause) during its Term. If the Services are delivered through TeleCheck's App, Company may terminate this Agreement for any reason (with or without cause) during its Term by uninstalling the App. **11.2. Modification.** TeleCheck may modify this Agreement's terms (including, without limitation, its fees) upon 30 days' notice to Company, during which notice period Company may terminate this Agreement by providing written notice of termination to TeleCheck. Company's continued use of the Services after the 30 day period contained in a notice of modification from TeleCheck will constitute Company's acceptance of the new terms.

11.3 Suspension. TeleCheck may suspend its Services or settlement of any funds under this Agreement if it determines that questionable activity occurs with respect to Company's payment transactions (including, without limitation, if there are excessive Return Items associated with Company's Items, Company breaches the NACHA Rules, or if required by applicable laws. TeleCheck may also suspend or terminate its Services if requested by its Originating Financial Depository Institution.

12. Confidential Information.

12.1. Confidentiality. Neither party will disclose non-public information about the other party's business (including, without limitation, the terms of this Agreement, technical specifications, customer lists, or information relating to a party's operational, strategic, or financial matters) (together, **Confidential Information**). Confidential Information does not include information that: (1) is or subsequently becomes publicly available (through no fault of the recipient); (2) the recipient lawfully possesses before its disclosure; (3) is independently developed without reliance on the discloser's Confidential Information; or (4) is received from a third party that is not obligated to keep it confidential. Each party will implement and maintain reasonable safeguards to protect the other party's Confidential Information.

12.2. Disclosure. The recipient may disclose the other party's Confidential Information: (1) to its directors, officers, personnel, and representatives (including those of its subsidiaries, affiliates, subcontractors or vendors) that need to know it in connection with the recipient's performance under this Agreement, and are bound by confidentiality obligations materially similar to those required under this Agreement; and (2) in response to a subpoena, court order, or as required under applicable Laws or NACHA Rules.

13. Data Use; Security.

13.1. Data Use. TeleCheck owns all right, title and interest in the data it obtains from providing the Services to Company.

13.2 Data Security. Company will implement commercially reasonable practices, including administrative, physical and technical safeguards, that are designed to: (a) maintain the security and confidentiality of Consumer Information, (b) protect against reasonably anticipated threats to the security or integrity of Consumer Information, and (c) protect against unauthorized access to or use of Consumer Information that could result in substantial harm or inconvenience to the consumer. Consumer Information is customer information Company receives in connection with

any transaction contemplated by this Agreement.

14. License to Marks. TeleCheck grants Company a limited, non-exclusive, non-transferrable, non-sublicensable, royalty-free license to use the trademarks, service marks and logos (together, **Marks**) that TeleCheck provides to Company during the Term of this Agreement. Company (a) may use the Marks only in the United States; (b) may use the Marks only in connection with its use of the Services; (c) will follow the branding guidelines that TeleCheck provides or makes available from time-to-time; and (d) will not use materials containing the Marks without TeleCheck's prior written permission. Company will not otherwise distribute, lease, sublicense, sell, modify, copy or create derivative works from the Marks. TeleCheck reserves to itself all right, title, interest or license (express or implied) to the Marks that are not specifically granted to Company under this Agreement; and may suspend or terminate this license upon written notice to Company.

15. Indemnification. Company will indemnify, defend, and hold TeleCheck harmless for all losses, damages, costs, or expenses (including reasonable attorney's fees) claimed against it by third parties, which arise from Company's gross negligence, willful misconduct, or breach under this Agreement.

16. Exclusion of Damages. Neither party will be liable to the other for lost profits, revenues or business opportunities, nor any exemplary, punitive, special, indirect, incidental, or consequential damages (whether any are direct or indirect); regardless of whether these damages were foreseeable or either party was advised they were possible.

17. Limitation of Liability. TeleCheck' aggregate liability to Company for losses arising from any cause (regardless of the form of action or legal theory) in connection with this Agreement will be limited to \$75,000.00

18. Notices. Written notices (other than normal operations) required under this Agreement will be sent by certified mail or national courier (with tracking and delivery confirmation). TeleCheck may also provide written notices required under this Agreement by regular mail. Notices will be effective upon receipt. Notices to Company will be sent to the address it provides on the TeleCheck Service Application and Agreement. Notices to TeleCheck will be sent to: TeleCheck Services, Inc., Attn: TeleCheck Merchant Services, Mail Stop A-12, 7301 Pacific Street, Omaha, NE 68114; with copies to TeleCheck Services, Inc., Attn: General Counsel's Office, 3975 N.W. 120th Avenue, Coral Springs, FL 33065 and legalpapers@firstdata.com

19. Third Party Beneficiaries. There are no third party beneficiaries to this Agreement other than TeleCheck' subsidiaries and affiliates involved in providing the Services to Company. Each party is responsible for the performance of any third parties it uses in connection with the Services, and their compliance with the terms of this Agreement. TeleCheck is not responsible or liable to Company for any errors or breaches of this Agreement that occur because of Company's third party providers (e.g., without limitation, issues that arise from ACH network participants, or if Company uses third party providers or applications to capture electronic images of Items to submit to TeleCheck). TeleCheck may audit Company's compliance with this Agreement upon reasonable notice, during normal business hours, and at TeleCheck's expense; and as required by the NACHA Rules. TeleCheck's Originating Depository Financial Institution may also audit Company's compliance with this Agreement and the NACHA Rules.

20. Waivers. A party's delay or failure to exercise any of its rights under this Agreement will not be a waiver of those rights.

21. Compliance with Law, Choice of Law, Waiver of Jury Trial.

21.1. Compliance with Law. The parties will comply with all laws, regulations, and rules (including ACH's network rules, requirements, and standards; the **NACHA Rules**) (together **Laws**) that are applicable to their respective performance obligations under this Agreement. Company acknowledges that it is the Originator under the NACHA Rules with respect to its transactions and agrees to comply with its obligations as an Originator. Company certifies that it has a legitimate business need

for the information that TeleCheck provides through its Services, will use the information in connection with submitting payment transactions to TeleCheck for processing and for no other purpose, and will use the information only for permissible purposes under the Fair Credit Reporting Act (Company will not use TeleCheck's information for employment related purposes).

21.2 Choice of Law; Waiver of Jury Trial. This Agreement will be governed by New York law (without regard to its choice of law provisions). The courts of New York, New York will be the proper venue for legal proceedings brought in connection with this Agreement. **TeleCheck and Company each waive their right to a jury trial for claims arising in connection with this Agreement.**

21. Entire Agreement, Amendment, Counterparts. The defined term **Agreement** includes its schedules, addenda, and any amendments (capitalized terms used in the schedules, addenda, or amendments without definition will have the meanings given to them in this Agreement). This Agreement is the entire agreement between the parties and replaces any prior agreements or understandings (written or oral) with respect to its subject matter. Except as set forth in Section 11.2, modifications to this Agreement must be in writing, executed by the parties. This Agreement and any amendments may be executed electronically and in counterparts, each of which constitutes one agreement when taken together. Electronic and other copies of the executed Agreement are valid.

22. Assignment. Company may not assign this Agreement without TeleCheck's written consent. TeleCheck may assign this Agreement upon notice to Company. This Agreement will be enforceable against a party's permitted successors or assigns. This Agreement may not be continued, assumed, or assigned in the event of a bankruptcy or other insolvency event without consent from the non-bankrupt or insolvent parties.

Wells Fargo Merchant Services, L.L.C. - ("WFMS") - Pricing Terms
CITY OF PALO ALTO / HQ 226027400994
Proposal Date: 07/28/2020
Account Manager: Sandy Santomauro

Assumptions

Annual Card Processing Volume (Visa®, MasterCard®, Discover® Network Card, and American Express EDC)	\$26,302,452
Average Transaction Size	\$555
Number of Locations	4
Anticipated Interchange ¹¹ Levels	Internet: 020 089/077/317 Petroleum Credit/CPS Automated Fuel Dispenser: 145 024/035/309 Retail: 001 009/023/310
MCC Code	Various - Refer to "Additional Notes" Section of Pricing Terms
MCC Description	Various - Refer to "Additional Notes" Section of Pricing Terms
American Express® Industry Type	N/A
Discover® Network Card Program	Yes
Communications Method	line charges quoted separately
Gateway	Frame Relay / IPN
Pricing Option	PayPal Payflow Pro
	Interchange + Assessments + Rate

Credit Card Processing Fees ¹
Interchange Plus the Following Fees:

0.075% On Gross Visa®, MasterCard®, Discover® Network Card and American Express Sales

PIN Debit & Electronic Benefits Transfer (EBT) Processing Fees

PIN DEBIT NOT ENTITLED

EBT NOT ENTITLED

Applicable PIN Debit Network, Switch, Service and Administrative fees are passed through on all PIN Debit transactions (completed and declined). Applicable PIN Debit Network Interchange fees are passed through on completed PIN Debit transactions only.

Applicable Fee Schedules:

Payment Networks Qualification Matrix <https://www.wellsfargo.com/biz/creditinterchangeplus>

Payment Networks Pass-Through Fees <https://www.wellsfargo.com/biz/merchantpassthroughfees>

Wells Fargo Fixed Acquirer Network Fee for Visa® Accepting Merchants <https://www.wellsfargo.com/visanetworkfee>

PIN Debit Networks Fee Schedule (if applicable) <https://www.wellsfargo.com/biz/merchantdebitfees>

Dues, assessments and pass-through fees are disclosed in the schedules above.

Fee schedules are updated periodically. To obtain the current applicable fee schedules, please refer to the URLs above for more information. If you do not have internet access, please contact your Merchant Card Representative and request that a copy of the applicable fee schedules be mailed or faxed to you.

As noted in your Merchant Agreement, Payment Networks change their rates/fees from time to time. They are likely to revise rates/fees in April and October, but this timing is subject to change. To learn more about impacts to fee schedules resulting from Payment Network changes, please visit the URLs above or request an updated schedule.

Other Processing Fees

Set-Up Fee	\$	-	per location
Monthly Minimum Processing Fee ⁹	\$	-	per month
Chargeback Fee ²	\$	15.00	per chargeback
Monthly Service Fee (per location)	\$	-	per month
Statement Billing Fee (Paper Statement) ⁷	\$	-	per month
ACH Reject Fee	\$	10.00	per reject
Voice Authorization Fee	\$	0.75	per attempt
Annual Fee	\$	-	per location
Authorization/EDC Fee - Visa, MasterCard, Discover Network Card (Credit and Non-PIN Debit) ³		N/A	per attempt
Authorization/EDC Fee - American Express (Credit and Prepaid) ³		N/A	per attempt
Interchange Clearing Fee ¹²			
Applies to Visa, MasterCard, Discover Network Card (Credit and Non-PIN Debit) and American Express (Credit and Prepaid)		N/A	on gross sales volume
Electronic Address Verification Service Fee	\$	0.01	per attempt
Voice (Manual) Address Verification Fee	\$	2.00	per attempt
Annual Compliance Support Fee ⁵	\$	-	per location
PCI Compliance Service Program Fee ⁸	\$	-	per month, per location
Non-validation PCI Compliance Fee ⁸	\$	25.00	per month, per location
Foreign Handling Fee (on non-US issued Visa/MasterCard transactions/sales)		0.10%	per transaction amount

Initial Below

DS
ES

Principal Name 1
Ed Shikada

Principal Name 2

Principal Name 3

Principal Name 4

CITY ATTORNEY'S OFFICE
APPROVED AS TO FORM
SIGNATURE *Cassie Coleman*
DATE 10/1/2020

Wells Fargo Merchant Services, L.L.C. ("WFMS") - Pricing Terms

CITY OF PALO ALTO / HQ 226027400994

Proposal Date: 07/28/2020

Account Manager: Sandy Santomauro

Assumptions

Annual Card Processing Volume		\$26,302,452
(Visa®, MasterCard®, Discover® Network Card, and American Express EDC)		
Average Transaction Size		\$555
Number of Locations		4
Anticipated Interchange ¹¹ Levels	Internet: 020 089/077/317	
	Petroleum Credit/CPS Automated Fuel Dispenser: 145 024/035/309	
	Retail: 001 009/023/310	
MCC Code	Various - Refer to "Additional Notes" Section of Pricing Terms	
MCC Description	Various - Refer to "Additional Notes" Section of Pricing Terms	
American Express® Industry Type		N/A
Discover® Network Card Program		Yes
Communications Method	line charges quoted separately	Frame Relay / IPN
Gateway		PayPal Payflow Pro
Pricing Option		Interchange + Assessments + Rate

Other Processing Fees Continued

American Express EDC and Discover EDC Authorization ⁶	\$	0.12 per attempt
American Express EDC and Discover EDC Capture	\$	0.03 per attempt
Terminal Reprogramming Fee (Terminal) - Applies to Customer Owned Terminals Only	\$	75.00 per unit
Terminal Reprogramming Fee - Integrated Terminal - Applies to Customer Owned Integrated Terminals Only	\$	150.00 per unit
Security Swap Fee for PIN Debit - Applies to Customer Owned PIN Pads Only	\$	75.00 per unit
Card Imprinter Option		N/A
Rush Shipping Option		N/A

1) Clients may elect to participate in the Discover Network Card program or the Discover EDC program, but not both. Under the "Discover Network Card program," Clients receive all Discover-related authorization, processing and settlement services from WFMS. Under the "Discover EDC program," Clients enter into a direct agreement with Discover, and WFMS provides only authorization and capture services related to Discover Network Cards. Clients may also elect to participate in the American Express program or the American Express EDC program, but not both. Under the "American Express program," Clients receive all American Express-related authorization, processing and settlement services from WFMS. Under the "American Express EDC program," Clients enter into a direct agreement with American Express, and WFMS provides only authorization and capture services related to American Express Cards. In all cases, any services provided by WFMS for Discover and American Express transactions are subject to the terms of Client's Agreement with WFMS.

2) Client acknowledges and understands that an authorization only indicates the availability of the Cardholder's credit at the time the authorization is requested. It does not warrant that the person presenting the card is the rightful Cardholder, nor is it an unconditional promise or guarantee that Client will not be subject to a chargeback or debit.

3) Authorization/EDC Fee applies to Visa and Discover Network Card credit authorizations, all Visa, MasterCard, Discover Network Card and American Express approvals (pre-authorizations, authorizations and authorization reversals), denials, batch inquiries, batch entry transactions and includes any transaction fees and capture fees. This fee does not apply to Discover EDC and American Express EDC.

5) The Annual Compliance Support Fee will be assessed and deducted from Client's Settlement Account at each anniversary date after the effective date.

6) American Express EDC/Discover EDC Authorization Fees apply to all approvals (pre-authorizations, authorizations and authorization reversals), denials, batch inquiries and batch entry transactions.

7) The monthly Statement Billing Fee can be waived if Client elects to access the monthly statement online instead of receiving a paper copy by mail. After Business Track access has been activated, please contact Customer Service at 1-800-451-5817 to request that paper statements no longer be mailed. If Business Track access is terminated by Client or as a result of inactivity, paper statements will be reinstated with the applicable monthly Statement Billing Fee. Enroll anytime at businesstrack.com.

8) The monthly PCI Compliance Service Program Fee and Non-validation PCI Compliance Fee are part of the mandatory PCI Compliance Service Program. These fees apply to Level 4 Clients who utilize a gateway or value added reseller (VAR). The program includes access to TrustKeeper, a Trustwave PCI Compliance solution to help Client comply with the Payment Card Industry Data Security Standards (PCI DSS) requirements. Clients are required to register and complete a PCI DSS certification process by visiting <https://pci.trustwave.com/wellsfargo>. If Client does not comply or fails the PCI DSS certification process, Client will be charged a monthly Non-validation PCI Compliance Fee until the account becomes compliant.

9) If the total discount fee billed to the Client for Visa, MasterCard, Discover Network Card and American Express transactions in one month is less than the Monthly Minimum Processing Fee, then an additional fee will be charged to the Client equal to the Monthly Minimum Processing Fee less the total discount fee.

11) American Express charges Program Pricing fees and not interchange. Program Pricing fees and interchange fees are subject to change.

12) The Interchange Clearing Fee (ICF) will be charged on transactions that may be considered higher risk and/or are processed at a higher expense level. These types of transactions can be identified on Client's Payment Networks Qualification Matrix by looking at the "ICF applies" column. If the interchange program level has been identified by a "YES" in this column, then the ICF will apply to that type of transaction.

Initial Below

Principal Name 1
Ed Shikada

Principal Name 2

Principal Name 3

Principal Name 4

CITY ATTORNEY'S OFFICE

APPROVED AS TO FORM

SIGNATURE *Lisa Coleman*

DATE 10/1/2020

Wells Fargo Merchant Services, L.L.C. ("WFMS") - Pricing Terms

CITY OF PALO ALTO / HQ 226027400994

Proposal Date: 07/28/2020

Account Manager: Sandy Santomauro

Assumptions

Annual Card Processing Volume (Visa®, MasterCard®, Discover® Network Card, and American Express EDC)	\$26,302,452
Average Transaction Size	\$555
Number of Locations	4
Anticipated Interchange ¹¹ Levels	Internet: 020 089/077/317 Petroleum Credit/CPS Automated Fuel Dispenser: 145 024/035/309 Retail: 001 009/023/310
MCC Code	Various - Refer to "Additional Notes" Section of Pricing Terms
MCC Description	Various - Refer to "Additional Notes" Section of Pricing Terms
American Express® Industry Type	N/A
Discover® Network Card Program	Yes
Communications Method	line charges quoted separately Frame Relay / IPN
Gateway	PayPal Payflow Pro
Pricing Option	Interchange + Assessments + Rate

If Client has selected to accept TeleCheck Services, see Part III - Section 1 of the Program Guide for the terms and conditions. If applicable, the Additional Services page will contain the fees and rates billed to Client by TeleCheck.

If Client does not follow proper authorization procedures, a \$50 chargeback handling fee will be assessed on MasterCard transactions.

American Express may charge Client an excessive disputes fee in the amount of \$5 for each Disputed Charge if Client is in American Express' Immediate Chargeback Program or \$15 for each Disputed Charge if Client is not in the Immediate Chargeback Program.

Client is responsible for any charges assessed by outside third parties that are not disclosed on the proposal. To the extent that this pricing proposal includes pricing for third party products and services, WFMS disclaims legal liability and responsibility for said products and services. Client's agreement with the third party provider shall govern Client's relationship with the third party provider. In the event that WFMS is billed for the third party's services, Client will reimburse WFMS for such services.

Client acknowledges and understands that WFMS shall have no responsibility or liability for any third party hardware or software procured and used by Client. To the extent Client has any issues, concerns or liability related to such hardware or software, Client must deal directly with the third party provider from whom Client procured the hardware or software. In no event will WFMS be responsible for any indirect, incidental or consequential damages that Client may incur as a result of using any third party hardware or software.

WFMS' proposal and associated pricing is based on the information provided. Any difference to our stated understanding may affect the proposed pricing. Without a signed agreement, this proposal expires 60 days from the proposal date stated above.

See Section 42.3 of the Program Guide for early termination fees.

Rounding. In the event the amount being billed to Client for any line item on this pricing proposal includes a total ending in less than a full cent, WFMS will either round such amount up or down to the nearest cent.

Fees for supplies, shipping, handling, and applicable sales tax may apply and are subject to change without notice. Additional information is available upon request.

By acknowledging these Pricing Terms, Client is expressly agreeing that WFMS may share all of Client's personally identifiable information (for example, postal and email addresses, tax identification numbers, names and social security numbers of the authorized signer on the Client's Agreement with WFMS, account information, etc.), as well as Client's American Express transaction information (for example, all information required by American Express evidencing charges or credits, including information obtained at the point of sale, information obtained or generated during authorization and settlement, and any chargeback or other fee information related to an American Express payment card transaction), with American Express. American Express may use and share this information to perform its responsibilities in connection with the American Express payment card acceptance services that Client receives under the Client's Agreement with WFMS. American Express may also use and share this information to promote the American Express Network, to perform analytics and create reports, and for any other lawful business purpose including to call Client or send Client communications or materials via direct mail, email, SMS, text or facsimile regarding American Express products, services and resources available to Client. Client consents and agrees to receive autodialed, automated and/or prerecorded calls and communications (which may include SMS or text messages) at the telephone number(s) Client has provided. If Client has provided a fax number, Client consents and agrees to receiving fax communications from American Express. In connection with the foregoing, Client understands that the calls made or communications sent to Client by American Express may be subject to charges or fees by Client's telecommunications or other applicable service provider that are Client's responsibility to pay. If Client does not wish to receive marketing or other communications from American Express, or if Client wishes to discontinue accepting American Express payment cards, Client must contact WFMS at 1-800-451-5817 to disable Client's American Express acceptance services, and Client will no longer be permitted to accept American Express payment cards.

Initial Below

Principal Name 1
Ed ShikadaDS
ES

Principal Name 2

Principal Name 3

Principal Name 4

CITY ATTORNEY'S OFFICE
APPROVED AS TO FORM
SIGNATURE *Cassie Coleman*
DATE 10/1/2020

Wells Fargo Merchant Services, L.L.C. ("WFMS") - Pricing Terms

CITY OF PALO ALTO / HQ 226027400994

Proposal Date: 07/28/2020

Account Manager: Sandy Santomauro

Assumptions

Annual Card Processing Volume		
(Visa®, MasterCard®, Discover® Network Card, and American Express EDC)		\$26,302,452
Average Transaction Size		\$555
Number of Locations		4
Anticipated Interchange ¹¹ Levels		
	Internet: 020 089/077/317	
	Petroleum Credit/CPS Automated Fuel Dispenser: 145 024/035/309	
	Retail: 001 009/023/310	
MCC Code	Various - Refer to "Additional Notes" Section of Pricing Terms	
MCC Description	Various - Refer to "Additional Notes" Section of Pricing Terms	
American Express® Industry Type		N/A
Discover® Network Card Program		Yes
Communications Method	line charges quoted separately	Frame Relay / IPN
Gateway		PayPal Payflow Pro
Pricing Option		Interchange + Assessments + Rate

The Operating Procedures include summaries of some of the key rules and regulations from the Card Payment Networks that merchants must adhere to in connection with their card acceptance practices. For example, they describe the process for submitting card transactions for payment, obtaining authorizations, responding to chargebacks and media retrieval requests, and other aspects of our services. Client is required to comply with these Operating Procedures in addition to all other applicable payment network rules. THE OPERATING PROCEDURES ALSO INCLUDE ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO CLIENT'S AMERICAN EXPRESS CARD ACCEPTANCE. BY ACCEPTING AMERICAN EXPRESS CARDS AFTER THE EFFECTIVE DATE OF THESE PRICING TERMS, CLIENT IS EXPRESSLY AGREEING THAT THE TERMS AND CONDITIONS OF CLIENT'S AGREEMENT WITH WFMS, INCLUDING THE TERMS AND CONDITIONS OF THE OPERATING PROCEDURES, ALSO APPLY TO CLIENT'S AMERICAN EXPRESS ACCEPTANCE. To obtain the latest copy of the Operating Procedures that includes updates from American Express, please download them from this website: www.wellsfargo.com/merchantoperatingguide. Client may also contact WFMS at 1-800-451-5817 to request a paper copy of the Operating Procedures.

Additional Notes:

<u>MCC Code</u>	<u>MCC Description</u>
4900	UTILITIES-ELECTRIC, GAS, WATER
5542	AUTOMATED GASOLINE DISPENSERS
9399	GOVERNMENT SERVICES, NOT ELSEWHERE

I ACKNOWLEDGE THAT I SIMULTANEOUSLY HEREWITH HAVE RECEIVED AND REVIEWED PROGRAM GUIDE WFB2210 AND AGREE TO THE TERMS THEREIN.

Initial Below



Principal Name 1 Ed Shikada Principal Name 2 _____ Principal Name 3 _____ Principal Name 4 _____

CITY ATTORNEY'S OFFICE
APPROVED AS TO FORM
SIGNATURE _____
DATE _____

Processing Solutions

Type	Quantity	Financing Method	Total w/o TAX
------	----------	------------------	---------------

Initial Below



Principal Name 1 Ed Shikada Principal Name 2 _____ Principal Name 3 _____ Principal Name 4 _____

CITY ATTORNEY'S OFFICE
APPROVED AS TO FORM
SIGNATURE Lasse Coleman
DATE 10/1/2020

Signature Page Follows

Wells Fargo Merchant Services, L.L.C. - ("WFMS") - Pricing Terms

CITY OF PALO ALTO / HQ 226027400994

Proposal Date: 07/28/2020

Account Manager: Sandy Santomauro

Assumptions

Annual Card Processing Volume	
(Visa®, MasterCard®, Discover® Network Card, and American Express EDC)	\$26 302 452
Average Transaction Size	\$555
Number of Locations	4
Anticipated Interchange ¹ Levels	
	Internet: 020 089/077/317
	Petroleum Credit/CPS Automated Fuel Dispenser: 145 024/035/309
	Retail: 001 009/023/310
MCC Code	Various - Refer to "Additional Notes" Section of Pricing Terms
MCC Description	Various - Refer to "Additional Notes" Section of Pricing Terms
American Express® Industry Type	N/A
Discover® Network Card Program	Yes
Communications Method	Frame Relay / IPN
Gateway	PayPal Payflow Pro
Pricing Option	Interchange + Assessments + Rate

City of Palo Alto

IRS Legal Filing Name

CITY ATTORNEY'S OFFICE

APPROVED AS TO FORM

SIGNATURE *Cassie Coleman*

DATE 10/1/2020

Principal Name: Ed Shikada

Title: City Manager

Title:

Signature

DocuSigned by:
Ed Shikada

10/1/2020

Date:

Principal Name:

Title:

Signature

Date:

Principal Name:

Title:

Signature

Date:

Principal Name:

Title:

Signature

Date:

Wells Fargo Merchant Services, L.L.C., and Wells Fargo Bank, N.A. ("WFMS")

By:

Title:

Print Name:

Date:

Senior Vice President

Corby Gordon

10-1-20

Commercial Account Signature Card

I. Account Title(s)

Account #1 _____ CoID _____ (Internal Use Only)	Account #2 _____ CoID _____ (Internal Use Only)
Title Line 1 _____ (Customer's full legal name matching Customer's formation documents and TIN certification documentation- 40 characters max.)	Title Line 1 _____ (Customer's full legal name matching Customer's formation documents and TIN certification documentation- 40 characters max.)
Optional Account Title Lines (40 characters max per line.)	Optional Account Title Lines (40 characters max per line.)
Title Line 2 _____	Title Line 2 _____
Title Line 3 _____	Title Line 3 _____
Title Line 4 _____ (If applicable, enter DBA name on last available title line)	Title Line 4 _____ (If applicable, enter DBA name on last available title line)

II. Regulation GG Certification

Customer or any entity for which account(s) will be maintained (f/b/o) engaged in business of internet gambling?

☐ Yes

☐ No

III. Authorized Account Signers

#1

Signature _____	Printed Name _____	Position/Title _____
-----------------	--------------------	----------------------

Signer role-Please Select **one**. If no selection default will be limited signer. Refer to section IV for authority definitions.

☐ Limited Signer
 ☐ Authorized Agent
 ☐ Principal Officer/Key Executive
 ☐ Owner

If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____

#2

Signature _____	Printed Name _____	Position/Title _____
-----------------	--------------------	----------------------

Signer role-Please Select **one**. If no selection default will be limited signer. Refer to section IV for authority definitions.

☐ Limited Signer
 ☐ Authorized Agent
 ☐ Principal Officer/Key Executive
 ☐ Owner

If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____

#3

Signature _____	Printed Name _____	Position/Title _____
-----------------	--------------------	----------------------

Signer role-Please Select **one**. If no selection default will be limited signer. Refer to section IV for authority definitions.

☐ Limited Signer
 ☐ Authorized Agent
 ☐ Principal Officer/Key Executive
 ☐ Owner

If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____

#4

Signature _____	Printed Name _____	Position/Title _____
-----------------	--------------------	----------------------

Signer role-Please Select **one**. If no selection default will be limited signer. Refer to section IV for authority definitions.

☐ Limited Signer
 ☐ Authorized Agent
 ☐ Principal Officer/Key Executive
 ☐ Owner

If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____

IV. Customer Acknowledgement & Agreement

On behalf of the customer, I hereby certify, by my signature below, that each of the individuals designated in Section III above as

(a) a "Limited Signer" is authorized, acting alone, to (i) sign checks drawn on the account(s) and (ii) instruct Wells Fargo with respect to stop payment order(s).

(b) an "Authorized Agent" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means from the account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services.

(c) a "Principal Officer/ Key Executive" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means from the account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services. Additional information may be requested from all named Principal Officers/Key Executives according to Wells Fargo's customer due diligence policies.

(d) an "Owner" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means, including to personal and business account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services. Additional information may be requested from all named Owners according to Wells Fargo's customer due diligence policies.

Wells Fargo may obtain credit reports or other information about the customer. Wells Fargo may disclose information about each account to its affiliates, to credit reporting agencies, and to other persons or agencies that, in Wells Fargo's judgement, have a legitimate purpose for obtaining the information.

I acknowledge that the customer has received the Wells Fargo Commercial Account Agreement and agrees its terms and conditions, as amended from time to time, will govern the account(s).

Printed Name	Position/Title
Authorized Signature	Date

V. Taxpayer Certification

Please provide a copy of the most current version of IRS form W-9 or W-8. Tax forms are subject to review and withholding could apply if forms are incomplete or inaccurate.

☐ W-9 provided for U.S. Entity

Taxpayer Identification Number (TIN)

Enter your TIN on the appropriate line below. The TIN provided must belong to the Customer whose full legal name is provided in Section I, Title Line 1 and match the W-9 provided. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Form W-9 Part I instructions at www.irs.gov for additional information. For other entities, it is your employer identification number (EIN). The number provided below applies to all accounts listed on this signature card.

Social Security Number (SSN) _____ Employer Identification Number _____

☐ W-8 provided for non-U.S. Entity

Bank Use Only		
Banker Name	Banker Telephone	Banker MAC
AU	RAU	Officer #
Submitter Name		Submitter Phone #

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Authorization Certificate

Depository Accounts and Treasury Management Services

The undersigned hereby certifies that he or she is the duly appointed authorized representative of _____

(Account holder's complete legal entity/company name), a _____ (description of Account holder's business entity type) ("Customer"), with authority to act on behalf of Customer, and that the following are true and correct resolutions duly adopted by Customer, in accordance with its formation and governing documents, and that these resolutions have not been in any way altered, amended or rescinded, and are now in full force and effect:

The undersigned further certifies that any one of the following named persons, whose signatures are set forth opposite their names (and titles, if applicable):

Name	Title (if applicable)	Signature or Facsimile Signature ¹	Business Phone Number	Business Email Address
#1 _____	_____	X _____	X _____	X _____
#2 _____	_____	X _____	X _____	X _____
#3 _____	_____	X _____	X _____	X _____
#4 _____	_____	X _____	X _____	X _____
#5 _____	_____	X _____	X _____	X _____
#6 _____	_____	X _____	X _____	X _____

is individually authorized to, and to designate one or more other Customer officers, agents or employees (each such aforementioned person, officer or designee thereof is referred to herein as an "Authorized Representative") to: (a) open or close one or more deposit and/or securities accounts (the "Accounts") with Wells Fargo Bank, National Association ("Bank"); (b) execute and deliver in Customer's name such agreement(s) regarding the Accounts and the services related thereto as Bank may from time to time require; (c) authorize and execute transactions on the Accounts, including, without limitation, (i) signing checks and other instruments withdrawing funds from the Accounts, including those payable to cash or to persons who sign them, (ii) requesting funds transfers by Bank to and from the Accounts, (iii) entering into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries to and from the Accounts, and (iv) endorsing on behalf of Customer, and otherwise negotiating, checks and other items payable to Customer; (d) incur overdrafts and other obligations in the Accounts at Bank in connection with any of the products, services, or activities authorized by these resolutions; and (e) invest Customer's funds on such terms and conditions as such Authorized Representative deems appropriate.

Customer is authorized to enter into any other arrangements, agreements and documents with respect to any of Bank's deposit and treasury management products and services, in such form and on such terms and conditions as may be agreed to by an Authorized Representative signing such agreements and documents.

Customer shall be bound to Bank by, and Bank may rely upon, any communication or act, including telephone communications, purporting to be done by any partner, employee or agent of Customer provided that Bank believes, in good faith, that the same is done by a person authorized to so act.

The authority hereby conferred is in addition to that conferred by any other certificate heretofore or hereafter delivered to Bank and shall continue in full force and effect until Bank shall have received notice in writing from Customer of the revocation hereof. Any such revocation shall be effective only as to actions which are taken by Customer pursuant to the certifications contained herein, subsequent to Bank's receipt of such notice. The authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the execution of this certificate are hereby approved and ratified.

The undersigned further certify that the activities covered by the foregoing certifications constitute duly authorized activities of Customer; that said certifications are now in full force and effect; and that there is no provision in any document pursuant to which Customer is organized and/

¹ **Facsimile Signature/Logo.** Customer authorizes the use of facsimile signatures/logos in connection with its agreements with and instructions to Bank if the facsimile/logo is provided on this form. Customer agrees its use of the facsimile/logo will be governed by Bank's Commercial Account Agreement.

or which governs Customer's continued existence limiting the power of the undersigned to make the certifications set forth herein, and that the same are in conformity with the provisions of all such documents.

ACKNOWLEDGED & AGREED TO:

By/Signature: _____

Printed Name: _____

(this individual must be a duly appointed representative of the TIN of record)

Title (if applicable): _____

Date: _____

Tax Identification Number of Customer: _____

(TIN of the Account holder as assigned by the IRS)

Public Funds Customers Only: Unless Customer otherwise specifically instructs Bank in writing, Bank will consider each of the Authorized Representatives listed above to be an "Official Custodian" as referenced in 12 C.F.R. 330.15 for the purposes of calculating Customer's deposit insurance coverage.



Government Customer Certification

The undersigned certifies that he or she is the authorized representative of the Customer named below with the authority to act on behalf of the Customer and certifies that the information provided below is complete, correct, and in accordance with the Customer’s governing documents now in full force and effect.

Customer Information

Full Legal Name with no abbreviations (Must match the governing/organizational document(s) and TIN certification documentation)		
Registered Physical Business Address		
Tax Identification Number	TIN is shared with another entity? <input type="checkbox"/> Yes <input type="checkbox"/> No	State of Registration

Organizational Type (As indicated on the governing/organizational documentation - *Must Select One*)

<input type="checkbox"/> Government Entity	<input type="checkbox"/> Political Subdivision	<input type="checkbox"/> Government Agency
<input type="checkbox"/> Government Instrumentality (If selected, copy of Organizational documents required)	<input type="checkbox"/> Government Agency (For Public Colleges/Universities, copy of Organizational documents required)	

Key Principal(s) Information

The **Key Principals** and document **Signer** (below) must represent individuals who serve in the following capacity for the Customer:

Individuals with day-to-day or strategic control/management of the customer and responsibility for the supervision and quality of accounting and financial reporting of the customer.
(Examples include but are not limited to: *Head of the Executive Branch, Director, City Manager/County Manager, or their equivalent(s), Controller/Treasurer, Finance Director, or their equivalent(s), etc.*).

Legal Name	Title/Position	Personal Address	Date of Birth

Acknowledged & Agreed To

By/Signer

Printed Name

Title

Date

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____	<input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ►	Date ►
------------------	----------------------------	--------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual	Individual/sole proprietor or single-member LLC
• Sole proprietorship, or	
• Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	
• LLC treated as a partnership for U.S. federal tax purposes,	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or	
• LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Certificate Of Completion

Envelope Id: 0BD77910E7CB48F6A150C8FCEF27BA92	Status: Sent
Subject: Please DocuSign: Lockbox, Merchant, and Banking Services with City of Palo Alto	
Source Envelope:	
Document Pages: 364	Signatures: 0
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Josh Martinez
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	250 Hamilton Ave
	Palo Alto , CA 94301
	Josh.Martinez@CityofPaloAlto.org
	IP Address: 199.33.32.254

Record Tracking

Status: Original	Holder: Josh Martinez	Location: DocuSign
9/30/2020 2:08:33 PM	Josh.Martinez@CityofPaloAlto.org	
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: City of Palo Alto	Location: DocuSign

Signer Events

Signature	Timestamp
Uploaded paper with hand signature Signature Adoption: Signed on Paper Using IP Address: 159.45.22.19	Sent: 9/30/2020 4:01:55 PM Viewed: 10/1/2020 6:33:09 AM Signed: 10/1/2020 6:33:09 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Cassie Coleman cassie.coleman@cityofpaloalto.org Assistant City Attorney Security Level: Email, Account Authentication (None)	Sent: 10/1/2020 6:33:20 AM
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Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Ed Shikada
 Ed.Shikada@CityofPaloAlto.org
 Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Josh Martinez josh.martinez@cityofpaloalto.org Administrative Associate III City of Palo Alto Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign Renee Howard Renee.Howard@CityofPaloAlto.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign Tarun Narayan tarun.narayan@cityofpaloalto.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign Nelly Baumb Nelly.Baumb@CityofPaloAlto.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign Josh Martinez josh.martinez@cityofpaloalto.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign Dale Barton Dale.R.Barton@wellsfargo.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div>COPIED</div>	Sent: 10/1/2020 6:33:20 AM Viewed: 10/1/2020 7:30:14 AM

Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/1/2020 6:33:20 AM
Payment Events	Status	Timestamps

Certificate Of Completion

Envelope Id: 88344AA552084B94BE72CB721C5A4721

Status: Completed

Subject: Please DocuSign: Lockbox, Merchant, and Banking Services with City of Palo Alto

Source Envelope:

Document Pages: 182

Signatures: 14

Envelope Originator:

Certificate Pages: 2

Initials: 5

Josh Martinez

AutoNav: Enabled

250 Hamilton Ave

Enveloped Stamping: Enabled

Palo Alto , CA 94301

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Josh.Martinez@CityofPaloAlto.org

IP Address: 73.93.11.37

Record Tracking

Status: Original

Holder: Josh Martinez

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Josh.Martinez@CityofPaloAlto.org

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: City of Palo Alto

Location: DocuSign

Signer Events

Cassie Coleman

cassie.coleman@cityofpaloalto.org

Assistant City Attorney

Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

Cassie Coleman

4C65B94E51EA4F8...

Signature Adoption: Pre-selected Style

Using IP Address: 199.33.32.254

Timestamp

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Viewed: 10/1/2020 9:01:17 AM

Signed: 10/1/2020 9:19:54 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Ed Shikada

Ed.Shikada@CityofPaloAlto.org

Ed Shikada, City Manager

City of Palo Alto

Security Level: Email, Account Authentication (None)

DocuSigned by:

Ed Shikada

F2DCA19CCC8D4F9...

Signature Adoption: Pre-selected Style

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Signed: 10/1/2020 11:05:24 AM

Electronic Record and Signature Disclosure:

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In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Josh Martinez

josh.martinez@cityofpaloalto.org

Administrative Associate III

City of Palo Alto

Security Level: Email, Account Authentication (None)

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Resent: 10/1/2020 11:05:35 AM

Viewed: 10/1/2020 11:11:23 AM

Electronic Record and Signature Disclosure:

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Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	10/1/2020 11:05:32 AM
Signing Complete	Security Checked	10/1/2020 11:05:32 AM
Completed	Security Checked	10/1/2020 11:05:32 AM
Payment Events	Status	Timestamps