



SELECT GOVERNMENT MERCHANT PAYMENT INSTRUMENT PROCESSING AGREEMENT
(GOVERNMENT ENTITY-STATE OF TEXAS)

THIS SELECT GOVERNMENT MERCHANT PAYMENT INSTRUMENT PROCESSING AGREEMENT (the "Agreement") is dated as of the Effective Date, among **JPMorgan Chase Bank, N.A.**, a national banking association ("Member"), **Paymenttech, LLC**, a Delaware limited liability company ("Paymenttech", "we", or "us"), and _____, a _____ within the State of Texas ("Merchant", "you", or "your").

WHEREAS Member is a member of several Payment Brands and, through Member, Paymenttech is authorized to process the Transactions listed on Schedule A; and
WHEREAS Merchant wishes to accept Payment Instruments from its customers for the sale or lease of goods or services offered by Merchant;
ACCORDINGLY, in consideration of the mutual promises made and the mutual benefits to be derived from this Agreement, Paymenttech, Member, and Merchant agree to the following terms and conditions intending to be legally bound:

1. MERCHANT'S ACCEPTANCE OF PAYMENT INSTRUMENTS.

1.1 Exclusivity. Unless otherwise expressly agreed to in writing by Paymenttech to the contrary, you will tender to us Transaction Data generated from all your US Transactions via electronic data transmission according to our formats and procedures. You will not use the services of any bank, corporation, entity, or person other than Paymenttech for authorization or processing of Transactions throughout the term of this Agreement.

1.2 Certain Payment Acceptance Policies. Each Settled Transaction and Conveyed Transaction must be evidenced by a single Transaction Data record completed with (i) the Transaction date; (ii) a brief description of the goods or services sold, returned, or canceled; (iii) the price of the goods or services, including applicable taxes, or amount of any credit or adjustment; (iv) the Customer name; (v) your name in a manner recognizable to Customers; (vi) your address; (vii) a customer service telephone number; (viii) any applicable terms and conditions; and (ix) any other information required by the Payment Brand Rules. Unless specifically permitted under the Payment Brand Rules, you shall not impose any surcharge or finance charge on the Transaction or otherwise require the Customer to pay the fees payable by you under this Agreement. You shall not engage in any practice that unfavorably discriminates against or provides unequal treatment of the use of any Payment Brand over any other Payment Brand. You shall not set a dollar amount above or below which you refuse to honor otherwise valid Payment Instruments in violation of Payment Brand Rules. With respect to any Settled Transaction or Conveyed Transaction for which a Payment Instrument is not physically presented, such as in any on-line, mail, telephone, pre-authorized or recurring Transaction, you must (i) have notified us on your application or otherwise in writing of your intention to conduct such Transactions and secured our agreement to accept them; and (ii) have appropriate procedures in place to ensure that each Transaction is made to a purchaser who actually is the Customer. Notwithstanding the foregoing, you acknowledge that under certain Payment Brand Rules, you cannot rebut a Chargeback where the Customer disputes making the purchase without an electronic record (for example, "swiping", or "tapping" a Payment Instrument) or physical imprint of the Payment Instrument.

1.3 Operating Guide; Payment Brand Rules. You agree to comply with the operating guide attached to this Agreement, as we may amend it from time to time (the "Operating Guide"), and all Payment Brand Rules as may be applicable to you and in effect from time to time as published (on a website or otherwise) by any Payment Brand or of which you have been otherwise informed, and such other procedures as we may from time to time prescribe for the creation or transmission of Transaction Data. We may modify and supplement the Operating Guide in order to comply with requirements imposed by the Payment Brand Rules. You acknowledge that you have received a copy of the Operating Guide at or prior to your execution of this Agreement, and that you can also view the Operating Guide on-line at the Merchant Support Center of Paymenttech's website, http://www.chasepaymenttech.com/portal/community/chase_paymenttech/public_website/solutions/merchant_support_center. To the extent that the Operating Guide is inconsistent with the Payment Brand Rules, the Payment Brand Rules shall prevail.

1.4 Requirements for Certain Transactions. As to all Settled Transactions and Conveyed Transactions you tender to us for processing, you represent and warrant that, to the best of your knowledge:

- (1) The Transaction Data represents payment or refund of payment, for the bona fide sale or lease of the goods, services, or both, which you have provided in the ordinary course of your business, and the Transaction Data is not submitted on behalf of a third party.
- (2) The Transaction Data represents an obligation of the Customer for the amount of the Transaction.
- (3) The Transaction Data does not involve any element of credit for payment of a previously dishonored Payment Instrument or for any other purpose than payment for a current transaction and, except in the case of approved installment or pre-payment plans, the goods have been shipped or services actually rendered to the Customer.
- (4) The Transaction Data is free from any material alteration not authorized by the Customer.
- (5) The amount charged for the Transaction is not subject to any dispute, setoff, or counterclaim.
- (6) Neither you nor your employees has advanced any cash to the Customer (except as authorized by the Payment Brand Rules) or to yourself or to any of your representatives, agents, or employees in connection with the Transaction, nor have you accepted payment for effecting credits to a Customer.
- (7) The goods or services related to each Transaction are your sole property and you are free to sell them.
- (8) You have made no representations or agreements for the issuance of refunds except as it states in your return/cancellation policy, which has been previously submitted to us in writing as provided in Section 3, and which is available to the Customer.
- (9) Any transaction submitted to us to credit a Customer's account represents a refund or adjustment to a Transaction previously submitted to Paymenttech.
- (10) You have no knowledge or notice of information that would lead you to believe that the enforceability or collectibility of the subject Transaction Data is in any manner impaired. The Transaction Data is in compliance with all applicable laws, ordinances, and regulations. You have originated the Transaction Data in compliance with this Agreement and any applicable Payment Brand Rules.
- (11) For a Transaction where the Customer pays in installments or on a deferred payment plan, a Transaction Data record has been prepared separately for each installment transaction or deferred payment on the date(s) the Customer agreed to be charged. All installments and deferred payments, whether or not they have been submitted to us for processing, shall be deemed to be a part of the original Transaction.
- (12) You have not submitted any Transaction that you know or should have known to be either fraudulent, illegal, damaging to the Payment Brand(s), not authorized by the Customer, or otherwise in violation of any provision of this Agreement or Payment Brand Rules.

2. AUTHORIZATIONS.

2.1 Obtaining Authorizations. You are required to obtain authorization/approval codes through Paymenttech, in accordance with this Agreement, for all Transactions. You acknowledge that authorization/approval code of a Transaction indicates **only** (i) that the Payment Instrument contains a valid account number; and (ii) that the Customer's Payment Instrument has an available credit balance sufficient for the amount of the Transaction at the time the authorization is given, but it does not constitute a representation from us, a Payment Brand or a card issuing bank that a particular Transaction is in fact a valid or undisputed transaction entered into by the actual Customer.

2.2 Lack of Authorization. We reserve the right to refuse to process any Transaction Data presented by you (i) unless a proper authorization/approval code is recorded, (ii) if we reasonably determine that the Transaction Data is or will become uncollectible from the Customer to which the Transaction would otherwise be charged, or (iii) if we determine that the Transaction Data was prepared in violation of any provision of this Agreement or the Payment Brand Rules.

3. REFUNDS AND ADJUSTMENTS.

3.1 Disclosure of Refund Policy. You are required to maintain a fair policy with regard to the refund, return or cancellation of merchandise or services and adjustment of Transactions. You are required to disclose your refund, return or cancellation policy to us on your application. Your refund, return or cancellation policy must also be disclosed to your customers.

3.2 Changes to Policy. Any change in your return/cancellation policy must be submitted to us, in writing, not less than 14 days prior to the effective date of such change. We reserve the right to refuse to process any Transaction Data made subject to a revised return/cancellation policy of which we have not been notified in advance.

3.3 Procedure for Refunds/Adjustments. If you allow a price adjustment, return of merchandise, or cancellation of services in connection with a Settled or Conveyed Transaction, you will prepare and deliver to us Transaction Data reflecting such refund/adjustment within 3 days of receiving the Customer's request for such refund/adjustment. The amount of the refund/adjustment cannot exceed the amount shown as the total on the original Transaction Data except by the exact amount

required to reimburse the Customer for postage that the Customer paid to return merchandise. You are not allowed to accept cash or any other payment or consideration from a Customer in return for preparing a refund to be deposited to the Customer's account; nor may you give cash refunds to a Customer in connection with a Settled or Conveyed Transaction, unless permitted or required by law.

4. SETTLEMENT.

4.1 Submission of Transaction Data. You are required to transmit your Transaction Data to us no later than the next business day immediately following the day that such Transaction Data is originated. Failure to do so can result in higher interchange fees and other costs and increased Chargebacks. For debit card transactions that are credits to a Customer's account, you agree to transmit such Transaction Data to us within 24 hours of receiving the authorization for such credit. Unless otherwise indicated on Schedule A, you will be solely responsible for all communication expenses required to facilitate the transmission of all Transaction Data to us.

4.2 Merchant's Settlement Account. In order to receive funds from Paymentech, you must maintain an account at a bank that is a member of the Automated Clearing House ("ACH") system or the Federal Reserve wire system ("Settlement Account"). During the term of this Agreement, and thereafter until we notify you that all monies due from you under this Agreement have been paid in full, you agree not to close your Settlement Account without giving us at least 5 days' prior written notice and substituting another Settlement Account. You are solely liable for all fees and costs associated with your Settlement Account and for all overdrafts. You authorize Paymentech to initiate electronic credit and debit entries and adjustments to your Settlement Account at any time without regard to the source of any monies in the Settlement Account. This authority will remain in full force and effect until we notify you that all monies due from you under this Agreement have been paid in full. We will not be liable for any delays in receipt of funds or errors in Settlement Account entries caused by third parties, including but not limited to delays or errors by the Payment Brands or your bank.

4.3 Conveyed Transactions. To the extent that you submit any Conveyed Transactions for processing by Paymentech and you do not have a valid agreement in effect with the applicable Payment Brand, you hereby authorize us, at our option, to submit such Transaction to the applicable Payment Brand, and to share with the applicable Payment Brand such information from your Application as may be required in order to approve your acceptance of such Payment Instrument as method(s) of payment. Subject to such approval, you agree to the applicable Payment Brand's standard terms and conditions with respect to such method(s) of payment. Upon your transmission of such Conveyed Transactions to us, we will forward the Conveyed Transaction to the appropriate Payment Brand. Payment of the proceeds due you will be governed by whatever agreement you have with that Payment Brand, and we do not bear any responsibility for their performance. Even if you receive a valid authorization for a Conveyed Transaction, we will not be liable for errors in Settlement Account entries relating to the funding of your Conveyed Transactions, including delays caused by you, third parties, the Payment Brands or your bank. If your agreement with a Payment Brand requires the Payment Brand's consent for us to perform the services contemplated by this Agreement, you are responsible for obtaining that consent.

4.4 Transfer of Settlement Funds. For all Settled Transactions, we will process your Transaction Data to facilitate the funds transfer between the various Payment Brands and you. Promptly after we receive credit for such Transaction Data, we will provide provisional credit to your Settlement Account for the proceeds. The proceeds payable to you shall be equal to the amounts received by us in connection with your Transaction Data minus all Reserve Account amounts, if any. You agree that amounts set forth above, and any other amounts are due and payable by you at the time the related services are rendered to you and may be imposed on a daily basis if we so determine; that all Reserve Account amounts are due and payable by you upon establishment; and that the related Chargebacks, Customer refunds, and adjustments, fees, charges, fines, assessments, penalties, and all other liabilities are due and payable by you when we receive notice thereof from the Payment Brands or any third party, or otherwise pursuant to this Section 4.4. In the event we do not deduct such amounts from the proceeds payable to you, you agree to pay all such amounts to us immediately without any deduction or offsets. Alternatively, at our option, we may debit the Settlement Account or your Reserve Account for such amounts at any time. Also, insofar as allowed by law, you agree to reimburse Paymentech, Member, the Payment Brands, affiliates, officers, directors, employees, agents and sponsoring banks from any losses, liabilities, and damages of any and every kind (including, without limitation, our costs, expenses and reasonable attorneys' fees) arising out of any claim, complaint, or Chargeback (i) made or claimed by a Customer with respect to any Transaction Data submitted by you, (ii) caused by your noncompliance with this Agreement, the Operating Guide, or the Payment Brand Rules, including any breach of a representation or warranty made by you, or (iii) resulting from any voluntary or involuntary bankruptcy or insolvency proceeding by or against you. The obligation provided for in this Section does not apply to any claim or complaint to the extent it is caused by Paymentech's own negligence or willful misconduct. Without limiting the foregoing or our rights under Section 7.2 or Section 10, if a third party notifies us, or a Payment Brand notifies us or the Member that it or they intend to impose any fine or penalty as a result of excessive Chargebacks or your acts or omissions (including, without limitation, your failure to fully comply with any Payment Brand Rules), we may suspend the processing of your Transactions. Additionally, Paymentech agrees that it will make a separate electronic deposit for each merchant number and that it will not deduct from daily settlement proceeds any fees, chargebacks, or miscellaneous debits. Rather, the amounts due under this Agreement will appear separately and Paymentech will debit the designated bank account once a month for the fees incurred per merchant number. Paymentech understands that Merchant must also be able to distinguish the type of transaction (credit or debit) by identification in each individual automated clearinghouse (ACH) transfer record for accounting purposes.

4.5 Negative Amounts. To the extent the proceeds from Settled Transactions do not represent sufficient credits or the Settlement Account does not have a sufficient balance to pay amounts due or reasonably anticipated to become due under this Agreement, in addition to any other rights and remedies we may have under this Agreement (including termination), we may pursue one or more of the following options: (i) demand and receive immediate payment for such amounts; (ii) debit your Settlement Account or Reserve Account for the amount of the negative balance; (iii) withhold or offset your settlement payments until all amounts are paid; (iv) delay presentation of your refunds until you make a payment to us of a sufficient amount to cover the negative balance; and (v) pursue any other remedies we may have at law or in equity. Furthermore, if the amount represented by your Transaction Data in any day is negative due to refunds or credits being submitted by you in excess of your proceeds from Transactions, you shall provide us with sufficient funds prior to the submission of the Transaction Data so as to prevent the occurrence of a negative balance.

4.6 Delinquency/Merchant Fraud. If: (i) there is a material, adverse change in your financial condition or your payment record with creditors; (ii) you are in material default of this Agreement; (iii) you change your billing practice in relation to shipment of merchandise or fulfillment of service or change refund procedures currently in place, and you fail to notify us in advance; (iv) you are receiving excessive Chargebacks (as defined in Section 7.2 below); (v) you significantly alter the nature of your business or product lines; (vi) we have reasonable grounds to believe that we may be or become liable to third parties for the provisional credit extended to you or that you may be liable to your Customers, Payment Instrument issuing banks or the Payment Brands, or (vii) we have reasonable grounds to believe that we may be subject to any additional liabilities, including, without limitation, any fines, fees, or penalties assessed against us by any of the Payment Brands, arising out of or relating to your Transactions, your Chargebacks, or your failure to comply with this Agreement, any of the Payment Brand Rules, the Operating Guide, or the Security Standards (as defined in Section 17), we may temporarily suspend or delay payments to you during our investigation of the issue and/or designate an amount of funds that we must maintain in order to protect us against the risk of, among other things, existing, potential, or anticipated Chargebacks and to satisfy your other obligations under this Agreement (such funds being hereinafter referred to as the "Reserve Account"), which may be funded in the same manner as provided for negative balances in Section 4.5. The Reserve Account will contain sufficient funds to cover any unbilled processing costs plus our estimated exposure based on reasonable criteria for Chargebacks, returns, unshipped merchandise and/or unfulfilled services, and all additional liabilities anticipated under this Agreement, including, but not limited to, Chargebacks, fines, fees and penalties as set forth in Section 4.4. We may (but are not required to) apply funds in the Reserve Account toward, and set off any funds that would otherwise be payable to you against, the satisfaction of any amounts which are or may become due from you pursuant to this Agreement. The Reserve Account will be held and controlled by Paymentech, will not bear interest, and you will have no legal right or interest in the funds in the Reserve Account; provided, however, that upon satisfaction of all of your obligations under this Agreement, we will pay to you any funds then remaining in the Reserve Account. Any funds in the Reserve Account may be commingled with other funds, and need not be maintained in a separate account. Effective upon our establishment of a Reserve Account, you irrevocably grant to us a security interest in any interest you may now have or later acquire in any and all funds, together with the proceeds thereof, that may at any time be in the Reserve Account and that would otherwise be payable to you pursuant to the terms of this Agreement. You agree to execute and deliver to us such instruments and documents (including, without limitation, security agreements and releases) that we may reasonably request (i) to perfect and confirm the security interest in the Reserve Account; and (ii) in connection with any return of Reserve Account funds.

5. ACCOUNTING. We will supply a detailed statement reflecting the activity for your merchant account(s) by online-access (or otherwise if agreed to by both parties). We will not be responsible for any error that you do not bring to our attention within 90 days from the date of such statement. You acknowledge and agree that it is your responsibility to ensure your secure online access. With reasonable prior notice, Paymentech will make available for Merchant's inspection and audit those books and records pertaining solely to services performed by us and fees paid to us pursuant to this Agreement.

6. RETRIEVAL REQUESTS.

6.1 Records. You agree to store and retain Transaction Data in compliance with the Payment Brand Rules.

6.2 Response to Retrieval Requests. We will send you any Retrieval Request that we cannot satisfy with the information we have on file concerning any Settled Transaction. In response, you must provide us, in writing by certified or overnight mail or by confirmed fax (or by other means as agreed to by Paymentech), the resolution of your investigation of such Retrieval Request and include legible copies of any documentation required by the Retrieval Request within 7 days after we send it to you (or such shorter time as the Payment Brand Rules may require). You acknowledge that your failure to fulfill a Retrieval Request timely and in accordance with Payment Brand

Rules may result in an irreversible Chargeback.

7. CHARGEBACKS.

7.1 Chargeback Reasons. You may receive a Chargeback from a Customer or Payment Brand for a number of reasons under the Payment Brand Rules. The following are some of the most common reasons for Chargebacks, and in no way is this intended to be an exhaustive list of possible Chargeback reasons:

- (1) Your failure to issue a refund to a Customer upon the return or non-delivery of goods or services.
- (2) A required authorization/approval code was not obtained.
- (3) The Transaction Data was prepared incorrectly or fraudulently.
- (4) We did not receive your response to a Retrieval Request within 7 days or any shorter time period required by the Payment Brand Rules.
- (5) The Customer disputes the Transaction or the authenticity of the signature on the Transaction Data or Payment Instrument, or claims that the Transaction is subject to a set-off, defense, or counterclaim.
- (6) The Customer refuses to make payment for a Transaction because in the Customer's good faith opinion, a claim or complaint has not been resolved, or has been resolved in an unsatisfactory manner.
- (7) The credit or debit card comprising the Payment Instrument was not actually presented at the time of the Settled or Conveyed Transaction or you failed to obtain an electronic record or physical imprint of such Payment Instrument, and the Customer denies making the purchase. The Merchant acknowledges that, under these circumstances, the fact that an authorization/approval code was obtained does not mean that a particular Transaction is a valid or undisputed transaction entered into by the actual Customer.

7.2 Excessive Chargebacks. If you are receiving an excessive amount of Chargebacks, as determined by the Payment Brands from time to time, in addition to our other remedies under this Agreement we may take the following actions: (i) review your internal procedures relating to acceptance of Payment Instruments and notify you of new procedures you should adopt in order to avoid future Chargebacks; (ii) notify you of a new rate we will charge you to process your Chargebacks; (iii) collect from you (pursuant to Section 4.6) an amount reasonably determined by us to be sufficient to cover anticipated Chargebacks and all related fees, penalties, expenses, and fines; or (iv) terminate the Agreement. You also agree to pay, insofar as allowed by law, any and all penalties, fees, fines and costs assessed against you, Paymentech, and/or Member relating to your violation of this Agreement, the Operating Guide, or the Payment Brand Rules with respect to your acceptance of Payment Instruments, your Transactions or with respect to excessive Chargebacks under this Section.

7.3 Claims of Customers. You have full liability if any Settled Transaction, for which we have given your Settlement Account provisional credit, is the subject of a Chargeback. Subsequently, you may resubmit applicable Transaction Data for a second presentment, but only in accordance with Payment Brand Rules. To the extent we have paid or may be called upon to pay a Chargeback, refund or adjustment for or on the account of a Customer and you do not reimburse us as provided for in this Agreement, then for the purpose of our obtaining reimbursement of such sums paid or anticipated to be paid, we have all of the rights and remedies of such Customer under applicable federal, state, or local laws and you authorize us to assert any and all such claims in our own name for and on behalf of any such Customer individually or all such Customers as a class.

8. DISPLAY OF PAYMENT BRAND MARKS. Merchant is prohibited from using the Payment Brand Marks, as defined below (sometimes referred to herein as "Marks"), other than as expressly authorized by us in writing or by the Payment Brands. Payment Brand Marks mean the brands, emblems, trademarks and/or logos that identify a Payment Brand. Additionally, Merchant shall not use the Payment Brand Marks other than to display decals, signage, advertising and other forms depicting the Payment Brand Marks that are provided to Merchant (i) by the Payment Brands; (ii) by us pursuant to this Agreement; or (iii) as otherwise approved in writing by us. Merchant may use the Payment Brand Marks only to promote the services covered by the Marks by using them on decals, indoor and outdoor signs, advertising materials and marketing materials; provided, that all such uses by Merchant must be in writing and approved by us and consistent with Payment Brand Rules. Merchant shall not use the Payment Brand Marks in such a way that Customers could believe that the products or services offered by Merchant are sponsored, endorsed or guaranteed by the owners of the Payment Brand Marks. Merchant recognizes that it has no ownership rights in the Payment Brand Marks. Merchant shall not assign to any third party the rights to use the Payment Brand Marks. Your right to use the Payment Brand Marks hereunder terminates simultaneously with the termination of this Agreement.

9. FEES.

9.1 Schedule A. You agree to pay us for the services as set forth in Schedule A in accordance with this Agreement. Unless otherwise expressly stated in Schedule A, your pricing is based on all Transactions qualifying under the Payment Brand Rules for the lowest Payment Brand interchange rates. For Transactions that do not qualify for the best rate, the Payment Brands may dictate that the Transaction is subject to a "downgrade", which will result in us charging you a higher rate than the qualified rate shown on Schedule A. Fees payable under this Agreement that contain a fraction of a cent will be rounded up to the next full cent.

9.2 Price Changes. You acknowledge that your pricing is based on your annual volume of Transactions, method of processing, type of business, and interchange qualification criteria as represented to us in your Application and restated on Schedule A. To the extent your actual volumes, method, type, and criteria differ from this information, we may modify the pricing on Schedule A with 30 days' prior written notice. In addition, we may change our fees, charges, and discounts resulting from (i) changes in Payment Brand fees (such as interchange, assessments, and other charges); (ii) changes in pricing by any third party provider of a product or service used by you; or (iii) fees which are added by a Payment Brand or card issuer. Such new prices will be applicable to you as of the effective date established by the Payment Brand or third party provider.

10. TERMINATION.

10.1 Term. This Agreement takes effect upon our acceptance hereof (as evidenced by (i) our signature below; or (ii) our acceptance of your first Transaction for processing hereunder), and has an initial term expiring three (3) years from that date. Unless otherwise terminated by either party as provided in this Agreement, the Agreement will automatically extend for successive one-year terms. Either party may give notice of non-renewal of this Agreement in writing no more than 90 days and no less than 30 days prior to any expiration date.

10.2 Merchant Termination. You may terminate this Agreement for cause if our services provided under this Agreement fail to conform to generally accepted standards for such services in the payment processing industry. In such event, your sole remedy for such failure shall be that, upon written notice from you specifying the failure of performance, we will rectify such failure of performance. If we do not rectify our failure of performance within thirty days after receipt of written notification, then you may terminate this Agreement upon thirty days' written notice to us. Merchant reserves the right to terminate the Agreement at any time, in whole or in part, without penalty, by providing 30 calendar days' advance written notice. In the event of such a termination, the Respondent shall, unless otherwise mutually agreed upon in writing, cease all work immediately upon the effective date of termination.

10.3 Paymentech Termination. We may terminate this Agreement at any time upon written notice to you as a result of any of the following events: (i) any noncompliance with this Agreement, the Payment Brand Rules, or the Operating Guide, which is not cured within 30 days of our notice to you, except as otherwise provided in this Agreement and except that no cure period is allowed for termination based on Merchant fraud or failure to fund a Reserve Account; (ii) any voluntary or involuntary bankruptcy or insolvency proceeding involving you; (iii) Paymentech deems you to be financially insecure; (iv) Merchant or any person owning or controlling Merchant's business is or becomes listed in the MATCH file (Member Alert to Control High-Risk Merchants) maintained by Visa and MasterCard; (v) any Payment Brand notifies us that it is no longer willing to accept your Transaction Data; (vi) there exists any circumstances that create or could tend to create harm or loss to the goodwill of any Payment Brand, us or Member; or (vii) for a period of more than 60 consecutive days, you do not transmit Transaction Data to us.

10.4 Account Activity After Termination. Termination does not affect either party's respective rights and obligations under this Agreement as to Transaction Data submitted before termination. If you submit Transaction Data to us after the date of termination, we may, at our sole discretion and without waiving any of our rights or remedies under this Agreement, process such Transaction Data in accordance with and subject to all of the terms of this Agreement. Upon notice of termination of this Agreement, we may estimate the aggregate dollar amount of Chargebacks and other obligations, liabilities and expenses that we reasonably anticipate subsequent to termination, and you agree to immediately deposit such amount in your Settlement Account or as otherwise directed by us, or we may withhold such amount from your settlement funds in order to establish a Reserve Account pursuant to and governed by the terms and conditions of this Agreement.

11. INDEMNIFICATION.

We agree to defend, indemnify, and hold harmless you and your affiliates, officers, directors, employees, and agents from any claims, actions, suites, demands, proceedings, costs, damages, and liabilities (including, without limitation, attorneys' fees and court costs) arising out of any Customer complaint or Chargeback related to (i) any failure by us or our agents or employees to properly safeguard the Customer's account information, (ii) our or our agents' or employees' failure to deliver funds processed by us in accordance with Section 4.4 herein (which relates to payments due from us for Transaction Data), or (iii) any voluntary or involuntary bankruptcy or insolvency proceeding by or against us. This indemnification does not apply to any claim or complaint relating to your failure to resolve a payment dispute concerning merchandise or services sold by you or your negligence or willful misconduct. The indemnification provided under this Section 11.1 shall survive the termination of this Agreement.

12. TRANSACTION DATA AND PAYMENT INSTRUMENT INFORMATION. You acknowledge and understand the importance of compliance with the Security Standards, such as those relating to the storage and disclosure of Transaction Data and Payment Instrument Information. Therefore, you will exercise reasonable care to prevent disclosure or use of Payment Instrument Information, other than (i) to your agents and contractors for the purpose of assisting you in completing a Transaction, (ii) to the applicable Payment Brand, or (iii) as specifically required by law.

You are allowed by the Payment Brand Rules to store only certain Payment Instrument Information currently limited to the customer's name, Payment Instrument account number and expiration date) and are prohibited from storing additional Payment Instrument Information, including, without limitation, any security code data such as CVV2, CVC2, and PIN data, and any magnetic stripe track data. You will store all media containing Payment Instrument Information in an unreadable format wherever it is stored and in an area limited to selected personnel on a "need to know" basis only and, prior to either party discarding any material containing Payment Instrument Information, the party will destroy it in a manner rendering the account numbers unreadable. If at any time you determine that Payment Instrument Information has been compromised you will notify Paymentech immediately and assist in providing notification to such parties as may be required by law or Payment Brand Rules, or as we otherwise reasonably deem necessary. Merchant information may be shared by us with our affiliates, and with the Payment Brands subject to the provisions of this Agreement and Payment Brand Rules.

You agree to comply with all Security Standards, as defined in Section 17. You further agree to provide us upon our request with such tests, scans and assessments of your compliance with Security Standards as required by the Payment Brands.

You must notify us of your use of any Service Provider and, to the extent required by each Payment Brand all Service Providers must be (i) compliant with all Security Standards applicable to Service Providers, and (ii) registered with and/or recognized by such Payment Brand(s) as being so compliant. You agree to exercise due diligence to ensure that all of your Service Providers, and any other agents, business partners, contractors, or subcontractors with access to Payment Instrument Information, maintain compliance with the Security Standards. To the extent required by each Payment Brand, all payment applications, or software involved in processing, storing, receiving or transmitting of Payment Instrument Information, shall be (i) compliant with all Security Standards applicable to such payment applications or software, and (ii) registered with and/or recognized by such Payment Brand(s) as being so compliant.

You understand that your failure to comply with the Payment Brand Rules, including the Security Standards, or the compromise of any Payment Instrument Information, may result in assessments, fines, and/or penalties by the Payment Brands, and you agree to indemnify and reimburse us immediately, insofar as allowed by law, for any such assessment, fine, or penalty imposed on us or the Member and any related loss, cost or expense incurred by us or the Member. If any Payment Brand requires a forensic examination of you or any of your Service Providers, agents, business partners, contractors, or subcontractors due to a data security compromise event or suspected event, you agree to cooperate with such forensic examination (including, without limitation, the engagement of an examiner acceptable to the relevant Payment Brand) and agree to pay for all costs and expenses related to such forensic examination, including all of our attorneys' fees and other costs relating to such forensic examination.

By executing this Agreement, Merchant represents that, in the event of its failure, including bankruptcy, insolvency, or other suspension of business operations, Merchant shall not sell, transfer, or disclose any materials that contain Transaction Data or Payment Instrument Information to third parties, except as required by law. Merchant must return such information to Paymentech or provide Paymentech with acceptable proof of its destruction.

13. INFORMATION ABOUT MERCHANT'S BUSINESS.

13.1 Additional Financial Information. Upon five (5) days' written notice, Merchant agrees to furnish to us (i) its most recently prepared financial statements and credit information and (ii) if applicable, its three most recent filings with the SEC.

13.2 Audit Rights. With prior notice and during your normal business hours, our duly authorized representatives may visit your business premises and may examine your books and records that pertain to your Transaction Data or your compliance with this Agreement.

13.3 Other Information. You agree to provide us at least 30 days' prior written notice of your intent to change your product line or services, or your trade name, or the manner in which you accept Payment Instruments. If we determine such a change is material to our relationship with you, we may refuse to process Transaction Data made subsequent to the change or terminate this Agreement. You agree to provide us with prompt written notice if you are the subject of any voluntary or involuntary bankruptcy or insolvency petition or proceeding.

14. DISCLAIMER; LIMITATION OF DAMAGES. Subject to Section 5, we will, at our own expense, correct any Transaction Data to the extent that such errors have been caused by us or by malfunctions of our processing systems. Under no circumstances will Paymentech's financial responsibility for our failure of performance under this Agreement exceed the total fees paid to us under this Agreement (net of Payment Brand fees, third party fees, interchange, assessments, penalties and fines) for the six months prior to the time the liability arose. EXCEPT AS OTHERWISE PROVIDED FOR IN THIS AGREEMENT, AND EXCEPT WITH RESPECT TO MERCHANT'S FAILURE TO COMPLY WITH THE SECURITY STANDARDS, IN NO EVENT WILL ANY PARTY, ITS RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, OR AFFILIATES, BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OR ANY LOSS, THEFT, DISAPPEARANCE, OR DAMAGE TO DATA TRANSMITTED ELECTRONICALLY IN CONNECTION WITH THIS AGREEMENT. **WHILE ALL PARTIES ACKNOWLEDGE THAT THIS IS AN AGREEMENT FOR SERVICES TO WHICH THE UNIFORM COMMERCIAL CODE DOES NOT APPLY, PAYMENTECH AND MEMBER HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, MADE TO MERCHANT OR ANY OTHER PERSON, REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE (REGARDLESS OF ANY COURSE OF DEALING, CUSTOM, OR USAGE OF TRADE) OF ANY SERVICES PROVIDED UNDER THIS AGREEMENT OR ANY GOODS PROVIDED INCIDENTAL TO SUCH SERVICES.**

15. MISCELLANEOUS.

15.1 Taxes. Unless you are otherwise exempt, and, if applicable, provide a valid exemption certificate, you agree to pay any taxes imposed on the services, equipment, intellectual property, supplies, and other goods purchased or tangible property provided under this Agreement, and you authorize us to increase the amount we collect from you to reflect any and all assessments or increases in the sales, use, occupational, property, lease, or other taxes imposed on such sale or lease of services, tangible property, or intellectual property, equipment, supplies and other goods purchased.

15.2 Application and Credit Check. You represent and warrant that statements made on your Application for this Agreement are true as of the date of your execution of this Agreement. Your signature on this Agreement authorizes us to perform any credit check deemed necessary with respect to Merchant and its directors, officers, affiliates, principals, and guarantors (if applicable).

15.3 Section Headings. The section headings of this Agreement are for convenience only and do not define, limit, or describe the scope or intent of this Agreement.

15.4 Assignment. We and/or Member may assign this Agreement to an entity qualified under Payment Brand Rules to perform our obligations under this Agreement. You cannot assign or transfer your rights or delegate your responsibilities under this Agreement without our prior written consent. Failure to obtain our consent may result in a termination of this Agreement. Any assignee or successor entity must provide such additional information and execute such additional documentation or take any further actions as we request in order to ensure continued processing of Transactions under this Agreement.

15.5 Parties. This Agreement binds you and your respective heirs, representatives, and permitted and approved successors (including those by merger and acquisition) or assigns. This Agreement binds us and our respective heirs, representatives, successors and assigns. You represent and warrant that your execution of and performance under this Agreement (i) in no way breaches, contravenes, violates, or in any manner conflicts with any of your other legal obligations, including, without limitation, your corporate charter or similar document or any agreement between you and any third party or any affiliated entity; (ii) has been duly authorized by all necessary action and does not require any consent or other action by or in respect of any third party; and (iii) that the person signing this Agreement on your behalf is duly authorized to do so. In providing services to you, we will not be acting in the capacity of your agent, partner, or joint venturer; we are acting solely as an independent contractor. Each party agrees that any other party may publicly disclose, through press releases or otherwise, the existence of the business relationship that is the subject of this Agreement. Any such disclosure may identify the parties by name but shall not, without the prior written consent of the non-disclosing party, include any of the terms of this Agreement.

15.6 Severability. Should any provision of this Agreement be determined to be invalid or unenforceable under any law, rule, or regulation, including any Payment Brand Rule, such determination will not affect the validity or enforceability of any other provision of this Agreement.

15.7 Waivers. No term or condition of this Agreement may be waived except pursuant to a written waiver executed by the party against whom such waiver is sought to be enforced.

15.8 Entire Agreement. The Payment Brand Rules, Operating Guide, Application, and all schedules and attachments to this Agreement are made a part of this Agreement for all purposes. This Agreement represents the entire understanding between Merchant and Paymentech with respect to the matters contained herein and supersedes any prior agreements between the parties. This Agreement shall prevail over the terms of any agreement governing the Settlement Account. Merchant agrees that in entering into this Agreement it has not relied on any statement of Paymentech or its representatives. The parties acknowledge and agree (i) that this Agreement applies only to Transaction Data generated within the United States; and (ii) that this is a contract for commercial services.

15.9 Notices. Except as otherwise provided in this Agreement, all notices must be given in writing and either hand delivered, faxed, mailed first class, postage prepaid, sent via electronic mail transmission, or sent via overnight courier (and will be deemed to be given when so delivered or mailed). Notice to Paymentech shall be to the address set forth below or to such other address as either party may from time to time specify to the other party in writing.

Notice to Merchant shall be made to the following:

15.10 Governing Law of Jury Trial. This Agreement will be governed by and construed in accordance with the laws of the State of Texas without reference to conflict of law provisions.

15.11 Force Majeure. Neither party will be liable for delays in processing or other nonperformance caused by such events as fires, telecommunications failures, utility failures, power failures, equipment failures, labor strife, riots, war, terrorist attack, acts of God, or other causes, over which the respective party has no reasonable control, except that nothing in this Section 15.11 will affect or excuse your liabilities and obligations for Chargebacks, refunds, or unfulfilled products and services.

15.12 Amendment. This Agreement may be amended at any time by Paymentech upon thirty days notice to you. Notwithstanding the foregoing, in the event the terms of this Agreement must be amended pursuant to a change required by the Payment Brand Rules or any third party with jurisdiction over the matters described herein, such amendment will be effective immediately.

15.13 Counterparts and Electronic Signature. This Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A signature received via facsimile or electronically via email shall be as legally binding for all purposes as an original signature.

16. SURVIVAL. The provisions of Sections 4.2, 4.4, 4.5, 4.6, 6.1, 7, 10.4, 11, 12, 14, 15, and 17 shall survive the termination of this Agreement.

17. DEFINITIONS.

"Application" is a statement of your financial condition, a description of the characteristics of your business or organization, and related information you have previously or concurrently submitted to us, including credit and financial information, to induce us to enter into this Agreement with you and that has induced us to process your Transactions under the terms and conditions of this Agreement.

"Chargeback" is a reversal of a Transaction you previously presented to Paymentech pursuant to Payment Brand Rules.

"Conveyed Transaction" is any Transaction conveyed to a Payment Brand for settlement by such Payment Brand directly to Merchant.

"Customer" is the person or entity to whom a Payment Instrument is issued or who is otherwise authorized to use a Payment Instrument.

"Effective Date" means the date this Agreement takes effect pursuant to Section 10.1.

"Merchant", "you", and "your" is the Merchant identified in the Application on the cover page of the Agreement.

"Member" is JPMorgan Chase Bank, N.A. or other entity providing sponsorship to Paymentech as required by all applicable Payment Brand. Member is a principal party to this Agreement and your acceptance of Payment Brand products is extended by the Member.

"Payment Application" is a third party application used by merchant that is involved in the authorization or settlement of Transaction Data.

"Payment Brand" is any payment method provider whose payment method is accepted by Paymentech for processing, including, but not limited to, Visa, U.S.A., Inc., MasterCard International, Inc., Discover Financial Services, LLC and other credit and debit card providers, debit network providers, gift card and other stored value and loyalty program providers. Payment Brand also includes the Payment Card Industry Security Standards Council.

"Payment Brand Rules" are the bylaws, rules, and regulations, as they exist from time to time, of the Payment Brands.

"Payment Application" is a third party application used by Merchant that is involved in the authorization or settlement of Transaction Data.

"Payment Instrument" is an account, or evidence of an account, authorized and established between a Customer and a Payment Brand, or representatives or members of a Payment Brand that you accept from Customers as payment for a good or service. Payment Instruments include, but are not limited to, credit and debit cards, stored value cards, loyalty cards, electronic gift cards, authorized account or access numbers, paper certificates and credit accounts.

"Payment Instrument Information" is information related to a Customer or the Customer's Payment Instrument, that is obtained by Merchant from the Customer's Payment Instrument, or from the Customer in connection with his or her use of a Payment Instrument (for example a security code, a PIN number, or the customer's zip code when provided as part of an address verification system). Without limiting the foregoing, such information may include a the Payment Instrument account number and expiration date, the Customer's name or date of birth, PIN data, security code data (such as CVV2 and CVC2) and any data read, scanned, imprinted, or otherwise obtained from the Payment Instrument, whether printed thereon, or magnetically, electronically or otherwise stored thereon.

"Paymentech", "we", "our", and "us" is Paymentech, LLC, a Delaware limited liability company, having its principal office at 14221 Dallas Parkway, Dallas, Texas 75254.

"Retrieval Request" is a request for information by a Customer or Payment Brand relating to a claim or complaint concerning a Transaction.

"Security Standards" are all rules, regulations, standards or guidelines adopted or required by the Payment Brands or the Payment Card Industry Security Standards Council relating to privacy, data security and the safeguarding, disclosure and handling of Payment Instrument Information, including but not limited to the Payment Card Industry Data Security Standards ("PCI DSS"), Visa's Cardholder Information Security Program ("CISP"), Discover's Information Security & Compliance Program, American Express's Data Security Operating Policy, MasterCard's Site Data Protection Program ("SDP"), Visa's Payment Application Best Practices ("PABP"), the Payment Card Industry's Payment Application Data Security Standard ("PA DSS"), MasterCard's POS Terminal Security program and the Payment Card Industry PIN Entry Device Standard, in each case as they may be amended from time to time.

"Service Provider" is any party that processes, stores, receives, transmits or has access to Payment Instrument Information on your behalf, including, but not limited to your agents, business partners, contractors and subcontractors.

"Settled Transaction" is a Transaction conducted between a Customer and Merchant utilizing a Payment Instrument in which consideration is exchanged between the Customer and Merchant for the purchase of a good or service or the return or refund of such purchase and the value for such Transaction is settled by the Payment Brand through Paymentech to the Merchant.

"Stored Value Transaction" is a Transaction in which a Customer adds or redeems value to or from a stored value and/or loyalty Payment Instrument issued by or on behalf of Merchant.

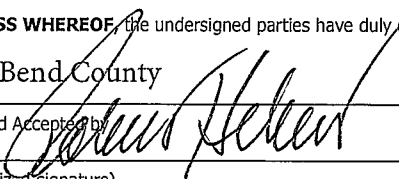
"Transaction" is a transaction conducted between a Customer and Merchant utilizing a Payment Instrument in which consideration is exchanged between the Customer and Merchant.

"Transaction Data" is the written or electronic record of a Transaction, including but not limited to an authorization code or settlement record.

IN WITNESS WHEREOF, the undersigned parties have duly executed this Agreement.

Fort Bend County

Agreed and Accepted by



By (authorized signature)

Robert E. Hebert, County Judge

Print Name and Title

April 22, 2014

Date

401 Jackson Street

Address

Richmond, Texas 77469

City, State Zip

Agreed and Accepted by:

PAYMENTECH, LLC for itself and on behalf of
JPMORGAN CHASE BANK, N.A.

By

Kyle J. Salvati

Print Name

Group Manager and Senior Director

Title

4 Northeastern Boulevard, Salem, NH 03079

Address

Date

Phankins/rpreble/012210

To Be Completed By Paymentech, LLC
Your Merchant Agreement Contract Number is: _____
Your Merchant Processing Identification Number Will Be Provided At Time of Processing Set Up

Merchant Operating Guide

General Rules Applicable to all Transactions

1 Acceptance Of Certain Payment Instruments

In offering Visa and MasterCard payment options to your Customers, you may elect any one of the following options: (i) accept all types of Visa and MasterCard Payment Instruments - including consumer credit and debit/check cards, and commercial credit and debit/check cards; (ii) accept only Visa and MasterCard credit cards and commercial cards (if you choose this option you must accept all consumer credit cards (but not consumer debit/check cards) and all commercial card products, including business debit/check cards; or (iii) accept only Visa and MasterCard consumer debit/check cards (if you choose this option you must accept all consumer debit/check card products (but not business debit/check cards) and will not accept any kind of credit cards). The acceptance options above apply only to U.S. domestic Visa and MasterCard Payment Transactions and, as such, they do not apply to Visa or MasterCard Payment Instruments issued by non-U.S. banks. In other words, if your Customer presents a Visa or MasterCard Payment Instrument issued from a European or Asian bank, for example, you must accept that card just as you would any other card (provided you receive a valid authorization and confirm the identity of the Customer, etc.), regardless of the acceptance option choice you have made and even if you have elected not to accept that type of Payment Instrument from U.S. issuers. If you choose to limit the types of Visa and MasterCard Payment Instruments you accept, the following rules apply to you: (i) you must display appropriate signage to indicate acceptance of the limited acceptance category you have selected (that is, accept only debit/check card products or only credit and commercial products; (ii) if you elect limited acceptance, any Transaction Data submitted into interchange outside of the selected product category will be assessed the standard interchange fee applicable to that card product and may also have additional fees/surcharges assessed; and (iii) additional Visa and MasterCard Rules that may be applicable to you may be viewed on their respective websites.

2 Authorization/Approval Codes

All Payment Transactions and Conveyed Transactions require authorization/approval codes. You must request and receive an authorization/approval code for the total amount of the Transaction. An authorization/approval code indicates (i) the availability of credit on the Payment Instrument at the time of inquiry, and (ii) that the Payment Instrument account number is valid. It is not a promise or a guarantee that you will receive payment for that transaction. It does not warrant that the person presenting the Payment Instrument has the authority to do so.

3 Refunds/Credits

You must disclose your return/refund policy to your Customers. You must complete a credit for the total amount of the refund and identify the merchandise being returned and any shipping and handling charges being returned. You must imprint or record the credit voucher with the same Payment Instrument used to make the original purchase. For retail Payment Transactions and Conveyed Transactions, the credit voucher must be dated and signed by the Customer and the appropriate copy provided to the Customer. Cash refunds should never be issued for Payment Transactions or Conveyed Transactions, unless required by law. If you fail to follow these procedures, you may be unable to rebut a Chargeback from the Customer for failure to issue a refund (even if you actually gave the refund by cash or check). Paperwork is not necessary for an even exchange. For an uneven exchange, complete a credit for the total amount of the merchandise being returned and complete a new Transaction receipt for any new merchandise purchased. You cannot process a credit or refund without having completed a previous purchase Transaction with the same Customer.

4 Processing Of Transaction Data

You must submit Transaction Data (including credit vouchers) to us on or before the next business day after the date of the Transaction. Late submission of Transaction Data may result in higher Payment Brand fees and interchange rates, Chargebacks and other negative consequences. You must not submit Payment Transactions or Conveyed Transactions for payment until the goods are delivered, shipped, or the services are performed (except as otherwise provided in the Merchant Agreement, and only if you have notified us that you are doing so on your application or otherwise in writing). If the Customer disputes being charged for merchandise or services before receiving them, the result will be a Chargeback to you. We may from time to time contact Customers to verify that they have received goods or services for which Transactions have been submitted. You cannot present for processing any Transaction Data that was not originated as a result of an act directly between the Customer and you. You cannot present for processing any Transaction Data you know or should have known to be (i) fraudulent or (ii) not authorized by the Customer. You will be responsible for the actions of your employees while acting in your employ. The collection and payment of all federal, state and local taxes is your responsibility. Taxes collected must be included in the total transaction amount and not collected separately by another form of payment. You must submit one Transaction Data record for all goods and services sold in the same transaction. All available information about the sale, including any handling and shipping charges, must be accurately recorded. You must provide to the Customer a true and completed record of the Transaction.

5 Chargebacks

Chargebacks of Payment Transactions and Conveyed Transactions may occur under a variety of circumstances, as dictated by the Payment Brand Rules, which are subject to modification from time to time. Consequently, the following is only a partial list of circumstances that might give rise to Chargebacks: (i) a Customer account number is incorrect or otherwise invalid; (ii) an authorization/approval code was not received or other required authorization was not obtained; (iii) an authorization/approval code was obtained for the wrong amount or wrong date; (iv) the Customer never received the merchandise/service requested; (v) a Customer's refund/credit was processed as a sale; (vi) the Transaction Data is for the wrong amount; (vii) a Customer was never credited for returned merchandise or a canceled order; (viii) the Payment Instrument was expired, counterfeit, altered, or invalid at time of sale; (ix) a Payment Transaction or Conveyed Transaction was deposited more than once; (x) the Customer did not authorize or consent to the Transaction; (xi) the signature on the Transaction receipt does not match the signature on the Payment Instrument (if required); (xii) the Payment Instrument was not imprinted or its magnetic strip was not electronically recorded (for example, "swiping" or "tapping" a Payment Instrument) through a terminal; (xiii) the Customer asserts any disputes, claim, counterclaim, defense or offset against you; (xiv) the Transaction Data or any material information thereon is illegible, incomplete, inaccurate or unsigned, or is not delivered to us within the required time limits; (xv) the Transaction Data is fraudulent or does not represent a bona fide transaction in the ordinary course of your business, or is subject to any claim of illegality, negligence, dishonesty or offset; and (xvi) you have failed to provide copies of Transaction Data requested by us (retrieval request) within the prescribed time period.

6 Disputing Chargebacks

If you have reason to dispute or respond to a Chargeback, then you must do so by the date provided by us on our report to you. We are not required to investigate, reverse or make any adjustment to any Chargeback when thirty (30) calendar days have elapsed from the date of the Chargeback. All responses to Chargebacks must be in writing, and must contain the following information: (i) date of debit/credit advice; (ii) company case number; (iii) total amount of Chargeback; (iv) date and dollar amount for which the Transaction Data was originally submitted (v) if known, the date and authorization approval code; and (vi) any supporting documentation to substantiate your claim. You should include a dated cover letter detailing reasons for requesting a review of the Chargeback. You should retain a copy of the correspondence and all documentation for your files. You should also retain proof that we received your response.

7 Data Security And Privacy

You agree to post and maintain on all your Web sites both your consumer data privacy policy (which must comply with all Payment Brand Rules, regulations and guidelines) and your method of transaction security. You may not retain or store CVV2/CVC2 data or PIN data subsequent to the authorization. You must comply

with all Security Standards published by the Payment Brands and the PCISSC including, but not limited to, Visa's Customer Information Security Program ("CISP"), MasterCard's Security Data Program (MSDP) and the Payment Card Industry Data Security Standard (PCIDSS). Pursuant to the Security Standards, you must, among other things: (i) install and maintain a working network firewall to protect data accessible via the Internet; (ii) keep security patches up-to-date; (iii) encrypt stored data and data sent over open networks; (iv) use and update anti-virus software; (v) restrict access to data by employees who are on a "need-to-know" basis; (vi) assign a unique ID to each person with computer access to data; (vii) not use vendor-supplied defaults for system passwords and other security parameters; (viii) track access to data by unique ID; (ix) regularly test security systems and processes; (x) maintain a policy that addresses information security for employees and contractors; (xi) restrict physical access to Customer information; (xii) when outsourcing administration of information assets, networks, or data you must retain legal control of proprietary information and use limited "need-to-know" access to such assets, networks or data; and (xiii) reference the protection of Customer information and compliance with the Security Standards in contracts with other service providers. You must notify Paymentech of any third party vendor with access to Customer information, and you are responsible for ensuring that all third party vendors are compliant with the Security Standards, to the extent applicable. The Security Standards may require that you engage an approved third party vendor to conduct quarterly perimeter scans and/or an on-site security review of your systems in order to be compliant. Visa and MasterCard's individual requirements for such scans or security reviews can be accessed through the Visa and MasterCard websites at www.Visa.com and www.MasterCard.com. The Payment Brand rules provide that Customer information and Transaction Data is owned by the Payment Brand and the Customer. Paymentech also asserts some ownership rights in the Transaction Data to the extent it belongs to the Payment Brand system. You are responsible for securing Customer information. You will not use any Payment Instrument or Customer information other than for the sole purpose of completing the transaction authorized by the Customer for which the information was provided to you, or as specifically allowed by the Payment Brand Rules, or required by law. Paymentech or any Payment Brand may inspect Merchant's premises and computers, and the premises and computers of any company the Merchant has contracted with, for the purposes of verifying that Customer information is securely stored and processed, and is not used for any purpose other than processing the transactions to which it relates.

8 Certain Merchant Prohibitions

You may not (i) accept Customer payments for previous Visa or Visa Electron charges; (ii) require a Customer to complete a postcard or similar device that includes the Customer's account number, Payment Instrument expiration date, signature, or any other account data in plain view when mailed; (iii) add any tax to a Transaction unless applicable law expressly requires that you be permitted to impose a tax; (iv) request or use a Payment Instrument account number for any purpose other than as payment for its goods or services, except to support Visa's Health Care Eligibility Service or Prepaid Load Network; (v) disburse funds in the form of travelers cheques, if the sole purpose is to allow the Customer to make a cash purchase of goods or services from you; (vi) accept Visa or Visa Electron for the purchase of scrip; or (vii) accept Visa Electron for a manual cash disbursement. You understand and acknowledge that all Visa BIN information provided by us to you is proprietary and confidential information belonging to Visa. You must not disclose Visa BIN Information to any third party without prior written permission from Visa. You understand and acknowledge that Visa may impose conditions on, or permanently prohibit you from participating in the Visa program for any reasons it deems appropriate, including, but not limited to (i) fraudulent activity; (ii) submitting Transaction Data that does not result from an act between you and the Customer (laundering); (iii) entering into this Agreement under a new name with the intent to circumvent provisions of the Rules; (iv) activity that causes us to repeatedly violate the Rules; any other activity that may result in undue economic hardship or damage to the goodwill of the Visa system.

Specialized Rules for Retail Transactions

1 Presentation Of Payment Instruments

You or your employee must examine each Payment Instrument presented to determine that the Payment Instrument presented is valid and has not expired. You must exercise reasonable diligence to determine that the authorized signature on any Payment Instrument presented corresponds to the Customer's signature on the Transaction Data. You must not honor expired, invalid, altered, counterfeit, or revoked Payment Instruments nor any Payment Instrument presented by any person other than the proper Customer as evidenced by the authorized signature on the Payment Instrument. A Customer may authorize another person to use his or her Payment Instrument for purchases, provided the user's signature appears on the back of the Payment Instrument. The signature on the back must match the one on the Transaction Data. If the Payment Instrument is not signed, in addition to requesting an authorization, you may review positive identification as allowed by local and state law, such as a passport or driver's license, to confirm that the user is the Customer, record the information and require the Customer to sign the signature panel of the Payment Instrument prior to completing the Transaction. You should not complete a Transaction if the Customer does not present his or her Payment Instrument or if you cannot obtain an electronic swipe record or physical imprint of the Payment Instrument (this includes mail, telephone and internet orders). By the submission of any Transaction Data to us, you will be deemed to warrant the identity of the purchaser as the authorized holder of the Payment Instrument, and if the Customer later denies making the purchase, you will not be able to rebut the Chargeback.

2 Completion Of Transactions

You must use a suitable imprinter to legibly imprint Payment Instruments on Transaction Data or, capture the information from the Payment Instrument by electronic data capture. A photocopy of the Payment Instrument is not an acceptable substitute for an imprint. If the account number is manually keyed into the terminal, you must imprint the Payment Instrument. Your name, location, city and state must match the Merchant plate on the imprinter. You must notify us of any changes to the information on the Merchant plate. In addition to having the Customer sign the Transaction receipt, the Transaction date and dollar amounts and other information must be clearly written or printed on the Transaction receipt or captured by an electronic device. A brief description of the goods sold or service rendered must be provided on the Transaction receipt. Authorization/approval code numbers must be clearly recorded in the appropriate place on the Transaction receipt. Never circle or underline any information on the Transaction receipt. Every Transaction Receipt and credit voucher must be imprinted (or printed from electronic draft capture equipment) with the Customer's truncated account number and Merchant name. You will give the Customer a true and completed copy of the Transaction Receipt or appropriate facsimile. If the Customer's copy of the Transaction receipt or credit voucher is printed from electronic draft capture equipment/terminal, it must comply with all applicable Payment Brand Rules and laws. You cannot require Customers to provide any personal information as a condition for honoring Payment Instruments unless otherwise required by the Payment Brand Rules or law. Personal information includes, but is not limited to, a home or business telephone number, a home or business address, a social security number, or a photocopy of a driver's license. You cannot retain or store full magnetic-stripe data, CVV2, CVC2 codes or PIN data after the authorization of a Payment Transaction or Conveyed Transaction, except as required to complete the transmission of such Transaction Data to us.

3 Forgeries/Counterfeit Payment Instruments

You should examine all notices received from us or from a Payment Brand to help you determine whether a Payment Instrument presented is counterfeit. You should attempt to retain the Payment Instrument while making an authorization request and then match any signature on the Payment Instrument with the one on the Transaction receipt. You should compare the account number on the Payment Instrument to the account number printed on the receipt or displayed on the terminal. You should examine each Payment Instrument to see if it looks genuine. You should use reasonable, peaceful efforts to recover any Payment Instrument if you have reasonable grounds to believe such Payment Instrument is counterfeit, fraudulent or stolen. You will be solely responsible for your actions in recovering/retaining Payment Instruments.

4 Travel And Entertainment Services

At your option and as specified in the applicable sections of the Payment Brand Rules, Merchants may participate in one or more specialized travel & entertainment services offered by any of the Payment Brands. Merchants offering travel and entertainment services must institute and comply with the procedures set forth in the Payment Brand Rules.

Specialized Rules for Mail Order, Telephone Order and Internet Transactions

1 Completion Of Sale

You are responsible for determining that the purchaser is the person whose name appears as the Customer. If an account number is transposed into an invalid or inaccurate account number, the sale will result in a Chargeback. You must be authorized by us to accept Payment Instruments for mail, telephone, internet and pre-authorized orders, and you must have noted such on your application to us. All information that would normally be imprinted from a Payment Instrument must be clearly written in the appropriate areas on the order or Transaction receipt. "Mail Order" or "Phone Order" should be written on the signature line of the Transaction receipt.

2 Recurring Transactions

For recurring transactions, you must obtain a written request from the Customer for the goods and services to be charged to the Customer's account, specifying the frequency of the recurring charge and the duration of time during which such charges may be made. You will not complete any recurring transaction after receiving: (i) a cancellation notice from the Customer (ii) notice from Paymentech or any Payment Brand that the Payment Instrument is not to be honored; or (iii) an authorization/approval code that the Payment Instrument is not to be honored. You must include in your Transaction Data the electronic indicator that the transaction is a recurring transaction.

Specialized Rules for Stored Value Transactions

1 Payment Instruments & Packaging

You may be obligated to purchase Stored Value Payment Transaction Payment Instruments ("Gift Cards") from us or pay us a data transfer fee in lieu thereof. Please check the pricing schedule of your Merchant Agreement to see if these requirements apply to you. If you are obligated to purchase Gift Cards from us or if you elect to do so, we will arrange for the Gift Card production and may, at our option, invoice you therefore, in lieu of electronically debiting your account. Any such invoice will be payable upon receipt. Gift Cards, Packaging and Point-of-purchase marketing materials are available and priced on a per bundle basis, based on current rates. All production and delivery timeframes and costs provided by us are estimates only and we do not guarantee any specific date of delivery or price for Gift Cards produced by third parties. You are responsible for all production costs and delivery charges for Gift Cards. The form and content of all Gift Cards will be subject to our approval.

2 Compliance and Warranties

You are solely responsible for complying with all applicable laws relating to your Gift Card program and you agree to indemnify and hold us harmless from any loss, damage or claim relating to or arising out of any failure to comply with applicable laws in connection therewith. You are solely responsible for monitoring the legal developments applicable to the operation of your Gift Card program and ensuring that your Gift Card program complies fully with such requirements as in effect from time to time. Merchant acknowledges that Paymentech cannot reasonably be expected to monitor and interpret the laws applicable to its merchants, and has no responsibility to monitor or interpret laws applicable to Merchant's business.

3 Fraud

You hereby agree (i) that you are responsible for ensuring that all Gift Cards require activation at the point of sale; (ii) to provide notification in writing to Paymentech of any fraud losses by type by fifteen days following the end of each calendar quarter; (iii) that you will be solely responsible for any and all value adding and fraud losses and expenses relating to or arising from your Gift Card; (iv) to discourage transportation of groups of sequentially numbered Gift Cards; and (v) to deactivate or otherwise remove all value from Gift Cards that have been compromised. You will be responsible for any fraudulent transactions involving your Gift Cards, including, without limitation, the unauthorized activation of Gift Cards, reloading of existing Gift Cards (whether pursuant to a manual telephone order or otherwise) with additional value, or the unauthorized replication of Gift Cards or Gift Card data for fraudulent transactions. Paymentech provides a number of tools and options to help Merchant reduce Merchant's risk of exposure for fraudulent transactions. We urge you to make use of any and all of such tools as we may offer in order to help reduce the risk of such transactions. In particular, we recommend that you utilize only those vendors that have been certified by Paymentech as having appropriate security measures in place to reduce the risk of counterfeit Gift Cards and the loss of sensitive Gift Card information that might result in unauthorized transactions, and we recommend that you promptly and frequently reconcile the transaction reports we provide to you against your own internal transaction records, and to report any unauthorized transactions to your account representative at Paymentech. Because manual Gift Card transactions (i.e. those involving the activation or reloading of Payment Instruments over the telephone in cases where your terminals may be unavailable) pose a higher risk of potential fraud, we urge you to pay special attention to these transactions and reconcile them on an even more frequent basis. In the event that you do not reconcile your transaction reports and promptly report any suspicious activity to us, Paymentech may not be able to assist you in canceling fraudulently activated or reloaded Gift Cards, or in otherwise identifying the source of any fraud.