



# Central Bank

## PAYMENT SOLUTIONS SERVICES

No matter what type of business you run, you need payment processing that's fast, secure and reliable. Central Bank's merchant program offers customized payment solutions that will enhance your customer's payment options at a competitive price. For over 35 years we have been processing for regional merchants who want competitive pricing and technology without giving up customer service and support!

### Central Bank's Service Commitment

Central Bank's merchant program with knowledgeable, personal representatives is committed to providing superior customer service in a continual effort to exceed our merchant's expectations. Our representatives are available 8 a.m. to 5 p.m. Monday through Friday, and we provide 24 hour terminal and PC technical support through the Visa Help Desk. By having a personal representative available, you won't have to call a 1-800 number for merchant issues in regards to statements, deposits, maintenance and fees. Our merchant representatives have experience in sales and support so you will have one contact for your merchant account. Equipment and supplies are in Lexington, KY and can be delivered same day locally, and within 24 hours for our out of town merchants.

### Overview of Products and Solutions

Our diversified product mix meets a wide range of customer needs including:

- Processing of All Credit Card Types (Visa, MasterCard, American Express, Discover, )
- Corporate/Purchasing Card Level 3 Processing
- On-Line/Off-Line Debit Card Processing
- Gift Card/Loyalty Card Processing

Central Bank recognizes that the financial processing needs of different businesses can vary widely. We offer specialized processing solutions for your electronic payment needs, and can tailor applications in software to your specific industry:

*Dial up touchtone processing* - For the smaller volume merchant who may not want invest in point of sale equipment or software. All transactions are authorized and automatically settled by using a telephone and a toll free number. This option offers the convenience of electronic processing and electronic payment to a Central Bank business checking account.

*Dial up or Ethernet terminal processing* - For any merchant who wants the convenience of electronic processing along with speed and efficient receipt printers and reporting at the end of your business day. Central Bank supports a variety of EMV Chip and contactless terminals and Pin Pads. Check with our personal representatives to see if your equipment is compatible for reprogramming. Payment for Visa, MasterCard, Discover and PIN Debit transactions are electronically credited to your Central Bank business checking account.

*Mobile solutions*-smart phone or table solutions for merchants on the go or for those that want traditional receipts and reporting wireless dial terminals with SIM card communications for authorization and settlement.

*Virtual Terminal processing*- PayTrace Virtual Terminal is a completely automated web based application that allows you to process credit card transactions in a secure online environment from anywhere you have internet connectivity. There is nothing to install or maintain on your computer, you simply connect to PayTrace's Virtual Terminal through your web browser and internet connection. Once you've logged into the virtual terminal, you have access to numerous payment processing features. Please visit <https://paytrace.com/> for product features and technical information. Free Mobile Phone or tablet solution included.

*Pay Trace Basic* for the smaller merchant Pay Trace Basic allows for card swipe entry, manual processing with address and CVV, CVC and CID verification, print or email receipts, view batch reports and transactions, set up a donation cart (online donations). The following features are *not available* with Paytrace Basic but are with the full professional version: Level 3 processing, customer management, batch upload, recurring payments, discretionary data, and shopping cart.

*POS Software*- For any merchant who wants integrated PC payment processing, Central Bank can support many payment applications with our network. Call us to verify if your software choice is registered as PA-DSS compliant and is compatible. Payment for Visa, MasterCard, Discover and PIN Debit transactions are electronically credited to your Central Bank business checking account.

*Internet*- For merchants with e-commerce transactions, there are several payment gateways that support internet processing. Central Bank serves as your merchant provider and the gateway is the link between the cardholder, merchant and transaction authorization/capture networks. Merchants using the PayTrace Virtual terminal can add a shopping cart or API interface to add internet processing options. All card not present transactions are provided the security of address verification service, and card verification (V-Code) at no additional cost. Merchants have the option of securing their transaction further with Verified by Visa or MasterCard Secure Code for an additional fee. Central Bank can assist with compatible gateways, or you may want to seek advice from your web designer for a gateway recommendation.

### Pricing

Your merchant account will be charged, based on total net sales volume in one monthly settlement. The fees are based on your monthly volume and will be itemized on your merchant statement. Central Bank is dedicated to minimizing our merchant's interchange costs, and will provide software and training to ensure you receive the best possible rates for your card transactions. New equipment can be purchased or leased, and compatible existing equipment can be reprogrammed. For pricing details, please contact our Merchant Representatives Monday through Friday 8 a.m. to 5 p.m. by calling (859)253-6288 or 253-8145. We look forward to establishing a long relationship with your business.



**CREDIT CARD MERCHANT FEES**  
**Electronic Draft Capture Merchant**

**Initial Set Up/Monthly Fees**

New Account Application Fee	\$ 50.00
Monthly Processing Fee	\$ Interchange and Association pass through fees + fixed % net volume (based on annual volume and risk)
Per Authorization Fee	\$ tiered based on # credit card transactions \$ 0.05 per electronic PIN debit authorization fee \$ 0.70 per dial pay authorization fee
Monthly Maintenance Fee	\$ 20.00 \$ 5.50 PCI validation dial up or \$ 12.50 PCI validation internet vulnerability scanning
Association Registration fee	\$ 8.00 monthly
Chargeback Fees	\$ 22.00 per chargeback
Manual Card Imprinter Purchase	\$ 35.00 (optional for manual receipts)

**Equipment/ Software/Supply Fees**

***Terminal/Printer Combinations:***

Verifone OmniVX520 or IngenicoICT220 \$400.00 purchase/ \$10.00 monthly rental

***Pin Pad:*** \$200.00 purchase/ \$5.00 monthly rental

QwickPay Mobile Application: provided with merchant account set up includes virtual terminal  
 SCRA secure reader: \$5.00 monthly per reader

***Virtual Terminal:***

PayTrace (Basic): \$50 One Time Set up Fee  
 \$5.50 monthly access fee + \$.50 per transaction

PayTrace (Professional):  
 \$100.00 One-time Set up Fee  
 \$20.00 monthly access fee + \$.05 per transaction  
*Optional:* Shopping cart \$10.00 monthly; API \$10.00 Monthly  
 Recurring Transaction \$10.00 monthly  
 Batch Upload \$10.00 monthly  
 Magtek Card Reader \$90.00 purchase

***Printer Supplies:***

\$ 30.00 per case (24 thermal paper rolls@85ft or 50 rolls@50ft)  
 \$ 70.00 three cases

**ALL FEES ARE EFFECTIVE JANUARY 1, 2016**  
**6% KY SALES TAX ON ALL EQUIPMENT & SUPPLY PURCHASES**  
 Merchant Services Representatives are available  
 by calling 859-253-8145 or 859-253-6288



**Central Bank**  
**MERCHANT SERVICES APPLICATION**  
**Visa/MasterCard/Discover**

**IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we may ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. Each of the undersigned owner/officers agrees that he/she has the authority to represent the Merchant Names and on behalf of the merchant (1) represents that the information provided is true and correct, and (2) authorizes the Acquirer or its agent to obtain information concerning the Merchant's financial condition from any credit reporting agency, creditor, or financial institution.

Print Name: _____	Signature: _____
Print Name: _____	Signature: _____

**General Information**

Physical Location Information

Name: \_\_\_\_\_  
 Address (No PO Box): \_\_\_\_\_  
 Address line 2: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_

Statement Mailing Information if same as physical check this box

Name: \_\_\_\_\_  
 Address (PO box OK): \_\_\_\_\_  
 Address line 2: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_

Telephone #: \_\_\_\_\_ Email Address: \_\_\_\_\_  
 Fax#: \_\_\_\_\_ Web Site Address: \_\_\_\_\_  
 Customer Service #: \_\_\_\_\_ Federal Tax ID: \_\_\_\_\_

- 1 Sole Proprietorship     2 Partnership     3 Corporation     9 Limited Liability Company     4 Medical or Legal Corporation  
 5 Association/Estate/Trust     7 Government (Federal/State/Local)     6 Tax Exempt Organization (include a copy of tax exempt certificate)

Owner/Officer #1: \_\_\_\_\_ Title: \_\_\_\_\_  
 SS#: \_\_\_\_\_ Home Telephone #: \_\_\_\_\_  
 Complete Home Address: \_\_\_\_\_  
 Owner/Officer #2: \_\_\_\_\_ Title: \_\_\_\_\_  
 SS#: \_\_\_\_\_ Home Telephone #: \_\_\_\_\_  
 Complete Home Address: \_\_\_\_\_

**Sales & Financial Details**

**NOTE: Use projections as needed for new businesses, include a recent bank and merchant statement (if switching processors).**

Total Annual Gross Sales: \_\_\_\_\_ Percent of Card Sales - Swiped: \_\_\_\_\_  
 Percent of Card Sales: \_\_\_\_\_ Percent of Card Sales - Not Swiped: \_\_\_\_\_  
 Average Dollar Amount Per Sale: \_\_\_\_\_ Total must = 100%  
 Date Business Opened: \_\_\_\_\_ Business at this location since: \_\_\_\_\_  
 Merchandise/Services Sold: \_\_\_\_\_  
 Include one of the following:     Product or Service Brochure     Business Card     Advertisement  
 How does your business advertise?     Newspaper     Radio     Television     Magazine     Fliers     Direct Mail  
 Telephone Book     Word of Mouth     Internet     Other: \_\_\_\_\_  
 Does your company utilize a third party to make sales or deliver product/service?     Yes     No  
 How does the customer order product/service?     Telephone     Fax     Mail     In-person     Internet  
 Other: \_\_\_\_\_

Describe your business selling process. (Be specific from order to shipment) \_\_\_\_\_

Describe your Return/Guarantee/Refund Policy. \_\_\_\_\_

Previous Credit/Debit Card Processor or Financial Institution: \_\_\_\_\_ Length of time processing: \_\_\_\_\_  
 Reason for Changing Processors: \_\_\_\_\_  
 Checking Account Number: \_\_\_\_\_ Transit Routing Number: \_\_\_\_\_



**Central Bank**  
**MERCHANT SERVICES APPLICATION**

**Visa/MasterCard/Discover**

**Set-up Information**

Choose one of the following 5 options:

1.  Dial Pay - Electronic processing via your touch tone telephone
2.  POS Terminal:  Reprogram  Purchase  Rent<sup>1</sup>  Other Source: \_\_\_\_\_  
 Terminal Type: \_\_\_\_\_ Quantity: \_\_\_\_\_ Printer Type: \_\_\_\_\_ Quantity: \_\_\_\_\_  
 PIN pad Type: \_\_\_\_\_ Quantity: \_\_\_\_\_ Reader Type: \_\_\_\_\_ Quantity: \_\_\_\_\_

Will your POS Terminal operate on an analog phone line?  Yes  No  
 Does your telephone system require an access number to dial an outside line?  Yes  No Number: \_\_\_\_\_  
 Will your POS Terminal operate on a dedicated phone/fax line?<sup>2</sup>  Yes  No

3.  Internet Specify Software: \_\_\_\_\_
4.  PC Software<sup>3</sup> Specify software: \_\_\_\_\_  
 Modem Type & Speed: \_\_\_\_\_ Windows Version: \_\_\_\_\_  
 Number of PCs: \_\_\_\_\_ Will software operate on a LAN?  Yes  No If yes, LAN type: \_\_\_\_\_

5.  Paytrace Virtual Terminal  Shopping Cart  Recurring Payments  Batch Upload  API

Do you need to purchase an Imprinter?  Yes  No  
 Do you accept American Express?<sup>4</sup>  Yes  No American Express #: \_\_\_\_\_

Our trainer will contact you for a point-of-sale training session.  
 Training Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

<sup>1</sup> Rental with purchase option available after 90 days. <sup>3</sup>Additional set-up forms may be required.  
<sup>2</sup>recommend using a dedicated phone line. <sup>4</sup>To set up a merchant account: Contact American Express at 1-800-528-5200,

**Identification**

Sole Proprietorship Only: Primary Identification Form (Permanent Driver's License-state of issuance, State Non-driver's ID Card, County ID Card-county of issuance, Passport-country of issuance, Resident Alien Card, or Armed Forces ID-branch of service)

ID Form: \_\_\_\_\_ Issuer: \_\_\_\_\_ Number: \_\_\_\_\_  
 Date of Issuance: \_\_\_\_\_ Expiration Date: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
 Additional information may be required for other incorporation types.

**Premise Inspection Report**

Description of Premises:  Store front  Office Building  Residence  Other: \_\_\_\_\_  
 Owned  Leased Inventory Verified (Bank Representative): \_\_\_\_\_  
 Landlord Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_  
 Comments: \_\_\_\_\_

Inspected By (Bank Rep): \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Bank Name: **Central Bank** Banker's Phone #: \_\_\_\_\_

**Bank Set Up Use Only**

Association Number:	<input type="checkbox"/> 850002	<input type="checkbox"/> 850003	<input type="checkbox"/> 850004	<input type="checkbox"/> 850005
Sic Code:				
High Risk	Y <input type="checkbox"/> N <input type="checkbox"/>	Met Table:	Merchant Type:	Inc Status:
Interchange Eligibility:	CPS:	EIRF:	PSF:	Merit:
Set Up Fee:	Month to Charge:	Imprinter Fee:	Month to Charge:	
VS FANF Loc Fee:	Amt\$	PCI Compliance: N <input type="checkbox"/> Y <input type="checkbox"/>	Exp:	Vendor:
Terminal Type:	Qty:	Amt\$	Month To Charge:	Purchase Y <input type="checkbox"/> N <input type="checkbox"/>
Pin Pad Type:	Qty:	Amt\$	Month To Charge:	Purchase Y <input type="checkbox"/> N <input type="checkbox"/>
Other:	Qty:	Amt\$	Month To Charge:	Purchase Y <input type="checkbox"/> N <input type="checkbox"/>



## Central Bank

### MERCHANT SERVICES APPLICATION

#### Visa/MasterCard/Discover Internet Merchant Accounts Only

URL WEBSITE ADDRESS :

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IP INTERNET PROTOCOL SERVER ADDRESS :

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CONTACT DETAILS FOR WEB HOSTING SERVICE :

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EMAIL/PHONE # FOR CUSTOMER SERVICE :

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DESCRIBE LINKS ON MERCHANT WEBSITE TO  
WHICH YOU MAY OR MAY NOT BE AFFILIATED :

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#### Merchant Web site Requirements :

- Complete description of goods and services
- Customer service contact information including email address and phone number
- Return, refund and cancellation policy
- Delivery policy
- Transaction currency or currencies
- Country of merchant domicile
- Export restrictions
- Privacy statements



# Central Bank

## MERCHANT SERVICES APPLICATION

## FINANCIAL INSTITUTION COPY

### Visa/MasterCard/Discover Network Merchant Processing

Each of the undersigned Owner/Officer(s) certifies that he/she has the authority, as described below, to represent the Merchant named below and, on behalf of the Merchant, (1) represents that the information provided below is true and correct, (2) agrees to use the Acquirer's bankcard processing services under terms of the Acquirer's Merchant Regulations, as amended from time to time, for the Agreement Term selected below, (3) agrees to pay the Set Up Fee selected below, and (4) authorizes the Acquirer, or its agent, to obtain information concerning the Merchant's financial condition from any credit reporting agency, creditor or financial institution. Facsimile signatures on this Application shall be binding in the same manner as original signatures.

#### PERSONAL GUARANTY

For good and valuable consideration, receipt of which is hereby acknowledged, each Owner/Officer signing below ("I", "me", "my"), in my individual capacity and not on behalf of Merchant, agree (jointly and severally if more than one) to unconditionally guaranty prompt payment, when due, by Merchant of all amounts owed by Merchant to Acquirer under the terms of the Merchant Regulations, plus accrued interest and other fees and charges, including reasonable attorneys' fees and costs of Acquirer (the "Obligation"). I expressly waive notice of acceptance of this Guaranty, of default, or of collection, and agree that Acquirer may, without notice to me or my consent, extend the time for payment, grant waivers, change the terms of the Merchant Regulations, or compromise any claim against Merchant. Following Merchant's default under the terms of the Merchant Regulations, Acquirer may require me to repay the entire Obligation even though Merchant is able to pay, and Acquirer shall not have to take any steps to realize upon any collateral securing the Obligation, or take any action, or wait for any event to occur to establish my liability to repay the Obligation. I expressly waive any claim of marshalling of assets against Acquirer. Unless and until the Obligation has been paid in full, my responsibility to Lender will continue and will not be affected by any claims or defenses that Merchant may have against Acquirer, and I will not exercise or enforce any subrogation, contribution, or other legal rights I may have against Merchant. This is a continuing unlimited guaranty that will remain in effect until the Obligation has been paid in full. This Guaranty may not be waived, modified, released or otherwise changed except by a writing signed by both me and Acquirer. I authorize Acquirer, or its agent, to obtain or report credit information regarding me.

Dated this: \_\_\_\_\_ Day of \_\_\_\_\_ Year \_\_\_\_\_

\_\_\_\_\_ Print Name of Merchant Business

\_\_\_\_\_ Print Name of Owner/Officer #1

\_\_\_\_\_ Signature of Owner/Officer #1

\_\_\_\_\_ Print Name of Owner/Officer #2

\_\_\_\_\_ Signature of Owner/Officer #2

**Central Bank**  
Name of Financial Institution ("Acquirer")

**P.O. Box 1360, Lexington , KY 40588**  
Acquirer's Address

\_\_\_\_\_ Authorized Employee of Financial Institution ("Acquirer")

#### CARD ACCEPTANCE (select one)

- Credit/Business Only (Addendum Required)
- Consumer Debit/Prepaid Only (Addendum Required)
- Both Credit/Business and Consumer Debit/Prepaid

#### CERTIFICATION OF AUTHORITY

Corporate Resolution (Corporations and LLC Only):  
The above signed certifies that (1) he/she is duly elected and qualified official of the corporation whose full legal name appears on the Merchant Application, (2) he/she is duly authorized on behalf of the corporation to contract with the Acquirer and to act on behalf of the corporation in all matters relating to the Merchant Regulations, (3) Acquirer may rely upon this authorization Merchant provides written notice of any change.

Partnership Certificate (Partnerships and LLP Only): The above signed certifies that (1) he/she is the General Partner or other official of the partnership authorized, for and on behalf of this partnership, to enter into this agreement with Acquirer, and to take such other action relating to said agreement, as he/she may from time to time deem appropriate in connection with the participation by this partnership in bank card interchange systems known as the Visa, MasterCard, Discover Systems, and/or ATM Debit Networks, (2) the partners, employees, and agents of this partnership are authorized, for and on behalf of this partnership, to make and deliver sales slips, credit memoranda, electronic transaction records and other instruments to Acquirer, in connection with this partnership's participation in the above system, And (3) his/her authority will continue in full force and effect until Acquirer, shall receive official notice in writing from this partnership of the revocation hereof by such organization.

Non-profit Organization Authorization (Non-Profit Organizations Only):  
The above signed certifies that (1) he/she is authorized, for and on behalf of the Board of Trustees or governing authority, to enter into an agreement or agreements, with Acquirer, and to take such other action relating to said agreement or agreements, as he/she may from time to time deem appropriate in connection with the participation by this organization in bank card interchange systems known as the Visa, MasterCard, Discover Systems, and/or ATM Debit Networks, (2) the partners, employees, and agents of this organization are authorized, for and on behalf of this organization, to make and deliver sales slips, credit memoranda, electronic transaction records and other instruments to Acquirer, in connection with this organization's participation in the above systems, and (3) the authority conferred is in addition to the authority conferred by any other resolution delivered to Acquirer, and will continue in full force until Acquirer, shall receive official notice in writing from this organization of the revocation hereof by a resolution duly adopted by the governing authority of this organization.



# Central Bank

## MERCHANT SERVICES APPLICATION

## MERCHANT COPY

### Visa/MasterCard/Discover Network Merchant Processing

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#### PERSONAL GUARANTY

For good and valuable consideration, receipt of which is hereby acknowledged, each Owner/Officer signing below ("I", "me", "my"), in my individual capacity and not on behalf of Merchant, agree (jointly and severally if more than one) to unconditionally guaranty prompt payment, when due, by Merchant of all amounts owed by Merchant to Acquirer under the terms of the Merchant Regulations, plus accrued interest and other fees and charges, including reasonable attorneys' fees and costs of Acquirer (the "Obligation"). I expressly waive notice of acceptance of this Guaranty, of default, or of collection, and agree that Acquirer may, without notice to me or my consent, extend the time for payment, grant waivers, change the terms of the Merchant Regulations, or compromise any claim against Merchant. Following Merchant's default under the terms of the Merchant Regulations, Acquirer may require me to repay the entire Obligation even though Merchant is able to pay, and Acquirer shall not have to take any steps to realize upon any collateral securing the Obligation, or take any action, or wait for any event to occur to establish my liability to repay the Obligation. I expressly waive any claim of marshalling of assets against Acquirer. Unless and until the Obligation has been paid in full, my responsibility to Lender will continue and will not be affected by any claims or defenses that Merchant may have against Acquirer, and I will not exercise or enforce any subrogation, contribution, or other legal rights I may have against Merchant. This is a continuing unlimited guaranty that will remain in effect until the Obligation has been paid in full. This Guaranty may not be waived, modified, released or otherwise changed except by a writing signed by both me and Acquirer. I authorize Acquirer, or its agent, to obtain or report credit information regarding me

Dated this: \_\_\_\_\_ Day of \_\_\_\_\_ Year \_\_\_\_\_

\_\_\_\_\_ Print Name of Merchant Business

\_\_\_\_\_ Print Name of Owner/Officer #1

\_\_\_\_\_ Signature of Owner/Officer #1

\_\_\_\_\_ Print Name of Owner/Officer #2

\_\_\_\_\_ Signature of Owner/Officer #2

**Central Bank**

**P.O. Box 1360 Lexington, KY, 40588**

\_\_\_\_\_ Name of Financial Institution ("Acquirer")

\_\_\_\_\_ Acquirer's Address

\_\_\_\_\_ Authorized Employee of Financial Institution ("Acquirer")

#### CARD ACCEPTANCE (select one)

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Partnership Certificate (Partnerships and LLP Only): The above signed certifies that (1) he/she is the General Partner or other official of the partnership authorized, for and on behalf of this partnership, to enter into this agreement with Acquirer, and to take such other action relating to said agreement, as he/she may from time to time deem appropriate in connection with the participation by this partnership in bank card interchange systems known as the Visa, MasterCard, Discover Network Systems, and/or ATM Debit Networks, (2) the partners, employees, and agents of this partnership are authorized, for and on behalf of this partnership, to make and deliver sales slips, credit memoranda, electronic transaction records and other instruments to Acquirer, in connection with this partnership's participation in the above system, And (3) his/her authority will continue in full force and effect until Acquirer, shall receive official notice in writing from this partnership of the revocation hereof by such organization.

Non-profit Organization Authorization (Non-Profit Organizations Only):

The above signed certifies that (1) he/she is authorized, for and on behalf of the Board of Trustees or governing authority, to enter into an agreement or agreements, with Acquirer, and to take such other action relating to said agreement or agreements, as he/she may from time to time deem appropriate in connection with the participation by this organization in bank card interchange systems known as the Visa, MasterCard, Discover Systems, and/or ATM Debit Networks, (2) the partners, employees, and agents of this organization are authorized, for and on behalf of this organization, to make and deliver sales slips, credit memoranda, electronic transaction records and other instruments to Acquirer, in connection with this organization's participation in the above systems, and (3) the authority conferred is in addition to the authority conferred by any other resolution delivered to Acquirer, and will continue in full force until Acquirer, shall receive official notice in writing from this organization of the revocation hereof by a resolution duly adopted by the governing authority of this organization.





# Central Bank

**MERCHANT SERVICES APPLICATION**

**FINANCIAL INSTITUTION COPY**

**Visa/MasterCard/Discover Merchant Processing**

**UNDERSIGNED MERCHANT SIGNATURE ACKNOWLEDGES RECEIPT OF BOTH:**

- MERCHANT REGULATIONS FOR CARD ACCEPTANCE**
- MERCHANT CHARGEBACK NOTIFICATION**

**MERCHANT CHARGEBACK NOTIFICATION**

As a merchant participating in the Visa, MasterCard and Discover system, you must be aware of the credit cardholder's right to charge back a transaction. A chargeback occurs when a cardholder disputes purchase for any number of reasons. Please be aware of the following:

1. A chargeback is initiated by the cardholder's bank, not the Acquirer.
2. The chargeback process is one which ordinarily favors the cardholder rather than the merchant.
3. A chargeback does not mean that you, as a merchant, are without recourse. What it may mean, however, is that you will have to pursue a private collection action against your customer.
4. A cardholder's right to charge back is very broad. The cardholder simply has to file a written dispute with his/her bank. The bank must then charge the item back.
5. An authorization does not guarantee your sale, should the cardholder dispute the sale.
6. A cardholder has significant rights to return merchandise. Please note paragraph 12 of the Merchant Regulations. Should the cardholder claim he/she was not made aware of the disclosure (the merchant's return policy), a chargeback will likely be initiated.
7. The Acquirer is simply the messenger when a chargeback is initiated by a cardholder. The Acquirer must process the chargeback to the merchant's account per Visa/MasterCard rules and regulations.

Dated this          Day of          year

**Central Bank & Trust Co.**  
Name of Financial Institution

\_\_\_\_\_  
Name of Merchant

By: \_\_\_\_\_

By: \_\_\_\_\_

Merchant Services Officer

Title: \_\_\_\_\_





# Central Bank

**MERCHANT SERVICES APPLICATION**

**MERCHANT COPY**

**Visa/MasterCard/Discover Merchant Processing**

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Dated this            Day of            year

**Central Bank & Trust Co.**  
Name of Financial Institution

\_\_\_\_\_  
Name of Merchant

By: \_\_\_\_\_  
Merchant Services Officer

By: \_\_\_\_\_  
Title: \_\_\_\_\_



## Central Bank

**MERCHANT SERVICES APPLICATION**

**FINANCIAL INSTITUTION COPY**

### CARDHOLDER INFORMATION SECURITY AGREEMENT

Visa U.S.A. Inc., MasterCard International, Inc., Discover, and other credit and debit card brands, associations, and network organizations (collectively, the "Card Associations") each require that its member institutions exercise reasonable care in protecting cardholder information, and that member institutions and their agents abide by certain rules and operating regulations established by the card associations. The undersigned ("Merchant") receives transaction processing services from Central Bank ("Acquirer"). Acquirer desires to assure that cardholder information is collected, processed, transmitted or stored in a safe and secure manner, using procedures consistent with the respective requirements of the Card Associations, and requires that Merchant agree to the terms of this Cardholder Information Security Agreement in order to continue to receive such services from **Acquirer**.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Merchant agrees as follows:

**1. Cardholder Information.** For purposes of this Agreement, the term "Cardholder Information" is defined as any information containing or evidencing either (a) a cardholder's personal information or data; including without limitation, a cardholder's name, card account number, debit card PIN numbers, address, social security number, or any other evidence of the cardholder's credit, debit or other card type, or (b) information relating to transactions consummated with credit or other types of cards, including both electronic, written and other forms of data, and further including any encryption keys or algorithms used to secure any of the foregoing (the disclosure of which could lead to the disclosure of any other Cardholder Information). This definition also incorporates other, similar terms in this Agreement, including "cardholder data" and "card transaction information".

**2. Security Requirements.** Merchant agrees that it will abide by and fully comply with the applicable regulations, bylaws, or other rules of all Card Associations (including, without limitation, Visa U.S.A.'s Cardholder Information Security Program ("CISP"), MasterCard's Site Data Protection Program ("SDP"), Discover's Information Security Compliance (DISC) and the Payment Card Industry (PCI) PIN Security Requirements, and the Plus and Interlink Operating Regulations), including any such rules, regulations or bylaws that may be adopted, instituted, or communicated in the future, in each case as they may be interpreted and communicated to the Merchant by the respective Card Associations and/or by Acquirer (the "Security Requirements"). Acquirer or any Card Association may periodically request that Merchant certify its compliance with the Security Requirements, including copies of security compliance assessments and reports, processes, procedures, technology and policies, and Merchant will promptly comply with such requests; provided that such requests will not require the disclosure of any information prohibited from being disclosed pursuant to Requirements of Law. Merchant will promptly notify Acquirer of a material change in status to any of its security compliance assessments and reports, processes, procedures, technology and policies. Merchant agrees that Acquirer, any Card Association, and their respective agents may, at Acquirer's or the Card Association's discretion, periodically perform information security compliance reviews and audits (including vulnerability scans) of Merchant. Such reviews and audits may include onsite inspections and passive internet scans to detect vulnerabilities. Nothing in this Section will be construed as limiting Merchant's obligations to comply with the Security Requirements and this Section. While Acquirer or a Card Association or their respective agents may, at Acquirer's or the Card Association's discretion, periodically perform a review of Merchant's security as described above, Merchant is solely responsible for its compliance with the Security Requirements and this Section.

**3. Requirements of Law.** Merchant further agrees to comply with any law, ordinance, statute, treaty, rule, judgment, decree, regulation, official directive, consent, approval, authorization, order or other determination or finding of any governmental authority applicable to or binding upon Merchant or to which Merchant is subject, whether federal, state, county, local, foreign or otherwise, including the Federal Fair Credit Reporting Act as amended by the Fair and Accurate Credit Transactions Act, the Gramm-Leach-Bliley Act (the "Requirements of Law") and will otherwise protect the security and confidentiality of the Cardholder Information, and all other "nonpublic personal information" and "customer information", as those terms are defined in the Gramm-Leach-Bliley Act and the regulations thereunder (the "GLB"). Merchant agrees that it will implement and at all times maintain appropriate measures designed to ensure the confidentiality of customer information, protect against any anticipated threats or hazards to the security or integrity of such information, and protect against unauthorized access or use of such information, as required by the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information", adopted and set forth pursuant to the GLB.

**4. Limitations on Use of Cardholder Information.** Merchant agrees that it will use Cardholder Information only for payment transaction processing, settlement, and funding. Merchant may not retain any CID or any CVV Data (regardless of whether such data is in written, electronic or other form) captured in connection with any card transaction. The CID and CVV Data may not be recorded on transaction documentation or any other evidence of the card transaction, including in any records maintained by Merchant or its agents.

**5. Third Party Agents.** Merchant represents and warrants that it will immediately, or within three (3) business days at the latest, notify Acquirer in writing if it uses or intends to use the services of any subcontractor or other third party that will access, transmit or store Cardholder Information on behalf of Merchant.

**6. Nondisclosure.** Merchant agrees that, unless otherwise permitted by this Agreement or with Acquirer's written permission, except as may be required and authorized by law, it will not sell, transfer, or disclose to any person other than Acquirer and/or the respective Card Associations, any Cardholder Information or other information containing cardholder or personal information which Merchant may receive or transmit. Merchant further agrees to implement any agreements with third parties to which Merchant provides access, to Cardholder Information (as permitted by this Agreement or agreed to by Acquirer in writing) obligating said third parties to adhere to the terms of this Agreement and the regulations referenced herein.

**7. Ownership of Cardholder Information.** Merchant acknowledges and agrees that it has no ownership of or right to use the Cardholder Information. Merchant has the right to access and use Cardholder Information only as authorized by the respective Card Associations and only as defined in its Merchant Agreement with Acquirer.

**8. Indemnification.** Merchant further agrees that it will indemnify and hold Acquirer harmless from and against any and all liabilities, losses, claims, damages, disputes, offsets, claims or counterclaims, including without limitation any fines and penalties from any card association, arising out of or related to Merchant's (or its employees', representatives', agents', contractors', or subcontractors') failure to abide by and fully comply with this Agreement.

**9. Non-retention of Cardholder Information.** Cardholder Information will not be retained subsequent to the authorization of the transaction, other than essential information (cardholder name, account number, expiration date and Extended Service code) necessarily required for bona fide purposes in connection with the transaction, and only for the length of time the information is required for such purposes, which must be stored in a secure environment to which access is limited to persons who have a need to know such information. Without limiting the generality of the foregoing, in no event shall Merchant store or retain the contents or information recorded on the magnetic tracks of any card, any PIN data, or the CVV2 (VISA), CVC2 (MasterCard), --r CID (Discover) or 3CSC (American Express) data of any card subsequent to obtaining an authorization.

**10. Security Failures.** (a) Notice. Merchant shall notify Acquirer as soon as reasonably practicable and in no event more than 24 hours after becoming aware of (i) any suspected or actual data security breach in any of its systems or databases used to conduct or in any way process card transactions or to store Cardholder information, including websites or electronic links used to conduct card transactions, and (ii) any noncompliance by you with the Security Requirements. Such breaches shall include third party incursions that could in any way result in access to card transaction information, card account information or Cardholder Information. The foregoing obligations are in addition to any data security breach notification obligations that may be applicable to Merchant under Requirements of Law. During the term of this agreement and for a minimum of twelve months following the termination of this agreement, Merchant will fully cooperate with Acquirer, the Card Associations, and others in investigations of suspected theft, loss or disclosure of cardholder data, and violations of applicable statutes or Card Association operating rules and regulations. (b) Investigation. Merchant must perform or cause to be performed an independent investigation (including a forensics analysis) of any data security breach; perform or cause to be performed any remedial actions recommended by any such independent investigation; and cooperate with Acquirer and/or the applicable Card Association(s) in the investigation and resolution of any data security breach. Merchant must provide Acquirer and/or the applicable Card Association with the following information concerning any suspected or actual data security breach: (i) the date of such breach, (ii) details concerning the data compromised (e.g., card numbers and expiration dates, cardholder names and addresses), (iii) the method of such breach, (iv) Merchant's security personnel contacts, (v) the name of any person (including any law enforcement agency) assisting Merchant with its investigation of such breach, and (vi) any other information which Acquirer reasonably requests from Merchant and/or its agents concerning such breach, including any forensics report(s). Merchant will provide the information listed in (i)-(vi) as soon as is reasonably practicable and the information listed in (i)-(v) shall in any event be provided to Acquirer and/or the applicable Card Association within 48 hours of Merchant's initial notification to Acquirer of such breach. Merchant and its agents must provide Acquirer and/or the applicable Card Association with copies of any reports concerning such breach as soon as practicable. Merchant must not issue, and must prevent its agents from issuing, any press release or other public announcement concerning such breach until after Merchant has provided Acquirer with the information requested in (i)-(v) above.

(c) Inadequacies. Merchant must cooperate with Acquirer to ensure that appropriate security measures and procedures are implemented by a mutually agreeable deadline if Acquirer notifies Merchant that its or any of its agent's security procedures in connection with card transactions are inadequate or do not comply with the Security Requirements. (d) Acquirer's and Card Association Rights upon Noncompliance with Security Requirements. If a Card Association determines or reasonably suspects, in its reasonable discretion, that Merchant or any of its agent's security procedures, including with respect to card transactions, are inadequate or otherwise do not comply with the Security Requirements regardless of whether Acquirer has received certification from Merchant of compliance with the Security Requirements, the Card Association may assess fines and fees for each discrete event of noncompliance, including for each failure to comply with a Security Requirement regardless of whether the Card Association, an issuer, cardholder, or any other party has experienced damage as a result of such noncompliance. Merchant is responsible for the full amount of any such fees and/or fines. Additional fees and/or fines may be assessed during the period that such noncompliance remains uncured. Merchant's ability to accept or process card transactions may also be terminated by Acquirer or suspended until such time as Merchant has adopted security procedures that comply with the Security Requirements regardless of whether any party has experienced damage as a result of such noncompliance. In addition, a Cardholder Association may contact Merchant if it determines or reasonably suspects that Merchant is not in full compliance with the Security Requirements. If Merchant does not ensure that Merchant complies with the Security Requirements by a mutually acceptable deadline, Acquirer or the Card Association may terminate the Merchant Agreement and Merchant's ability to accept cards and/or the Card Association may assess fees or fines for which Merchant will be responsible. Merchant is responsible for any disputes resulting directly or indirectly from its failure to comply with the Security Requirements and/or this Section and any resulting costs, expenses, damages or other losses experienced by Acquirer, a Card Association, and/or any card issuer or cardholder. (e) Data Security Breaches. Merchant is financially responsible for fraudulent transactions and any damages that Acquirer, a Card Association, a card issuer and/or a cardholder incurs as a result of the theft, loss or unauthorized use or disclosure of Cardholder Information or card transaction information by Merchant or its agents. Merchant is also solely responsible for any fines (the "Data Security Breach Fees") assessed by a Card Association for each data security breach incident at Merchant or one of its agents.

**11. Audits; Onsite Assessments; Scans.** Merchant will perform periodic information security self audits and promptly remedy any deficiencies. To the extent required by any Card Association, you will complete any required self-assessment questionnaire, engage an independent security assessor approved by the relevant Card Association to perform an onsite review of your compliance with Card Association requirements and/or to perform any periodic system perimeter scans, copies of the results of each of which will be provided to Acquirer, together with any other documentation reasonably necessary to evidence compliance with applicable Card Associations rules relating to the protection of Cardholder Information. In the event that Acquirer or any Card Association determines a reasonable basis for concern regarding the adequacy of Merchant's procedures to protect Cardholder Information, or determines a reasonable basis to believe that Cardholder Information has been compromised during or as a result of the Merchant's possession of that information, Merchant will provide more formal assurance of compliance and/or engage an independent security firm to verify or certify Merchant's policies and procedures relative to Cardholder Information security.

**12. Additional Security Procedures.** Notwithstanding other terms of this agreement or any agreement between the Merchant and any other party, Merchant agrees to follow appropriate procedures to protect the security of Cardholder Information received during the term of this Agreement. Such procedures must include, but are not limited to, the following: (i) Merchant will install and maintain a working network firewall to protect data accessible via the Internet; (ii) Merchant will use and update anti-virus software; (iii) security patches will be kept up to date; (iv) Merchant will encrypt stored data and data sent over open networks; (v) Merchant will maintain an information security policy for employees and contractors; (vi) procedures will be maintained to restrict access to cardholder data on a limited "need to know" basis, (vii) all materials containing cardholder data will be rendered unreadable prior to discarding and will be discarded in a manner that ensures the complete destruction of cardholder data, (viii) Merchant will assign a unique ID to each person with computer access to data, and (ix) Merchant will ensure that unauthorized parties do not have access to any of its systems containing Cardholder Information.

**13. Survival.** Merchant's obligations under this Agreement survive the termination of this Agreement for all Cardholder Information received during the term of this Agreement.

**14. Term; Other Agreements.** This Agreement shall remain in effect until one (1) year following expiration of the Merchant Agreement. To the extent that this document conflicts with the provisions of any other agreement governing the business relationship between Merchant and Acquirer, the provisions of this Agreement shall govern and, to the extent necessary, shall constitute an amendment to such other agreement. Breach of this Agreement by Merchant shall constitute a breach of the Merchant Agreement.

**15. Registration.** Merchant agrees that, at the request of Acquirer or any Card Association, Merchant shall, at its sole expense, fulfill any registration requirements of the applicable Card Associations, or as required, assist Acquirer in such process, including without limitation registering any subcontractor with Acquirer, and will cooperate with same. Merchant further agrees that it will be solely responsible for any fees and costs, including recurring fees, whether assessed directly to Merchant, or by the Card Associations to Acquirer, in connection with said registrations.

The undersigned Merchant agrees to the foregoing as of the date set forth below.

Merchant: \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



Central Bank

MERCHANT SERVICES APPLICATION

MERCHANT COPY

## CARDHOLDER INFORMATION SECURITY AGREEMENT

Visa U.S.A. Inc., MasterCard International, Inc., Discover, and other credit and debit card brands, associations, and network organizations (collectively, the "Card Associations") each require that its member institutions exercise reasonable care in protecting cardholder information, and that member institutions and their agents abide by certain rules and operating regulations established by the Card Associations. The undersigned ("Merchant") receives transaction processing services from Central Bank ("Acquirer"). Acquirer desires to assure that cardholder information is collected, processed, transmitted or stored in a safe and secure manner, using procedures consistent with the respective requirements of the Card Associations, and requires that Merchant agree to the terms of this Cardholder Information Security Agreement in order to continue to receive such services from Acquirer.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Merchant agrees as follows:

- 1. Cardholder Information.** For purposes of this Agreement, the term "Cardholder Information" is defined as any information containing or evidencing either (a) a cardholder's personal information or data; including without limitation, a cardholder's name, card account number, debit card PIN numbers, address, social security number, or any other evidence of the cardholder's credit, debit or other card type, or (b) information relating to transactions consummated with credit or other types of cards, including both electronic, written and other forms of data, and further including any encryption keys or algorithms used to secure any of the foregoing (the disclosure of which could lead to the disclosure of any other Cardholder Information). This definition also incorporates other, similar terms in this Agreement, including "cardholder data" and "card transaction information".
- 2. Security Requirements.** Merchant agrees that it will abide by and fully comply with the applicable regulations, bylaws, or other rules of all Card Associations (including, without limitation, Visa U.S.A.'s Cardholder Information Security Program ("CISP"), MasterCard's Site Data Protection Program ("SDP"), Discover's Information Security Compliance (DISC), the Payment Card Industry (PCI) PIN Security Requirements, and the Plus and Interlink Operating Regulations), including any such rules, regulations or bylaws that may be adopted, instituted, or communicated in the future, in each case as they may be interpreted and communicated to the Merchant by the respective Card Associations and/or by Acquirer (the "Security Requirements"). Acquirer or any Card Association may periodically request that Merchant certify its compliance with the Security Requirements, including copies of security compliance assessments and reports, processes, procedures, technology and policies, and Merchant will promptly comply with such requests; provided that such requests will not require the disclosure of any information prohibited from being disclosed pursuant to Requirements of Law. Merchant will promptly notify Acquirer of a material change in status to any of its security compliance assessments and reports, processes, procedures, technology and policies. Merchant agrees that Acquirer, any Card Association, and their respective agents may, at Acquirer's or the Card Association's discretion, periodically perform information security compliance reviews and audits (including vulnerability scans) of Merchant. Such reviews and audits may include onsite inspections and passive internet scans to detect vulnerabilities. Nothing in this Section will be construed as limiting Merchant's obligations to comply with the Security Requirements and this Section. While Acquirer or a Card Association or their respective agents may, at Acquirer's or the Card Association's discretion, periodically perform a review of Merchant's security as described above, Merchant is solely responsible for its compliance with the Security Requirements and this Section.
- 3. Requirements of Law.** Merchant further agrees to comply with any law, ordinance, statute, treaty, rule, judgment, decree, regulation, official directive, consent, approval, authorization, order or other determination or finding of any governmental authority applicable to or binding upon Merchant or to which Merchant is subject, whether federal, state, county, local, foreign or otherwise, including the Federal Fair Credit Reporting Act as amended by the Fair and Accurate Credit Transactions Act, the Gramm-Leach-Bliley Act (the "Requirements of Law") and will otherwise protect the security and confidentiality of the Cardholder Information, and all other "nonpublic personal information" and "customer information", as those terms are defined in the Gramm-Leach-Bliley Act and the regulations thereunder (the "GLB"). Merchant agrees that it will implement and at all times maintain appropriate measures designed to ensure the confidentiality of customer information, protect against any anticipated threats or hazards to the security or integrity of such information, and protect against unauthorized access or use of such information, as required by the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information", adopted and set forth pursuant to the GLB.
- 4. Limitations on Use of Cardholder Information.** Merchant agrees that it will use Cardholder Information only for payment transaction processing, settlement, and funding. Merchant may not retain any CID or any CVV Data (regardless of whether such data is in written, electronic or other form) captured in connection with any card transaction. The CID and CVV Data may not be recorded on transaction documentation or any other evidence of the card transaction, including in any records maintained by Merchant or its agents.
- 5. Third Party Agents.** Merchant represents and warrants that it will immediately, or within three (3) business days at the latest, notify Acquirer in writing if it uses or intends to use the services of any subcontractor or other third party that will access, transmit or store Cardholder Information on behalf of Merchant.
- 6. Nondisclosure.** Merchant agrees that, unless otherwise permitted by this Agreement or with Acquirer's written permission, except as may be required and authorized by law, it will not sell, transfer, or disclose to any person other than Acquirer and/or the respective Card Associations, any Cardholder Information or other information containing cardholder or personal information which Merchant may receive or transmit. Merchant further agrees to implement any agreements with third parties to which Merchant provides access, to Cardholder Information (as permitted by this Agreement or agreed to by Acquirer in writing) obligating said third parties to adhere to the terms of this Agreement and the regulations referenced herein.
- 7. Ownership of Cardholder Information.** Merchant acknowledges and agrees that it has no ownership of or right to use the Cardholder Information. Merchant has the right to access and use Cardholder Information only as authorized by the respective Card Associations and only as defined in its Merchant Agreement with Acquirer.
- 8. Indemnification.** Merchant further agrees that it will indemnify and hold Acquirer harmless from and against any and all liabilities, losses, claims, damages, disputes, offsets, claims or counterclaims, including without limitation any fines and penalties from any card association, arising out of or related to Merchant's (or its employees', representatives', agents', contractors', or subcontractors') failure to abide by and fully comply with this Agreement.
- 9. Non-retention of Cardholder Information.** Cardholder Information will not be retained subsequent to the authorization of the transaction, other than essential information (cardholder name, account number, expiration date and Extended Service code) necessarily required for bona fide purposes in connection with the transaction, and only for the length of time the information is required for such purposes, which must be stored in a secure environment to which access is limited to persons who have a need to know such information. Without limiting the generality of the foregoing, in no event shall Merchant store or retain the contents or information recorded on the magnetic tracks of any card, any PIN data, or the CVV2 (VISA), CVC2 (MasterCard), CID (Discover) or 3CSC (American Express) data of any card subsequent to obtaining an authorization.

**10. Security Failures.** (a) Notice. Merchant shall notify Acquirer as soon as reasonably practicable and in no event more than 24 hours after becoming aware of (i) any suspected or actual data security breach in any of its systems or databases used to conduct or in any way process card transactions or to store Cardholder information, including websites or electronic links used to conduct card transactions, and (ii) any noncompliance by you with the Security Requirements. Such breaches shall include third party incursions that could in any way result in access to card transaction information, card account information or Cardholder Information. The foregoing obligations are in addition to any data security breach notification obligations that may be applicable to Merchant under Requirements of Law. During the term of this agreement and for a minimum of twelve months following the termination of this agreement, Merchant will fully cooperate with Acquirer, the Card Associations, and others in investigations of suspected theft, loss or disclosure of cardholder data, and violations of applicable statutes or Card Association operating rules and regulations. (b) Investigation. Merchant must perform or cause to be performed an independent investigation (including a forensics analysis) of any data security breach; perform or cause to be performed any remedial actions recommended by any such independent investigation; and cooperate with Acquirer and/or the applicable Card Association(s) in the investigation and resolution of any data security breach. Merchant must provide Acquirer and/or the applicable Card Association with the following information concerning any suspected or actual data security breach: (i) the date of such breach, (ii) details concerning the data compromised (e.g., card numbers and expiration dates, cardholder names and addresses), (iii) the method of such breach, (iv) Merchant's security personnel contacts, (v) the name of any person (including any law enforcement agency) assisting Merchant with its investigation of such breach, and (vi) any other information which Acquirer reasonably requests from Merchant and/or its agents concerning such breach, including any forensics report(s). Merchant will provide the information listed in (i)-(vi) as soon as is reasonably practicable and the information listed in (i)-(v) shall in any event be provided to Acquirer and/or the applicable Card Association within 48 hours of Merchant's initial notification to Acquirer of such breach. Merchant and its agents must provide Acquirer and/or the applicable Card Association with copies of any reports concerning such breach as soon as practicable. Merchant must not issue, and must prevent its agents from issuing, any press release or other public announcement concerning such breach until after Merchant has provided Acquirer with the information requested in (i)-(v) above. (c) Inadequacies. Merchant must cooperate with Acquirer to ensure that appropriate security measures and procedures are implemented by a mutually agreeable deadline if Acquirer notifies Merchant that its or any of its agent's security procedures in connection with card transactions are inadequate or do not comply with the Security Requirements. (d) Acquirer's and Card Association Rights upon Noncompliance with Security Requirements. If a Card Association determines or reasonably suspects, in its reasonable discretion, that Merchant or any of its agent's security procedures, including with respect to card transactions, are inadequate or otherwise do not comply with the Security Requirements regardless of whether Acquirer has received certification from Merchant of compliance with the Security Requirements, the Card Association may assess fines and fees for each discrete event of noncompliance, including for each failure to comply with a Security Requirement regardless of whether the Card Association, an issuer, cardholder, or any other party has experienced damage as a result of such noncompliance. Merchant is responsible for the full amount of any such fees and/or fines. Additional fees and/or fines may be assessed during the period that such noncompliance remains uncured. Merchant's ability to accept or process card transactions may also be terminated by Acquirer or suspended until such time as Merchant has adopted security procedures that comply with the Security Requirements regardless of whether any party has experienced damage as a result of such noncompliance. In addition, a Cardholder Association may contact Merchant if it determines or reasonably suspects that Merchant is not in full compliance with the Security Requirements. If Merchant does not ensure that Merchant complies with the Security Requirements by a mutually acceptable deadline, Acquirer or the Card Association may terminate the Merchant Agreement and Merchant's ability to accept cards and/or the Card Association may assess fees or fines for which Merchant will be responsible. Merchant is responsible for any disputes resulting directly or indirectly from its failure to comply with the Security Requirements and/or this Section and any resulting costs, expenses, damages or other losses experienced by Acquirer, a Card Association, and/or any card issuer or cardholder. (e) Data Security Breaches. Merchant is financially responsible for fraudulent transactions and any damages that Acquirer, a Card Association, a card issuer and/or a cardholder incurs as a result of the theft, loss or unauthorized use or disclosure of Cardholder Information or card transaction information by Merchant or its agents. Merchant is also solely responsible for any fines (the "Data Security Breach Fees") assessed by a Card Association for each data security breach incident at Merchant or one of its agents.

**11. Audits; Onsite Assessments; Scans.** Merchant will perform periodic information security self audits and promptly remedy any deficiencies. To the extent required by any Card Association, you will complete any required self-assessment questionnaire, engage an independent security assessor approved by the relevant Card Association to perform an onsite review of your compliance with Card Association requirements and/or to perform any periodic system perimeter scans, copies of the results of each of which will be provided to Acquirer, together with any other documentation reasonably necessary to evidence compliance with applicable Card Associations rules relating to the protection of Cardholder Information. In the event that Acquirer or any Card Association determines a reasonable basis for concern regarding the adequacy of Merchant's procedures to protect Cardholder Information, or determines a reasonable basis to believe that Cardholder Information has been compromised during or as a result of the Merchant's possession of that information, Merchant will provide more formal assurance of compliance-and/or engage an independent security firm to verify or certify Merchant's policies and procedures relative to Cardholder Information security.

**12. Additional Security Procedures.** Notwithstanding other terms of this agreement or any agreement between the Merchant and any other party, Merchant agrees to follow appropriate procedures to protect the security of Cardholder Information received during the term of this Agreement. Such procedures must include, but are not limited to, the following: (i) Merchant will install and maintain a working network firewall to protect data accessible via the Internet; (ii) Merchant will use and update anti-virus software; (iii) security patches will be kept up to date; (iv) Merchant will encrypt stored data and data sent over open networks; (v) Merchant will maintain an information security policy for employees and contractors; (vi) procedures will be maintained to restrict access to cardholder data on a limited "need to know" basis, (vii) all materials containing cardholder data will be rendered unreadable prior to discarding and will be discarded in a manner that ensures the complete destruction of cardholder data, (viii) Merchant will assign a unique ID to each person with computer access to data, and (ix) Merchant will ensure that unauthorized parties do not have access to any of its systems containing Cardholder Information.

**13. Survival.** Merchant's obligations under this Agreement survive the termination of this Agreement for all Cardholder Information received during the term of this Agreement.

**14. Term; Other Agreements.** This Agreement shall remain in effect until one (1) year following expiration of the Merchant Agreement. To the extent that this document conflicts with the provisions of any other agreement governing the business relationship between Merchant and Acquirer, the provisions of this Agreement shall govern and, to the extent necessary, shall constitute an amendment to such other agreement. Breach of this Agreement by Merchant shall constitute a breach of the Merchant Agreement.

**15. Registration.** Merchant agrees that, at the request of Acquirer or any Card Association, Merchant shall, at its sole expense, fulfill any registration requirements of the applicable Card Associations, or as required, assist Acquirer in such process, including without limitation registering any subcontractor with Acquirer, and will cooperate with same. Merchant further agrees that it will be solely responsible for any fees and costs, including recurring fees, whether assessed directly to Merchant, or by the Card Associations to Acquirer, in connection with said registrations.

The undersigned Merchant agrees to the foregoing as of the date set forth below.

Merchant: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

## MERCHANT REGULATIONS

MERCHANT'S COPY

Print Name of Merchant Business ("Merchant")

**1. ACCEPTANCE OF CARDS** Merchant shall sell its goods and services at its regular cash prices without any surcharge or finance charges of any kind to, and accept Visa and MasterCard and Discover cards from Cardholders of valid, unexpired, properly tendered Visa cards and MasterCard cards and Discover cards. If Merchant accepts Electron Cards, it must accept all Electron Cards properly presented and process all resulting transactions as Electron Card transactions as specified in the Visa International Operating Regulations. If Merchant wants to accept Affinity Cards, it must accept all Visa cards as specified herein. Merchant must not use an Affinity Card to debit any credit, charge or asset account other than the Visa account maintained by the Issuer in connection with the Affinity Card. Merchant shall not discriminate between Cardholders of different Card Issuers or between Visa, MasterCard, Discover and Electron Cards (Visa, MasterCard, Discover and Electron cards may hereinafter be collectively referred to as "card"). Merchant shall not establish minimum or maximum transaction amounts or require a Cardholder to waive the right to dispute a transaction with Merchant as a condition of honoring cards. Merchant shall not impose a requirement on Cardholders to provide any personal information such as home or business telephone number, a home or business address, or driver's license number as a condition to honoring cards unless such information is required under specific circumstances cited in these Regulations or in the Visa, MasterCard, or Discover Operating Regulations or rules. If a card is presented that bears an embossed "valid from" date and the transaction is prior to the "valid from" date, the Merchant shall not complete the transaction. When a card is embossed with a "valid from" date, the card is considered valid from the first day of the embossed month and year, if embossed with month/year. If embossed with a "valid from" month/day/year, the card is valid from the embossed date. If a transaction is completed without the imprinting of a Visa, MasterCard, Discover or Electron Card on a charge form, the Merchant shall be deemed to warrant the true identity of the Cardholder as the authorized holder of such card. Obtaining an authorization does not alter such warranty of identity or the need for identification. The requirement for warranty of identity does not apply to: a) transactions originating at Magnetic-Stripe-Reading Terminals which produce Transaction Records; b) transactions originating at Limited Amount Terminals; or c) Express Payment or Quick Payment Service Transactions. Merchant shall not make a Cash Disbursement to a Cardholder, except to Visa Gold or Visa Platinum Cardholders at Lodging and Cruise Line Merchants, as specified in Section 5.4.K of Visa U.S.A., Inc. Operating Regulations – General Rules, or in the form of travelers cheques, Visa Travel Money Cards or foreign currency. In this case, the transaction is limited to the value of the travelers cheques, Visa Travel Money Cards or foreign currency plus any commission or fee customarily charged by the Merchant. Merchant shall not accept a card for the purchase of Scrip. Merchant shall not accept an Electron Card or a Visa Travel Money Card for a Manual Cash Disbursement. Merchant shall not accept a card to collect or refinance an existing debt, unless the transaction

## Central Bank and Trust Co.

Print Name of Financial Institution ("Acquirer")

results from conversion of a Merchant's existing card program to the Visa Program or Merchant is a government agency and the transaction represents a loan payment. The transaction must not equal the loan balance unless it is the final payment. No credit card transaction may represent collection of a dishonored check. Merchant must not accept payment from a Cardholder for the purpose of depositing funds to the Cardholder's account nor process a credit transaction receipt without having completed a previous retail transaction with the same Cardholder, except as specified in Section 5.2.O of Visa U.S.A., Inc. Operating Regulations. Merchant may offer a discount for cash if it is clearly disclosed to Cardholders as a cash discount and the cash price is a discount from the standard price available for all other means of payment. If the signature panel on the credit card is blank, a Merchant must review identification bearing the Cardholder's signature and validate the Cardholder's identity, identify the identification, including any serial number and expiration date, on the transaction receipt and require the Cardholder to sign the signature panel of the card prior to completing the transaction. The signature panel with the words "SEE ID" or equivalent is deemed to be blank. Merchant must validate Cardholder's identity in face-to-face transactions as specified on the identification table contained in the Schedule to these Merchant Regulations. The terms and provisions of the Schedule to these Merchant Regulations are incorporated in these Regulations and made a part hereof. If the account number on a card cannot be read from the Magnetic Stripe or a suitable imprinter, the Merchant must request another means of payment. All terms used in these Regulations shall have the definitions stated in these Regulations or in the Visa Operating Regulations, MasterCard Rules or Discover Regulations as published from time to time. Merchant must not require a Cardholder to complete a post card or similar device that includes the Cardholder's account number, card expiration date, signature or any other card account data in plain view when mailed. When used in these Regulations, charge forms and credit forms shall include paper and electronic transactions.

**2. ADVERTISING** Displays will be furnished to Merchant to inform the public that Visa and/or MasterCard and/or Discover will be honored by Merchant. The Visa, MasterCard and Discover systems' Operating Regulations, Rules and by-laws place certain restrictions on the use of marks and symbols in Merchant's advertising. In order to adhere to such restrictions, Merchant agrees to use only such advertising which has received the prior approval of Acquirer. Merchant shall prominently display the current Visa, Electron Card, MasterCard and Discover signage, unless exempted from such requirement by applicable MasterCard, Visa or Discover Operating Regulations or Rules and shall prominently display application holders with Visa, MasterCard and Discover advertising material and application forms if requested by Acquirer. Merchant must not indicate Visa MasterCard or Discover endorse any of its products or services or refer to Visa MasterCard or Discover in regard to eligibility for its products, services or memberships.

**3. COMPLETION OF CHARGE FORMS** Each sale shall be reflected on a charge form in the form furnished to Merchant and approved by Acquirer, shall have the total sales price, including any applicable taxes indicated thereon, and, except as otherwise specifically provided in these Regulations, shall be signed by the Cardholder. Merchant shall use a suitable Magnetic-Stripe-Reading Terminal or a suitable imprinter to imprint legibly on each charge form or credit form the embossed legends from the card and the merchant plate. If either or both legends are not imprinted, the information shall be reproduced legibly on the charge form in sufficient detail to identify the parties to such sale and the Card Issuer. Such detail shall include at least the Cardholder's name, including any company name, and account number, and the expiration date of the card, and the Merchant's name and place of business. Merchant shall use its best efforts to record on the charge form any other embossed data, such as security symbols. This requirement does not apply to: a) paper resulting from transactions involving Magnetic-Stripe-Reading Terminals which produce Transaction Records provided the Paper complies with the identification requirements of these Regulations; or b) Express Payment or Quick Payment Service Transactions. Merchant shall notify its Acquirer in the event the information on the merchant plate is changed. Every charge form shall be dated and shall contain a brief description of the goods or services involved in the transaction and shall be signed or initialed by Merchant or its employee in the appropriate space on the charge form. For transactions that originate at and are data captured using Point-of-Sale Terminals, the following information must appear on the Cardholder copy of the charge form: a) Cardholder account number; b) Merchant's name; c) Merchant's Location Code or city and state; d) amount of transaction; e) date of consummation of transaction ("Transaction Date"). The Cardholder is not required to sign a charge form until the final transaction amount is known and indicated in the "Total" column. If Merchant is using a Magnetic-Stripe-Reading Terminal in connection with a transaction and that terminal is unable to read the card's magnetic stripe, Merchant shall complete and obtain Cardholder's signature on a standard charge form for the transaction and obtain a card imprint on that charge form. On telephone, mail order, preauthorized order, or recurring transaction sales, the Cardholder's name, transaction amount, account number, and expiration date shall be written on the charge form, and the form shall be labeled "telephone order" or "TO," or "mail order" or "MO," "Preauthorized Order" or "PO," or "Recurring Transaction," as appropriate, in the customer signature block. For Recurring Transactions, the Merchant shall require the Cardholder to deliver to Merchant a completed order form containing a request for goods or services to be charged to Cardholder's account and specifying the amounts to be charged, unless the Recurring Transactions are for varying amounts, the frequency of recurring charges and the duration of the permission. If the Recurring Transactions are for varying amounts, the order form must provide space for Cardholder to specify a minimum and maximum transaction amount to be charged periodically to Cardholder's account, unless the Cardholder will receive, at least 10 days prior to each scheduled Transaction Date, written notification of the amount and date of the next charge. A microfilm copy of the order form must be retained for two years beyond the duration of the recurring charges and provided in response to an Issuer's request for original paper. Merchant must not complete an initial or

subsequent Recurring Transaction after receiving a cancellation notice from the Cardholder, Acquirer or a response that the card is not to be honored. Except in the case of mail order, telephone order, preauthorized order and recurring transaction, no sale may be completed if the customer fails to present his card to the Merchant. Merchant shall deliver to Cardholder a true and complete copy of the charge form or credit form at the time of the delivery or return of the goods or performance of the services covered thereby. Merchant shall not accept Cardholder payments for previous Visa, Electron Card, MasterCard or Discover charges. A Lodging and Cruise Line Merchant or Car Rental Company must send Cardholder a copy of any amended or additional charges. Merchant must notify Acquirer when it changes the information on this Merchant Plate. Merchant shall not disburse funds to a Cardholder in the form of travelers cheques, if the sole purpose is to allow Cardholder to make a cash purchase of goods or services from that Merchant.

**4. AUTHORIZATION PROCEDURE** The fact that Merchant obtains an authorization of a transaction does not relieve Merchant from completing the Cardholder identification process and does not mean that the transaction cannot be rejected by Acquirer, charged back or revoked. Authorization means only that the account of the Cardholder has sufficient credit available within the Cardholder's credit limit for the authorized amount. Merchant is responsible for any fraudulent card transaction notwithstanding that the card transaction is authorized. For example, if Merchant engages in Mail Order Transactions or Telephone Order Transactions, or any other card transaction where the Cardholder does not personally present a card to Merchant, Merchant assumes the risk that the credit card transaction is fraudulent notwithstanding any authorization. Acquirer has designated an authorization center for obtaining approval of all card transactions. Merchant must obtain authorization of all card transactions from Acquirer's authorization center before completing the credit card transaction. Merchant shall enter the approval code given Merchant on the charge form. Merchant shall compare the first four digits of the embossed account number on the card to the printed four-digit number on the card. If the numbers are not the same, Merchant shall attempt to recover the card. Merchant shall use its best efforts, by reasonable and peaceful means, to retain the card while making an authorization request. If Merchant has reasonable grounds to believe a card is counterfeit or stolen, or the transaction is in some manner suspicious, Merchant shall initiate a "Code 10" authorization (a "Code 10" identifies a suspicious concern to the operator without alarming the customer). Merchant shall compare the signature on the charge form with the signature on the credit card presented to ascertain that they appear to be the same. If the Merchant's terminal displays an encoded account number, Merchant shall compare the displayed account number with the account number embossed on the card to ascertain that they are the same. If the credit card has a photograph of the Cardholder, Merchant shall compare the photograph and the person presenting the card to ascertain that they appear to be the same person. In the event Merchant believes there is a discrepancy in the signature, the account numbers are not the same, the photographic identification is uncertain, or if for any other reason the identification or a card's validity is uncertain, Merchant shall initiate a "Code 10" authorization. Additionally, Merchant shall review each card presented to



be sure the appropriate security features are intact. When multiple airline tickets are purchased at the same time using the same account number, Merchant may obtain authorization for each ticket individually. If Merchant is a restaurant, an authorization is valid if the total transaction amount is within a range from the authorization amount plus or minus 20%. A Merchant may use Magnetic-Stripe-Reading Terminals to obtain authorization. Merchant shall be responsible for the transaction amount, regardless of any authorization if Merchant completes a transaction when: a) Cardholder is present but does not have the card; b) Cardholder does not sign the charge form; c) signature on the charge form is unauthorized as compared to the signature appearing on the signature panel of the card; d) signature panel is blank; e) card has expired; f) card security features are not on the card; g) the printed four digits do not match the first four digits of the embossed account number; h) Acquirer requests Merchant to retain the card; or i) Merchant has reasonable grounds to believe the card is counterfeit, fraudulent, or stolen. If Merchant receives a decline/pick up card response, it shall not complete the transaction. If Merchant receives a pick up card response, Merchant shall retain the card if it can do so by reasonable and peaceful means and shall notify the Acquirer when the card has been recovered and shall ask for further instructions. A Car Rental Merchant must estimate the transaction amount based on the Cardholder's intended rental length, rental rate, tax or mileage charges, and any additional ancillary charges. Merchant cannot include extra charges which represent a standard amount to cover potential vehicle damages or insurance deductible amount when Cardholder waives insurance coverage at time of the rental. Merchant must record the date, amount, and authorization approval code on the charge form. If authorization is obtained, Merchant shall disclose such amount to Cardholder on the rental date. If necessary, the Merchant may obtain additional authorizations for additional amounts (not cumulative of previous amounts) at any time between the rental vehicle check out date and check in date. Merchant must record on the charge form the date, amount, and approval code for each additional authorization. An additional authorization is not necessary if actual transaction amount does not exceed the sum of authorized amounts plus 15% of the sum of the authorized amounts. For goods to be shipped, a Mail/Phone Order Merchant may obtain authorization on any day up to seven calendar days prior to the Transaction Date. This authorization is valid if the transaction amount is within 15% of the authorized amount, provided that the additional amount represents shipping costs. The shipment date is considered to be the Transaction Date.

**5. RECOVERY OF CARDS** Merchant shall recover any card if: a) the printed four digits do not match the first four digits of the embossed account number on any card; b) Merchant is instructed by authorization center to retain the card; c) Merchant has reasonable grounds to believe the card is counterfeit, fraudulent, or stolen; or d) the card is an unexpired card that does not have the requisite security features. Merchant shall notify the Acquirer that the card has been picked up and ask for further instructions. If Acquirer cannot be reached, Merchant shall use its best efforts, by reasonable and peaceful means, to retain the card until Acquirer can be contacted.

**6. MULTIPLE CHARGE FORMS** Merchant shall not effect a transaction when only part of the amount due is

included on a single charge form except: a) when balance due is paid by Cardholder at time of sale in cash, by check, with another card, or any combination thereof, and further provided that any portion of the transaction effected using a card is processed for authorization; b) when Cardholder executes two separate charge forms in a delayed delivery transaction. In such a case, a deposit is made by completion of one charge form and payment of balance is tendered with the other charge form, the latter charge form being conditioned upon delivery of merchandise or performance of service. Separate authorization numbers shall be obtained for each charge form. The Merchant shall note on the charge form the words "Delayed Delivery," "deposit," or "balance" as appropriate and the respective authorization date and approval code. The charge form labeled "balance" shall not be presented to Acquirer until the goods are delivered or service performed; c) when Cardholder executes two separate charge forms by participating in an Advance Lodging Deposit Transaction; d) when Cardholder elects to use the Installment Payment Option offered by a direct marketer. For sales processed at electronic Point-Of-Sale Terminals, multiple items billed individually to the same account (e.g., airline tickets) will not be considered a violation of these Regulations if separate authorizations are obtained for each item. Merchant shall include all items on a single charge form except: a) purchases in separate department or multiple department store; b) partial payment, installment payment, delayed delivery or advance deposit; or c) delayed or amended charges for a "Travel and Entertainment" or "T&E" transaction where - i) Cardholder consented to be liable for such charges, ii) such charges consist of room charges, food or beverage charges, taxes fuel, insurance and rental fees but not charges for loss, theft, damage, or traffic violations; and iii) the T&E Merchant sends Cardholder a copy of an amended or add-on charge form at the address shown on the guest folio or rental contract. Merchant may process charge forms for such delayed or amended charges without Cardholder's signature provided the Merchant has the Cardholder signature on file and the words "SIGNATURE ON FILE" are entered on the signature panel of the charge form and Merchant sends a copy to the Cardholder at the address shown on the rental contract or folio; or d) for individual airline tickets issued to each passenger when required by airline policy.

**7. MAINTENANCE OF ACCOUNT/ DEPOSIT OF CHARGE FORMS** Unless otherwise agreed by Acquirer, Merchant shall maintain a transaction account with Acquirer to which all charges and credits for transactions under these Regulations shall be made. Merchant shall maintain a positive collected balance at all times in this account at least equal to the amount of all fees/adjustments/charges/charge backs/fines/penalties/assessments pursuant to this agreement. Within three business days of the Transaction Date, Merchant shall electronically transmit the transactions or deliver the completed charge form to Acquirer except as otherwise specifically provided in this paragraph. Merchant must deposit transaction receipts or electronically transmit the transactions for Delayed Delivery Transactions within three business days of the date of both the deposit and final payment. Charge forms shall not be presented until goods are shipped or services performed unless the Cardholder agreed to a delayed delivery of the goods or services that was properly disclosed to Cardholder at the time of the transaction and

Cardholder has been advised of the immediate billing and obtains Cardholder's consent for Recurring Transactions. Visa and MasterCard charge forms are exempted from the foregoing requirements under the following circumstances: a) if Merchant requests and receives authorization for delayed presentment (in which case the authorization number and the words "Delayed Presentment" shall be legibly noted on the charge form and presentation shall be made within the period permitted by Visa and/or MasterCard and/or Discover regulations for delayed presentment; b) in a case in which Merchant is obligated by law to retain the charge form or return it to a buyer upon timely cancellation, in which case presentment of the charge form should be made within ten Acquirer business days after the Transaction Date; c) cases in which Merchant has multiple locations or offices and charge forms are processed through a central office or facility and Merchant is in a Merchant category with respect to which the MasterCard Board of Directors has extended the maximum time for presentment and d) with respect to Visa transactions, Merchant with such merchant outlets must deposit transaction receipts within 20 calendar days (including Transaction Date and Receipt Date) of the Transaction Date and credit transaction receipts, within nine calendar days (including Transaction Date and Receipt Date) of the Transaction Date, if accumulated at a central office or facility. Merchants with multiple locations in a city must deliver charge forms in such a manner that Acquirer is able to identify the transactions originating at each location. Merchant shall not present for processing or entry into Interchange, directly or indirectly, any charge form which is not a transaction directly between Cardholder and Merchant. Merchant shall not present a charge form to Acquirer until such time as Merchant has substantially performed all of its obligations to its customer in connection with the transaction. Merchant shall not present a charge form to Acquirer which it (or its employees) knows or should have known to be fraudulent or not authorized by Cardholder. Merchant may deposit a prepayment, within five calendar days of the date of both the deposit and final payment, if the Merchant advises the Cardholder of the immediate billing at the time of the transaction, for prepayment of services, excluding estimates, and full prepayment of custom-ordered merchandise, manufactured to Cardholder's specifications. The Transaction Date is the date of Cardholder prepayment.

**8. RECORD RETENTION** Merchant shall maintain and store photocopies or microfiche records, or at the Merchant's option, the original draft of the charge form for a period of twelve months from the processing date of the charge or credit form. Merchant shall produce legible original/photocopy of said transaction charge or credit form within one business day of a request by Acquirer. Failure to do so will result in an irreversible chargeback to Merchant.

**9. ACCEPTANCE AND FEES** Subject to the provisions of any warranty of Merchant hereunder, of any chargeback rights, Merchant's compliance with all the terms and provisions of these Regulations and MasterCard and Visa rules and regulations, and Acquirer's rights hereunder, Acquirer agrees to accept valid transaction records from Merchant and to promptly pay Merchant the total amount represented by the transaction records less any fees charged by Acquirer. At Acquirer's sole discretion, Acquirer may credit Merchant with the total amount of charges and

subsequently debit Merchant or Merchant's account for applicable fees. The payments by Acquirer to Merchant shall be deposited in Merchant's account with Acquirer, unless otherwise agreed in writing by the parties, within two business days after receipt of all required documents relating to credit card transactions submitted by Merchant to Acquirer. Merchant shall pay the charges and fees to Acquirer in the amount and in the frequency specified in the pricing schedule provided by Acquirer as may be amended or revised from time to time by Acquirer. Acquirer shall have the right to revise its fees and charges upon written notice to Merchant and Merchant shall pay such revised charges and fees to Acquirer unless Merchant elects to terminate these Regulations as provided in these Regulations. Merchant must object to any charge or fee from Acquirer within 30 days of the date of the statement or notice of such charge or fee. Such objection must be in writing and received by Acquirer within such 30 day period. Merchant agrees that any objections to any such charges or fees that are not made and timely received by Acquirer as provided herein, shall be deemed waived by Merchant.

**10. RESERVE ACCOUNT AND RIGHT TO DEBIT ACCOUNTS** At Acquirer's sole discretion, Acquirer may require Merchant to establish a reserve account (the "Reserve Account") with Acquirer to protect Acquirer's interests based upon Acquirer's estimate of the amount necessary to cover anticipated chargebacks, fees and other liabilities of Merchant to Acquirer. To establish the Reserve Account, Merchant authorizes Acquirer to directly transfer such funds as Acquirer deems sufficient from Merchant's account with Acquirer or deduct such funds from amounts due Merchant by Acquirer. Merchant hereby grants Acquirer a security interest in the funds in the Reserve Account as security for any existing or future obligation of Merchant to Acquirer. The funds in the Reserve Account shall not be subject to the claims of any other party. Merchant shall not grant any lien or security interest in the Reserve Account. Acquirer may deduct a portion from each credit transaction deposited or transmitted by Merchant to Acquirer and place such funds into the Reserve Account. The Reserve Account shall be maintained for as long as Acquirer, in its sole discretion, deems necessary. At the sole discretion of Acquirer, Acquirer may set off against the Reserve Account in amounts necessary to satisfy obligations of Merchant to Acquirer.

**11. ENDORSEMENT** Merchant agrees that Merchant shall be deemed to have endorsed in Acquirer's favor any transaction records Merchant presents to Acquirer, and Merchant hereby authorizes Acquirer to supply such endorsement on Merchant's behalf.

**12. RETURNS** If Merchant provides proper disclosure to Cardholder at the time of the transaction, Merchant may establish a return policy under which it will: a) not accept merchandise in return or exchange and issue no refunds; or b) only accept merchandise in immediate exchange for similar merchandise of a price equal to the amount of the original transaction; or c) accept merchandise in return for in-store credit only; or d) stipulate special circumstances agreed to by the Cardholder. Proper disclosure shall be deemed to have been given if the words "NO REFUND," "EXCHANGE ONLY," or "IN-STORE CREDIT ONLY," or other special terms appear on all copies of the charge

form in letters approximately 1/4 inch high and in close proximity to the space provided for the Cardholder's signature.

**13. CREDITS** In the event that goods are returned, or any other price adjustments are allowed by Merchant, it shall make no cash refunds to the purchaser except as required by law. Rather, Merchant will prepare and execute a credit transaction on a form furnished it by Acquirer and include said credit form in its next deposit, but in no event later than five days (nine days if Merchant has multiple locations) after the Credit Transaction Date, as a deduction from the total of charge forms deposited, or in the event the amount of the credit forms exceeds the amount of the charge forms deposited, Merchant shall submit its negative deposit or its deposit with its payment for the amount by which the credit forms exceeds the charge forms deposited. The credit form shall be dated and shall include a brief description of the merchandise returned, services cancelled, adjustment made, the amount of the credit granted and identify the original transaction. Merchant shall deliver a copy of such credit form to its customer. Merchant shall not accept monies or other consideration from a Cardholder for the purpose of preparing and depositing a credit form that will affect a deposit to the Cardholder's account. Under no circumstance may Merchant process a credit form without having completed a previous related purchase transaction with the same Cardholder. If Merchant erroneously charges a Cardholder, Merchant shall generate a reversal of that transaction to Cardholder's account. A credit should not be created by Merchant to correct the erroneous charge, unless the Merchant processes the credit on the same day as the erroneous charge. Erroneous charges do not include returns of merchandise. Merchant must provide a credit refund or price adjustment by delivering a Credit Transaction Receipt to Acquirer. Merchant may provide the following alternate forms of credit: a) cash refund to the Cardholder for an express Payment Service Transaction or b) cash refund, Credit Transaction Receipt, or other appropriate form of credit to the recipient of a gift purchased as a Mail/Phone Order Transaction, instead of to the Cardholder. The refund or adjustment must not exceed the original transaction amount.

**14. RECOURSE AGAINST MERCHANT** Acquirer may exercise its right to reject any transaction or revoke its acceptance of any transaction or charge back any transaction (or preserve its right to charge back any transaction) against Merchant or to Merchant's account. In such event, Acquirer will return to Merchant, without recourse, all sales drafts which Acquirer has rejected, refused, which have been charged back, or which Acquirer has revoked its acceptance and Merchant shall immediately repay Acquirer any sums paid by Acquirer to Merchant regarding such transactions. While Acquirer has absolute discretion with respect to the exercise of the foregoing rights, the Acquirer's absolute discretion in exercising those rights shall include, but not be limited to the following circumstances: the Merchant's failure to comply with any terms of these Regulations, the Visa Operating Regulations and Rules, and any MasterCard rule, regulations or by-laws; and any Discover rule, regulations or bylaws; the card giving rise to the sale that was revoked by the Card Issuer and prior to the sale, Merchant had received notice of such revocation; the card by its terms had expired prior to the date of the sale; the card by its terms was not yet effective on the date of the sale; the charge was not generated

through the use of validly issued card; the charge form does not contain the information required by these Regulations; the charge form is illegible; the transaction was not delivered to Acquirer within the allowable time period contained in these Regulations; Cardholder has made a written complaint claiming entitlement to a credit; the Cardholder makes a written complaint that the Cardholder did not make or authorize the specific transaction; Merchant's ratio of counterfeit and fraud volume exceeds the parameters established from time to time by Visa and/or MasterCard and/or Discover; Acquirer determines that the transaction record is fraudulent or that the related transaction is not a bona fide transaction in Merchant's ordinary course of business or is subject to any claim of illegality, cancellation, rescission, avoidance or off-set for any reason whatsoever; or any other situation in which a transaction has been charged back to Acquirer. In the event Acquirer exercises its rights to reject an item or revoke its acceptance or charge back any item, Acquirer may, in addition to charging the item against Merchant's Reserve Account or any other account Merchant may have to which Acquirer has access, Acquirer may recover the sums directly from Merchant. If Merchant disputes a chargeback, Merchant must notify Acquirer in writing on or before any date specified by Acquirer or within 30 days of the date of chargeback, whichever is earlier. Merchant shall not re-deposit transactions that have been previously charged back to the Merchant by Acquirer. This prohibition applies with or without the Cardholder's consent to re-deposit by Merchant. Merchant may pursue payment from its customer outside Visa, MasterCard, Electron Card or Discover system. Acquirer has the right of setoff against any deposit account Merchant maintains with Acquirer to satisfy any obligations of Merchant to Acquirer. Merchant is responsible for its employees' actions while in its employ. Merchant shall protect credit card processing equipment from unauthorized use.

**15. NO SETOFFS OR COUNTERCLAIMS** Merchant warrants that no setoffs or counterclaims of any kind shall exist in favor of any of Merchant's customers against it that may be asserted in defense of an action to enforce payment against such customer for the goods and services purchased through the use of the Visa or MasterCard.

**16. FINANCIAL INFORMATION** Upon request by Acquirer, Merchant shall furnish to Acquirer copies of its financial statements, and /or such other financial information and reports reasonably requested by Acquirer. Merchant authorizes Acquirer to obtain, from time to time, credit, financial, and other information regarding Merchant from other persons or entities, such as credit reporting agencies. Merchant also authorizes Acquirer to respond to requests from others for information regarding Merchant. Acquirer and/or MasterCard International and/or Visa USA, Inc. and/or Discover, shall have the right at any reasonable time to verify all sales and to audit Merchant's books, accounts, records, and other papers relative to credit transactions tendered to Acquirer hereunder.

**17. SPECIAL PROCEDURES** Visa and/or MasterCard Operating Regulations specify specialized procedures which may vary from the procedures specified in these Regulations and which apply to: a) hotels, motels, and resorts; b) cruise and steamship lines and ferries; c) quasicash transactions; d) wire transfers; e) Express Payment or Quick Payment Service Transactions. If any

such procedures apply to Merchant, Acquirer shall provide a copy of such procedures at the time these Regulations are executed. Merchant shall comply with said procedures, which are incorporated in these Regulations by reference. If Merchant adds services to which special procedures identified in this paragraph may apply, Merchant shall notify Acquirer forthwith in writing. Quasi-cash transactions shall not be considered cash advances or withdrawals.

#### **18. SPECIAL PROCEDURES - MAIL ORDER, TELEPHONE ORDER, AND RECURRING TRANSACTIONS**

Merchant shall obtain the expiration date of the card for "Mail order" or "MO" / "Telephone order" or "TO" transactions and forward the expiration date as part of the authorization inquiry. If a Merchant agrees to accept a Recurring Transaction from a Cardholder for the purchase of goods or services which are delivered or performed periodically, the Cardholder shall complete and deliver to the Merchant a written request for goods and services to be charged to the Cardholder account. The written request must specify the transaction amounts charged to the Cardholder account, the frequency of the Recurring Charge, and the duration of time for which such permission is granted. In the event a Recurring Transaction is renewed, Cardholder shall complete and deliver to Merchant a subsequent written request for continuation. The Cardholder's written authorization must be retained for the duration of the recurring charges and provided in response to Acquirer's request for original sales/charge documents. A "Mail Order" or "MO" / "Telephone Order" or "TO" Merchant may offer the Cardholder an Installment Payment Option under the following conditions: a) the merchant material must clearly disclose the installment terms including but not limited to i) the availability of the plan for selected items or the total amount of the order; ii) the handling of shipping and handling charges and any applicable tax; iii) the installment billing amounts may vary due to fluctuations in the currency conversion rates if the Cardholder is not billed in the transaction currency of Merchant; b) no finance charges may be added by the Merchant; c) authorization is required for each installment transaction; d) the Merchant may not deposit the first installment transaction with Acquirer until merchandise is shipped. Subsequent installment transactions must be deposited at intervals of 30 days or more or on an anniversary date; e) in addition to the Merchant name, an appropriate installment transaction description must be included in the merchant name field of the Visa or MasterCard record.

#### **19. SPECIAL PROCEDURES APPLICABLE TO MASTERCARD DIRECT MAIL CARDHOLDER SOLICITATION MERCHANTS**

The following provisions apply to MasterCard Direct Mail Cardholder Solicitation Merchants: Merchant acknowledges that the trademarks, "MasterCard" and "MasterCard II" and their corresponding logotypes, are the property of MasterCard International Incorporated ("MasterCard"). Merchant shall not infringe upon the marks or logos nor otherwise use the marks or logos in such a manner as to create the impression Merchant's goods or services are sponsored, produced, affiliated with, offered or sold by MasterCard. Merchant shall not use the marks or logos on its stationery, letterhead, envelopes, or the like, nor in its solicitation; provided, however, that Merchant may use one of the marks or logos in close proximity to the payment or enrollment space in

the solicitation in a size not to exceed one and one-quarter inches in horizontal length if a logo is employed, or, if a mark is used, in type not to exceed the size of the type used in the major portion of the text on the same page; provided further that the legend "Accepted for Payment" must accompany the mark or logo used and must be the equivalent size of the mark or logo. In no case, however, shall Merchant use any of the logos on the front or first page of its solicitation. One truthful statement that Merchant is directing or limiting its offer to MasterCard or MasterCard II cardholders may appear in the body of the solicitation, other than in close proximity to the payment or enrollment space, subject to the limitation that: 1) only the word mark may be used; 2) the word mark may not a) exceed in type size the size of any other type on the same page, b) differ in color from the type used in the text (as differentiated from the titles) on the same page, c) be as large or as prominent as the name of Merchant, d) be the first item appearing on any page, nor e) in any other way be the most prominent element of the page; 3) Merchant's name and/or logo must appear prominently on the same page as the mark; and 4) the following disclaimer must appear in close proximity to the mark on the same page and in an equal size and type of print: "MasterCard International Incorporated is not affiliated in any way with [Merchant] and has not endorsed or sponsored this offer." Merchant further agrees to submit through its Acquirer its first direct-mail solicitation(s), prior to mailing, to the MasterCard Law Department, to be reviewed only for compliance with MasterCard International's trademark rules and shall furthermore not distribute in any manner such solicitations until Merchant shall have obtained MasterCard International's written approval of the manner in which it uses MasterCard International's marks and logos on such solicitations. Merchant shall submit through its Acquirer to MasterCard for prior approval any amended solicitations prior to mailing.

#### **20. MERCHANT E-COMMERCE WEB SITES**

Merchant may accept cards in payment of on-line transactions to purchase goods or services through the Merchant's web site, provided that the transaction complies with requirements for telephone order transactions described in these Regulations, and provided further that the web site contains all of the following information: (i) a complete description of the goods or services offered; (ii) Merchant's returned merchandise and refund policy; (iii) a customer service contact, including an electronic mail address and/or telephone number; (iv) transaction currency (e.g., U.S. dollars, Canadian dollars); (v) export or legal restrictions (if known); and (vi) Merchant's delivery policy. Merchant must also post on its web site Merchant's consumer data privacy policy and Merchant's method of transaction security. Merchant is required to comply with Visa Cardholder Information Security Program (CISP) when Merchant's annual transactions exceed Visa CISP mandatory criteria levels (CISP Requirements published on website: [www.usa.visa.com](http://www.usa.visa.com)); MasterCard's Site Data Protection Program (SDP); Discover Informational Security Compliance (DISC), or upon notification by Acquirer that CISP compliance is required.

**21. USE OF AGENTS** Merchant may designate a third party as its agent for the purpose of delivering credit card transactions data-captured at Point-Of-Sale Terminals by such agent for clearing and settlement. In such event, Merchant agrees to the following conditions: a) Merchant

must provide satisfactory notice to Acquirer if exercising use of third-party agent; b) Merchant understands and agrees that the obligation of the Acquirer to Merchant to reimburse Merchant for credit card transactions is limited to the amount (less fees) delivered by that Agent to Acquirer; c) Merchant is responsible for any failure by its agent to comply with Merchant's responsibilities under these Regulations and applicable Visa and/or MasterCard and/or Discover Operating Regulations and Rules including but not limited to any violation which results in a chargeback.

**22. CONFIDENTIALITY** Neither Merchant nor Merchant's agents and employees shall disclose any Cardholder's account number, information nor other personal information to third parties other than to Merchant's agents, Acquirer or Acquirer's agent for the purpose of assisting Merchant in completing the transaction or as otherwise required by law. Merchant or any agent of Merchant shall store in an area limited to selected personnel and, prior to discarding, shall destroy in a manner rendering data unreadable, all materials containing Cardholder account number, card imprints, such as charge forms and credit forms, car rental agreements, and carbons. Merchant shall not retain or store magnetic-stripe data subsequent to the authorization of a transaction. In the event of business failure, Merchant may not sell or disclose any databases containing cardholder account numbers, personal information, or other card transaction information to third parties as an asset of the failed business. In these cases, all transaction information must be returned to Acquirer or acceptable proof of destruction of this data must be provided to Acquirer.

**23. TERMINATION** Merchant may terminate its participation in Acquirer's bank card processing program by giving Acquirer at least 90 days advance written notice of termination. Acquirer may terminate Merchant's participation at any time by giving written or telephonic notice to Merchant. Written notice shall be deemed given on the date mailed by certified mail, return receipt requested. Telephonic notice shall be deemed given on the date the call is completed. Acquirer may require Merchant's transaction account (or Reserve Account) to remain open after termination, and may require a specific balance to be maintained to cover potential chargebacks, fees or other liabilities of Merchant to Acquirer, that may be presented, based upon Acquirer's reasonable determination of such amount, for a period of up to 12 months. In no event shall Merchant be required to deposit, or Acquirer to accept for deposit, any charge forms or credit forms after the Termination Date. All obligations incurred or existing under these Regulations as of the date of termination shall survive such termination. Merchant expressly acknowledges that Visa and MasterCard maintain records containing information on Merchants terminated for one or more reasons specified in Visa, MasterCard or Discover Operating Rules and Regulations. Such reasons generally include, but are not limited to: fraud, counterfeit paper, unauthorized transactions, breach of contract, excessive chargebacks or highly suspect activity. Merchant acknowledges that Acquirer is required to report the Merchant business name and the name of its principals to Visa, MasterCard and Discover when Merchant is terminated due to one or more of the foregoing reasons. Merchant expressly agrees and consents to such reporting

by Acquirer in the event of the termination of these Regulations due to one or more of such reasons.

**24. INDEMNIFICATION** Merchant shall hold Acquirer harmless from, and indemnify Acquirer against, all claims, losses, damages, and liabilities, including attorneys' fees and other costs of defense, that relate to or result from any alleged violation by Merchant of any rules or regulations of Visa or MasterCard or any applicable law or regulation or any action of Merchant in connection with a MasterCard or Visa transaction subject to these Regulations.

**25. SECURITY INTEREST** Merchant hereby grants Acquirer a security interest and lien on any deposit account that Merchant now or hereafter has with any financial institution, in all funds in any such account, all writings evidencing any such account, and all proceeds of the foregoing, to secure Merchant's existing and future obligations to Acquirer under these Regulations. Merchant agrees to take such actions as may be required, from time to time, to establish and maintain such security interest as a perfected first lien security interest. For purposes of this provision, any failure by Merchant to pay Acquirer, upon demand, the amount of any transaction that Acquirer has charged back to Merchant or any other amount owed by Merchant to Acquirer under these Regulations shall constitute a default by Merchant. Upon any such default, Acquirer shall have all rights and remedies provided by law, including the right to enforce its security interest by applying all funds in any account held by Acquirer to any and all of Merchant's indebtedness to Acquirer.

**26. LIMITATION OF LIABILITY** Acquirer's liability to Merchant with respect to any MasterCard or Visa transaction shall not exceed the amount represented by the transaction record in connection with that transaction less any applicable discount, provided that Acquirer's total, aggregate liability for all claims shall not exceed the amount of fees paid by Merchant during the three (3) months prior to the most recent claim. IN NO EVENT SHALL ACQUIRER BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHATSOEVER.

**27. ENTIRE AGREEMENT AND COMPLIANCE WITH LAW, RULES AND REGULATIONS** The parties intend that the Merchant Application, these Regulations, the Schedule to these Merchant Regulations, the rules and regulations of Visa and/or MasterCard and/or Discover as adopted from time to time, and Acquirer's schedule of fees and charges for the services provided hereunder, shall constitute the entire agreement of the parties and may not be contradicted by evidence of any prior or contemporaneous agreement. The rules and regulations of Visa and/or MasterCard and/or Discover will be supplied to Merchant upon request and upon receipt by Acquirer of payment for the cost to Acquirer of such a copy. Merchant shall comply with all laws applicable to Merchant and any MasterCard, Visa or Discover transaction, including, without limitation, all state and federal consumer credit and consumer protection statutes and regulations. Merchant shall also comply with all operating instructions, rules and regulations as Acquirer, Visa International and/or MasterCard, Inc. and/or Discover may issue or amend from time to time. Merchant's continued acceptance of Visa and/or MasterCard and/or Discover subsequent to any such instruction, regulation or

rule constitutes Merchant's acceptance of the instruction, regulation or rule. Merchant shall pay, or reimburse Acquirer for its payments of, any fines or assessments imposed by MasterCard, Visa or Discover that arise out of the credit card activities of Merchant. Visa, MasterCard and Discover Operating Rules and Regulations are incorporated herein by reference and Merchant agrees to be bound by and comply with the same.

**28. WAIVER** No failure to exercise and no delay in exercising any right, remedy, or power under these Regulations shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity. The waiver by any party of the time for performance of any act or condition hereunder does not constitute a waiver of the act or condition itself.

**29. SEVERABILITY, AMENDMENT AND CONSTRUCTION** If any provision of these Regulations is declared illegal or void, it shall not affect the validity or enforceability of the remainder of these Regulations. These Regulations may be amended at any time by Acquirer upon written notice to Merchant. Merchant's continued use of Acquirer's services hereunder subsequent to any such change constitutes Merchant's acceptance of the change. These Regulations shall be construed and interpreted in accordance with the laws of the state of Kentucky and applicable federal law. All headings are for convenience only and do not control substantive provisions of these Regulations.

**30. SUCCESSORS, ASSIGNS AND EXCLUSIVITY** Merchant agrees that Acquirer shall provide Merchant with all of Merchant's Visa, MasterCard and Discover processing services and Merchant shall not contract with any other entity to provide it with such services so long as these Regulations are in effect. These Regulations shall

bind and inure to the benefit of the parties hereto, their successors, and assigns. Notwithstanding the foregoing, Merchant shall not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, or by other operation of law, any right or obligation under these Regulations without the written consent of Acquirer. Any purported assignment, transfer, or delegation in violation of this Section shall be null and void. Acquirer may subcontract or delegate its obligations hereunder to subcontractors or third parties at Acquirer's sole discretion.

**31. FINES OR ASSESSMENTS** If Acquirer is fined or assessed any sum by Visa U.S.A., Inc. or Visa International or MasterCard or MasterCard International, or Discover for Merchant's violations of Visa, MasterCard or Discover rules, by-laws or regulations or operating guidelines, Merchant shall immediately reimburse Acquirer for said amounts.

**32. CHANGE IN MERCHANT'S PRINCIPAL BUSINESS** Merchant shall promptly notify Acquirer of any change in products or services offered to its customers.

**33. LAWSUITS, VENUE AND ATTORNEYS FEES** Merchant and Acquirer agree to and hereby waive the right to trial by jury in any lawsuit arising out of these Regulations and the documents referenced in these Regulations, whether such claims are based on contract, unjust enrichment, tort or any other theory of law. Each party represents to the other that this waiver is knowingly, willingly and voluntarily given. The parties further agree that all such lawsuits shall only be venued in the county in which Acquirer's principal place of business is located. Merchant shall reimburse Acquirer for reasonable attorneys' fees and other costs and expenses incurred by Acquirer in enforcing any rights Acquirer may have with regard to these Regulations and the documents referenced herein.

#### **MERCHANT CHARGEBACK NOTIFICATION**

As a merchant participating in the Visa, MasterCard or Discover system, you must be aware of the credit cardholder's right to charge back a transaction. A chargeback occurs when a cardholder disputes purchase for any number of reasons. Please be aware of the following:

1. A chargeback is initiated by the cardholder's bank, not the Acquirer.
2. The chargeback process is one which ordinarily favors the cardholder rather than the merchant.
3. A chargeback does not mean that you, as a merchant, are without recourse. What it may mean, however, is that you will have to pursue a

private collection action against your customer. 4. A cardholder's right to charge back is very broad. The cardholder simply has to file a written dispute with his/her bank. The bank must then charge the item back.

5. An authorization does not guarantee your sale, should the cardholder dispute the sale.

6. A cardholder has significant rights to return merchandise. Please note paragraph 12 of the Merchant Regulations. Should the cardholder claim he/she was not made aware of the disclosure (the merchant's return policy), a chargeback will likely be initiated.

7. The Acquirer is simply the messenger when a chargeback is initiated by a cardholder. The Acquirer must process the chargeback to the merchant's account per Visa, MasterCard and Discover rules and regulations.

## SCHEDULE TO MERCHANT REGULATIONS

**CENTRAL RESERVATION SERVICE MERCHANT.** In the event the Merchant is a Central Reservation Service Merchant, the provisions contained in Section 5.4.I of VISA U.S.A., Inc. Operating Regulations shall be incorporated into the Merchant Regulations by reference as if the same were fully set forth herein. Merchant shall request a copy of said regulations and Acquirer shall provide the same within five business days of such a request. Merchant agrees that it shall be bound by the terms and provisions of such regulations, whether or not it asks for copies of the same or not.

**INTERNATIONAL AIRLINES.** If Merchant is an International Airlines, Section 4.2.B.10.a, b and c of VISA U.S.A., Inc. Operating Regulations are incorporated into the Merchant Regulations as if they were fully set forth herein and such Merchant shall be bound by the terms and provisions. Merchant shall request copies of such sections and, upon such request, Acquirer shall provide them to Merchant within five business days. Merchant agrees that it shall be bound by the terms and provisions of such regulations, whether or not it asks for copies of the same or not.

**VISAPHONE TRANSACTIONS.** For VISAPhone Transactions, a Carrier must attempt to obtain authorization for such transactions no more than five times within 30 calendar days of the VISAPhone Transaction as specified in the VISAPhone implementation manuals available from VISA U.S.A., Inc. and authorization is valid if the Carrier received no more than four negative or referral responses within the 30-calendar-day period after the Transaction Date and obtained an approval response within the 30-calendar-day period.

**AUTOMATED FUEL DISPENSER MERCHANT.** An Automated Fuel Dispenser Merchant must obtain an authorization for the exact amount of the transaction or use the Status Check Procedure. Merchant may use the Status Check Procedure if the floor limit is zero and the transaction amount is no more than \$50.00. Merchant must not use an arbitrary amount estimate to obtain authorization.

The following terms and provisions shall be applicable to all Merchants:

1) **AFFILIATED MERCHANT.** An Affiliated Merchant shall not offer preferential treatment to the VISA and Electron Cardholders of that Member. An Affiliated Merchant shall comply with federal bank anti-tying laws, including the prohibition on varying of consideration on the condition that the customer obtain a product or service from an affiliate of the Member. No discount may be provided to an Affinity Cardholder unless the discount (such as a rebate) is provided subsequent to the time of the transaction or Cardholder presents a coupon or voucher with the Affinity card. Merchant shall not promote the availability of discounts with Affinity cards for purchases made at the point of sale.

2) **VISANET COPY REQUEST AND FULFILLMENT SERVICE EQUIPMENT.** If VISANet Copy Request and Fulfillment Service Equipment is installed at a Merchant Outlet, Section 1.10 through 1.10.M.3 of the VISA U.S.A., Inc. Operating Regulations incorporated herein by reference and made a part of the Merchant Regulations. Merchant may obtain copies of the foregoing operating regulations by requesting the same from Acquirer.

3) **ADVANCE PAYMENT SERVICE MERCHANT.** An Advance Payment Service Merchant may deposit a transaction receipt representing a partial or complete advance payment as specified in the following Section 5.4.L of VISA U.S.A., Inc. Operating Regulations:

4) **AFFINITY CARD PROGRAM.** VISA Owned Marks must be at least equal in size and prominence to Affinity Partner identification and any other payment system marks. Merchant shall not display a reproduction of an Affinity card as part of a decal at the Point-of-Transaction. VISA U.S.A., Inc. may require modification of any display if the display adversely affects the VISA brand. An Affiliated Merchant must display the VISA-Owned Mark independently from any identification of the Affinity Partner.

5) **IDENTIFICATION VALIDATION.** Merchant must validate the Cardholder's identity in a face-to-face environment as specified in the following Table 5.2 which is part of VISA U.S.A., Inc. Operating Regulations found at Section 5.2.G:

Description	Retail	Manual-Cash	Quasi-Cash	T&E Cash
Review positive identification (such as an unexpired passport or driver's license) to validate the Cardholder's identity.		XX	XX	XX
Indicate the positive identification on the Transaction Receipt, including: <ul style="list-style-type: none"> <li>Description of identification, including any serial number and expiration date, <b>and</b></li> <li>Cardholder name (if different from the embossed name) and address.</li> </ul>		XX	XX	XX
Verify both of the following: <ul style="list-style-type: none"> <li>Signature on the Visa or Electron Card matches the signature on the Transaction Receipt and identification presented. This signature may be different from the name embossed or printed on the Card.</li> <li>Cardholder resembles the person described, or depicted in any photograph intended for identification on the Visa or Electron Card.</li> </ul>	XX	XX	XX	XX
Compare the first 4 digits of the embossed Account Number to the 4 digits printed above or below the Account Number.	X	XX	XX	
Record the printed 4 digits on the Transaction Receipt as follows: <ul style="list-style-type: none"> <li>Write the digits in the space provided on the Transaction Receipt <b>or</b></li> <li>Key enter and electronically print the digits on the Cash Disbursement Transaction Record in the designated space, if using a Point-of-Transaction Terminal capable of printing key-entered numbers.</li> </ul>		XX	XX	
If the numbers do not match, attempt to recover the Visa or Electron Card, as specified in Section 5.2.J		XX	XX	
1. This requirement does not apply to Express Payment Service Transactions.				

6) **TRANSACTION RECEIPT COMPLETION.** Pursuant to Visa U.S.A., Inc. Operating Regulations Section 5.2.K.5, the Merchant must write the following letters or words on the signature line of the transaction receipt as specified in the following table:

Transaction Type	Signature Line Printing
Telephone Order	TO
Mail Order	MO
No Show	NO SHOW
T&E Advance Deposit	ADVANCE DEPOSIT
Priority Check-Out	PRIORITY CHECK-OUT
Recurring	RECURRING TRANSACTION
Advance Payment Service	ADVANCE PAYMENT



# DISCOVER NETWORK MERCHANT REGULATIONS

## RETAIN THIS COPY FOR YOUR RECORDS.

In these Regulations, “we”, “us,” and “our” means Central Bank. “You” and “your” means any merchant for whom we provide card transaction processing services. “Cards” means cards participating in a Card Association that is set forth in your Merchant Application. This Agreement establishes the terms and conditions on which you may accept Cards in payment for goods and services and we will provide transaction processing and settlement services. If we approve your Merchant Application, you will be provided Operating Regulations, which contain the Operating Regulations, instructions and other directives relating to Card transactions. We may amend or supplement the Operating Regulations at any time. You agree that if you process Card transactions, you will comply with the Operating Regulations for all transactions you process.

### 1. Card Transactions

1.1 You are responsible to ensure that the Cardholder understands that you are responsible for the transaction, including the goods or services that are the subject of the transaction, dispute resolution, and performance of the terms and conditions. You must honor all Cards presented for payment except as otherwise provided under these Regulations. The following requirements apply to all Card transactions: (a) you cannot establish minimum or maximum amounts as a condition for accepting a Card; (b) you cannot impose a surcharge or fee for accepting a Card, provided that you may impose a surcharge or fee for all like transactions and you may provide a discount to customers for cash payments; (c) you cannot establish any special conditions for accepting a Card; (d) you cannot discourage, favor or discriminate against the use of the Card vis-à-vis other credit cards or debit cards, except with respect to your own proprietary private label, loyalty, or gift cards; 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 1.3; (d) you cannot discourage, favor or discriminate against the use of a Card issued by any particular Card issuer vis-à-vis a Card issued by any other Card issuer; (f) you cannot require the Cardholder to supply any personal information (e.g., home or business phone number; home or business address; or driver's license number) unless instructed by us, except for a mail order/telephone order or delivery required transaction, and ZIP code for a Card-present key-entered transaction in order to obtain an Address Verification (AVS); (g) Any tax required to be collected must be included in the total transaction amount and not collected in cash; (h) you cannot submit any transaction representing the refinance or transfer of an existing Cardholder obligation deemed uncollectible; (i) you cannot submit a transaction or sale that has been previously charged back; (j) you must deliver at least one copy of the Sales Draft or credit draft to the Cardholder; (k) you cannot submit a transaction or sale to cover a dishonored check. Failure to comply with any of the applicable Card Association Rules may result in fines or penalties.

1.2 Prohibited Transactions. You may not accept Cards in payment for any transaction that is illegal, not authorized by the Cardholder, fraudulent, or that may damage the goodwill of us or any Card Association. “Factoring” is expressly prohibited. Factoring is the submission of Authorization Requests and/or Sales Data by a Merchant for Card Sales or Cash Advances transacted by another business. Factoring is considered Merchant fraud. If you submit Sales Data on behalf of another Person you will suffer any losses associated with any Dispute of the Card Sales. Also, if any fraud is involved, you could face criminal prosecution. You are prohibited from depositing transactions originating from Cards of owners, partners, officers or employees of your business establishment except for transactions that are routine in type, size and frequency for your business and that represent actual sales of goods or services. Submission of sales transactions on Cards in order to obtain a cash advance is strictly prohibited and may result in immediate cancellation of your account. Cash disbursements to Cardholders are also prohibited. 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 exclusive right of the Card issuer to receive such payments. You may not make any cash disbursements to a Cardholder as part of a Card transaction except to the extent expressly authorized by this Agreement or the applicable Card Association Rules. You may not accept Cards at Terminals that dispense scrip.

1.3 Card Acceptance Requirements. You must check or obtain the “valid from” and expiration date on the Card and confirm that the Card is valid and not expired prior to completing a Card sale. The Card is valid through the last day of the month embossed on the Card, if present. If the Card has expired, you cannot accept it for a Card sale. If you are suspicious that the Card presenter is not an authorized user of the Card, you should call us at the telephone number we provide for such purpose. You have the right to limit card acceptance to credit or debit cards with the appropriately executed contract addendum in place.

1.4 CID/CVV/CVC Requirements and Limitations. You must submit CID/CVV/CVC to us under the following circumstances: (a) the first installment of an Automatic Payment Plan, where the first installment is a Card Not Present Card Sale; and (b) where we notify you that we require you to submit CID in all or a certain portion of your Authorization Requests. Your failure to include the CID/CVV/CVC in an Authorization request where required by us, as described above, may result in a negative Authorization response and may increase the Interchange or Fees you are obligated to pay. If you do not submit CID/CVV/CVC with an Authorization Request for a Card Not Present Card Sale, even where not required above, you may lose a Dispute of the Card Sale (and, in the case of an Automatic Payment Plan where the first installment is a Card Not Present Card Sale, all installments under the plan may be subject to Dispute if you fail to submit CID/CVV/CVC with the Authorization Request for the first installment). You are strictly prohibited from retaining, archiving or otherwise storing the CID/CVV/CVC in any form or format for any reason, including the recording of the CID/CVV/CVC on Transaction Documentation or the making of photocopies of the front or back of Cards. Records demonstrating that the CID/CVV/CVC was included in an Authorization Request will be maintained only by the applicable Card Association.

1.5 Transaction Documentation. You must prepare Transaction Documentation for each Card Transaction and provide a copy of the Transaction Documentation to the Card presenter at the time of completion of the Card Transaction, in each case in accordance with the Operating Regulations. The form and format of the Transaction Documentation you prepare must be acceptable to us. You shall ensure that the Transaction Documentation for each Card Transaction, whether electronically generated or manually printed on paper, is legible and contains all of the information required under this Agreement and the Operating Regulations. You may not require a Cardholder to sign Transaction Documentation until the final Transaction amount is entered on the Transaction Documentation.

1.6 Cardholder Signature. Except in Card Not Present Card Sales and other special circumstances described in the Agreement or the Operating Regulations, Transaction Documentation must be signed by the Card presenter in the presence of your authorized representative or employee at the time of the Card Sale. The signature on the Transaction Documentation must reasonably match the signature appearing on the signature panel of the Card (unless the valid Card does not have a signature panel on the back of the Card) and the Cardholder's name as embossed on the front of the Card (except where the valid Card does not bear a Cardholder name on the front of the Card).

1.7 Verification of Signature on Card. In Card Present Card Sales involving valid Cards bearing a signature panel on the back of the Card, you must verify that there is a signature on the signature panel on the back of the Card and verify that the name on the back of the Card is reasonably similar to the name embossed on the front of the Card (except where the valid Card does not bear a Cardholder name on the front of the Card). If the Card includes a photograph of the Cardholder, you must verify that the Cardholder resembles the photograph.

1.8 Unsigned Cards. If a Card bearing an unsigned signature panel is presented to you, you must request two pieces of identification, one of which must be government-issued picture identification. When you have confirmed that the person presenting the Card is the Cardholder, you must require the Cardholder to sign the back of the Card. If you are unable to positively identify the Card presenter as the Cardholder, or if you have reason to suspect fraud, you must call us.

1.9 Your Submission of Sales Data. You may submit Sales Data only for valid transactions between you and a bona fide Cardholder. You must submit Sales Data to us no later than three (3) business days after the date of the transaction except that (i) Sales Data may not be presented until goods are shipped, (ii) if you have received Authorization for delayed presentation; (iii) if you are required by law to retain the Transaction Documentation or return it to the Cardholder upon timely cancellation, in which case you must present the Sales Data within ten (10) days of the transaction date, and (iv) when you have multiple locations and use a central facility to accumulate and present Sales Data to us, in which case we must receive the related Sales Data within thirty (30) calendar days of the Card Transaction date. For Card Sales and Credits, the Card Transaction date is the date that you conduct the Card Sale or promise the Credit to the Cardholder. Except for Cardholder deposits for purchases, you may not send Sales Data for goods or services ordered by a Cardholder in a Card Sale until the goods or services have been delivered or furnished to the Cardholder. Sales Data for Card Sales submitted for Settlement more than thirty (30) calendar days after the Card Transaction date may be rejected, subject to higher Interchange and/or other Fees or subject to Dispute. The applicable Card Association may withhold Settlement and/or assess higher Interchange and other Fees for any Sales Data sent to us that does not include all of the information required to be included.

1.10 Preparation and Transmission of Sales Data. You must prepare Sales Data for all Card Transactions as described in this Section 1.10, and transmit the Sales Data to us as described in this Section 1.10 and the Operating Regulations. Additional requirements for the preparation and transmission of Sales Data apply for Card Not Present transactions and you must comply with these requirements. You must include all goods and/or services purchased or returned/refunded at one time and at one cash register on one Transaction Receipt or Transaction Slip, or in a single transmission of electronic Card Transaction data, and you must transmit the Sales Data relating to goods and/or services purchased or returned/refunded at one time and at a single cash register in a single electronic transmission of Sales Data unless otherwise approved by us in writing. Notwithstanding the foregoing, you may use separate Transaction Receipts or Transaction Slips or use multiple transmissions to submit electronic Card Transaction data, and you may submit Sales Data in multiple transmissions, for bona fide deposits, partial payments and Automatic Payment Plans that comply with any applicable requirements.

1.11 Unusable Sales Data. We will notify you if all or a portion of the Sales Data submitted by you cannot be processed due to invalid, missing or unreadable data. In the event that all or a portion of the Sales Data you submit is invalid, missing or unreadable, you are responsible for: (i) Retrieving and resubmitting valid, readable Sales Data in proper form immediately; and (ii) The risk of any loss with respect to the Card Transactions described in the Sales Data, including for damage to or destruction of Sales Data, whether or not held by the applicable Card Association, until complete, usable Sales Data is successfully received by the applicable Card Association.

1.12 Submitting Electronic Sales Data. You are required to transmit Sales Data by electronic means in the form and format specified by us from time to time in the Operating Regulations and to the location that we specify. All Sales Data transmitted by you must conform to this Agreement and the Operating Regulations.

1.13 Record Retention. You must keep original copies of all mail/telephone order forms and other documentation relating to Card Transactions (including copies of Transaction Documentation) for the later to occur of (i) 365 calendar days following the Card Transaction date or (ii) the resolution of any pending or threatened Disputes, claims, disagreements or litigation involving or relating to the Card Transaction. You must keep a microfilm or other copy of Sales Data for no less than three (3) years from the date of the Card Transaction. You must provide us with a copy of any Transaction Documentation, Sales Data or any other documentation retained by you within 15 calendar days of our request for such information. In addition, you are responsible for retaining copies of documentation for a period sufficient to enable you to respond to any Disputes that may be initiated with respect to Card Transactions. If you do not provide on your own behalf a copy of any Transaction Documentation, Sales Data or other documentation requested by us, the Card Transaction may be subject to Dispute, including Chargeback, or other Fees.

1.14 Special Rules for Particular Transactions. Additional terms, conditions, and requirements apply with respect to Card Not Present Transactions, telecommunication Card Sales, Cash Over Transactions, Mail-Order and Telephone Order Sales, Automatic Payment Plans, delayed delivery sales, Automobile Rental Transactions, Airline and Cruise Line transactions, Hotel and Lodging Industry Transactions, Cash Advance Transactions, Card Sales in connection with store closings or liquidations, Electronic Commerce transactions, and other special categories. You are responsible to obtain from us the special rules pertaining to these transactions and any special rules that apply to other Card Sales that are not in-person Card Present Transactions in full payment for same day delivery of retail goods and/or services. By submitting Sales Data in connection with any such Card Transactions, you agree that you have received and agree to the special terms, conditions, and requirements relating to these transactions.

1.15 Returns. If you provide proper disclosure to a Cardholder at the time of the Card Transaction, you may establish a return policy under which you will: a) not accept merchandise in return or exchange and issue no refunds; or b) only accept merchandise in immediate exchange for similar merchandise of a price equal to the amount of the original transaction; or c) accept merchandise in return for in-store credit only; or d) stipulate special circumstances agreed to by the Cardholder. Proper disclosure shall be deemed to have been given if the words "NO REFUND", "EXCHANGE ONLY" or "IN STORE CREDIT ONLY" appear on all copies of the Transaction Documentation in letters approximately ¼ inch high and in close proximity to the space provided for the Cardholder's signature.

## 2 Authorization

2.1 You must obtain an Authorization for all Card sales that you submit to us. You must request Authorization of the entire amount of the Transaction before completing the Transaction. The Authorization code must be displayed on the transaction receipt or noted in the appropriate place on the Sales Draft. You may pay higher Interchange if you complete a Card sale without receiving a positive Authorization, if you submit Sales Data to us regarding Card sales for which you did not receive a positive Authorization or if the Authorization Code is not properly designated in the Sales Data. In addition, the Card sale may be subject to Dispute and/or you may lose a Dispute of the Card sale, as described in the Dispute Rules.

2.2 An Authorization only indicates the availability of credit on an account at the time the Authorization is requested. It does not warrant that the person presenting the Card is the rightful Cardholder, nor is it a promise or guarantee that you will not be subject to a Chargeback. If you fail to obtain an Authorization or if you submit a Card transaction after receiving a decline (even if a subsequent Authorization attempt provides an approval), your transaction may be assessed fines or fees by the applicable Card Association for which you will be responsible.

2.3 If you receive a Referral Code in response to an Authorization Request, you should contact us for additional information. A Referral Code is not a positive Authorization. If you subsequently complete a Card sale where you received a Referral Code without subsequently receiving a positive Authorization and corresponding Authorization Code, you may be obligated to pay higher Interchange for failure to receive a positive Authorization Response. The Card Sale may be subject to Dispute and/or you may lose a Dispute of the Card Sale, as described in the Dispute Rules.

2.4 You may not attempt to obtain multiple Authorizations for a single transaction. 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 to submit multiple transactions and/or multiple Authorizations, you are subject to a Chargeback, fines and/or cancellation of this Merchant Agreement.

2.5 If you conduct a Card sale using a POS Device to electronically capture data from the Card, the Authorization request you send to us must include all of the data specified in our Operating Regulations, including the unaltered contents of track 1 or track 2 of the track data contained on the Card (which includes the Card Verification Value (CVV) Data). In addition, the POS Device you use to conduct the Card sale must be capable of receiving the full, unaltered Authorization response when sent. If a Card sale is conducted using a POS Device but the Card cannot be read electronically, you must manually input the required Card transaction information into the POS Device prior to submitting the Authorization request to us. In addition, you must imprint the Card on the transaction receipt. If your POS Device is unable to receive an electronic Authorization response, or if the online Authorization system is down, you should call the number we provide you to submit a voice Authorization request. When a positive voice Authorization response is granted, we will provide you with an Authorization Code. You must manually enter this Authorization Code in the POS Device in such a manner that the Authorization Code is printed on the transaction receipt. If the Card sale is not conducted using a POS Device, you shall to record the Authorization Code in the appropriate box on the Sales Draft. We will notify you of any negative (or declined) Authorization response provided to us. In the event of a negative Authorization response, you may not comment to the Card presenter on the reason for

the decline of the Authorization request. If the Card presenter requests information about the reason for the decline of the Authorization request, you should inform the Card presenter to contact the Card issuer.

2.6 Occasionally in response to an Authorization request, we may, on behalf of an Issuer, direct you obtain certain information from the Card presenter to verify the Card presenter's identity. Also, in response to an Authorization request, we may, on behalf of an Issuer, occasionally direct you to take and retain a Card from the Card presenter. In each such case, you will use reasonable and lawful attempts to comply with our request.

2.7 If a Card Sale is cancelled or the amount of the Card Sale changes following your receipt of Authorization for the Card Sale, you must cancel the Authorization by (i) processing a return using your POS Device (if the Authorization was obtained using a POS Device), or (ii) call us to request a cancellation of the Authorization (if the Authorization was a voice Authorization). An Authorization may be cancelled at any time within fifteen (15) calendar days of your receipt of the Authorization but must be cancelled before Sales Data relating to the Card Sale has been submitted to us. Once Sales Data relating to the Card Sale has been submitted to us, the Authorization cannot be changed. You may not contact the applicable Card Association in an attempt to cancel an Authorization. You must contact us to cancel an Authorization, and we will contact the applicable Card Association.

2.8 You must submit all Authorization requests in U.S. dollars.

### 3 Settlement of Card Transactions

3.1 Subject to your compliance with all the terms and provisions of this Agreement and the Operating Regulations, we will accept valid transaction records from you during the term of this Agreement and to promptly pay you the total amount represented by the transaction records. At our sole discretion, we may credit your account for the total amount of Card Sales less any applicable fees or, in a separate transaction, subsequently debit you or your account for applicable fees. The payments by us to you shall be deposited in the account designated in your Merchant Application or as you subsequently designate in writing.

3.2 In addition to any other remedies available to us under this Merchant Agreement, we may, without prior notice, suspend payment of any funds if we have reason to believe that you are in default of any obligation under this Agreement or there is any fraudulent activity related to the transactions that you submit to us.

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

3.4 After you submit sales and credit drafts, you will receive settlement funds through ACH credit. We will initiate a transfer of such applicable settlement funds through ACH to your Settlement Account. Settlement by ACH credit generally will take place the second banking day after we process the applicable Card transactions.

3.5 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 affected.

3.6 If after your Settlement Account has terminated, you fail to instruct us as to where to transmit funds that we are holding and that are due to you, we may deduct from those funds our reasonable costs associated with the maintenance of such funds on a monthly basis.

3.7 The following is a partial list of reasons for other debits to your Settlement Account. We may add to this list as required: (a) the applicable Card Association fees, charges and fines assessed as a result of your transactions; (b) currency conversion errors; (c) fees and Chargebacks not previously charged; and (d) deposits posted in error. For additional reasons, refer to your Operating Regulations.

### 4 Chargebacks

4.1 You are responsible for reimbursing us for any transaction that is charged back by the Issuer and/or the Cardholder and for related fees, for any reason, whether or not you have the right to contest the Chargeback under applicable Card Association rules.

4.2 Reasons that a transaction may be charged back include, but are not limited to:

- (a) A Cardholder disputes the validity of a transaction;
- (b) A Cardholder disputes the quality or receipt of goods or services; (c) A copy of the Sales Draft was not provided when requested, or the copy provided was improperly completed or illegible in whole or in part; (d) A credit was not provided to the Cardholder; (e) The transaction was not authorized by the Issuing Bank at the time of sale, or efforts were made to avoid a decline of the Authorization (such as, but not limited to, attempts to obtain an Authorization after receiving either a decline or a referral to a call center or splitting a sale across multiple transactions of the same Card); (f) The Sales Draft was not imprinted using an imprinting machine (an electronic swipe of the magnetic stripe on the Card may only substitute for a manual imprint if the transaction is electronically authorized by the terminal after the swipe. In situations where the account number is keyed into the terminal or where the terminal provides a referral response, a physical imprint of the Card on the Sales Draft is mandatory); and (g) All mail order/telephone order and Internet sales are at your risk and are subject to Chargeback.

4.3 You must maintain sufficient funds in your designated Settlement Account to cover all Chargebacks and related fees. For each transaction processed by you, we have a contingent and unmatured claim against you for any amount we must pay as a result of your processing of transactions, including, but not limited to, any Chargebacks, fees, discounts, customer credits and adjustments, charges, fines, assessments and penalties. All settlements or credits given or payment made by us to you in connection with your transactions are provisional, and subject to revocation, Chargeback or refund, subject to the terms and conditions of this Merchant Agreement, and the applicable Card Association Rules. Your right to receive any amounts due from us is expressly subject and subordinate to our Chargeback, set-off, lien and security interest rights without regard to whether such Chargeback, set-off, lien and security interest rights are applied to claims that are liquidated, unliquidated, fixed, contingent, matured or unmatured. WE MAY, WITHOUT FURTHER NOTICE, ELECTRONICALLY DEBIT YOUR SETTLEMENT ACCOUNT TO COVER ALL SUMS OWING TO US PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, AMOUNTS OWING FOR CHARGEBACKS, RELATED FEES AND FINES IMPOSED BY THE APPLICABLE CARD ASSOCIATION.

### 5. Operation of Business.

5.1 Change in Business. You must notify us immediately of any change to the information included in your Merchant Application, including if you engage in, or in the future elects to engage in, any new lines or types of business activities not disclosed in your Merchant Application or if you change your business activities in any of the following ways: (i) Change of ownership; (ii) Change in type or kind of business; (iii) Change in identity, including corporate/legal name or address; (iv) Closing or liquidating business entirely or any locations; (v) Change in processing method (i.e., Transaction Slips to POS Device); (vi) Voluntary or involuntary party in a bankruptcy case; (vii) Entry into a loan or other agreement with a third party that seeks to affect the Merchant Agreement; (viii) Change to any entity that is a party to or guarantor of the Merchant Agreement, including by merger or acquisition; and (ix) Change to or from a business that conducts exclusively retail sales to one that accepts Card Sales by mail, telephone order or Internet transactions.

You agree to notify us of any changes specified above, including any changes to the information in your Merchant Application. We may terminate Card Acceptance by you and your sublicense to use the Program Marks if you fail to notify us of any such change. In addition, Card Sales by you relating to a new business activity of which we have not been notified may be rejected or subject to reversal or Chargeback, at our discretion.

5.2 Compliance with Laws. You are responsible for operating your business and performing your obligations hereunder in compliance with all Requirements of Law.

5.3 Audits. We may, at our discretion, conduct or engage a third party to conduct examinations and audits of such your compliance with the applicable provisions of this Agreement or the Operating Regulations. All such examinations and audits will be at your sole cost and expense. We may report the results of each such examination and audit to the applicable Card Association. In addition to the foregoing, you agree that the applicable Card Association shall have the right to visit you and review your retail locations, corporate offices and websites to verify your compliance with the terms of this Agreement and the Operating Regulations, including the License, the display of the Program Marks, adherence to point-of-sale procedures and compliance with the Security Requirements. If an audit identifies a regular or repeated failure by you to comply with the obligations applicable to you, you agree to promptly notify us of your plan to cure such deficiency along with the implementation date of such cure.

6. Card Account Information. You may not request or use Card account information for any purpose that you know or should have known to be fraudulent or in violation of Card Association Rules or these Regulations. You must not ask a Cardholder to record a Card account number or other account information on the exterior of any order form or other similar device designed to be mailed. You may not disclose Card Transaction information except to us or our agent for the purpose of processing a Transaction or Chargeback, or to your loyalty program or fraud control service provider, or as required by Requirements of Law.

7. Exclusivity. During the term of this Merchant Agreement, you shall use us as your exclusive provider of all Services unless we have otherwise specifically agreed in writing.

#### 8. Program Marks.

8.1 You are prohibited from using the Program Marks, as defined below, other than as expressly authorized in writing by us or as provided in this Section 8. Additionally, you shall not use the Program Marks other than to display decals, signage, advertising and other forms depicting the Program Marks that are provided to you by us pursuant to the Merchant Program or otherwise approved in advance in writing by Acquirer. You may use the Program Marks only to promote the services covered by the Program Marks by using them on decals, indoor and outdoor signs, websites, advertising materials and marketing materials; provided that all such uses must be approved in advance by us in writing. You shall not use the 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 Program Marks. You recognize that you have no ownership rights in the Program Marks. You shall not assign to any third party any of the rights to use the Program Marks.

8.2 You must prominently display the Program Marks at the point of interaction to indicate that the merchant accept the applicable Card Association's cards. If you are a remote services merchant, you must display the Program Marks wherever payment options are presented. We will provide you with the appropriate artwork in a format authorized by the applicable Card Association. The Program Marks must be clearly visible to the public. The preferred location to post the Program Marks at a physical point of interaction is the entrance, nearby window or door of your business location, and on the first screen of an electronic point of interaction. Where it is not possible to post signage at the entrance of your location, posting the Program Marks so that they can easily and readily be seen within the location will satisfy the above requirement. Where it is not possible to post the Program Marks on the first screen of an electronic point of interaction, posting the Program Marks on the payment screen will satisfy this requirement. You must display each Program Mark in such manner and with such frequency as accorded any other Card Association's Program Market. You must limit your use or display of the Program Marks in accordance with the terms of the license granted under Section 8.1 and this Agreement or in accordance with any other specifications provided by us. We will provide you with signage displaying representations of the Program Marks that are consistent with the applicable Card Association standards. We will provide approved displays to you for your use to inform the public that credit and debit cards are accepted. You shall prominently display the Program Marks that we provide. You may not indicate that any Card Association endorses any of your products or services.

8.3 Your license to use the Program Marks shall terminate upon the earlier of (i) the termination of this Agreement, or (ii) delivery of notice by us to you of the termination of the license.

#### 9. Confidentiality.

9.1 Confidential Information. We, the applicable Card Association, or the applicable Card Association's or our agents on behalf of the applicable Card Association, ourselves, the applicable Card Association's and our Affiliates and prospective and current Issuers, including the applicable Card Association Network Issuers, and each of their and our respective officers, directors, subcontractors and employees, agents and Affiliates (in each case, a "Disclosing Party") may disclose or communicate, directly or indirectly, to you or your agents ("Receiving Party") information and data that the Disclosing Party deems as confidential or proprietary ("Confidential Information"). The term "Confidential Information" includes all information and materials pertaining to technology, trade secrets, know-how, products, facilities, processes, operations, suppliers, current and prospective customers, marketing objectives and plans, pricing and other information pertaining to the Disclosing Party's business affairs, and includes all information pertaining to us and the applicable Card Association, our and their respective marketing and other business plans, profitability, market share and position, Card Transaction volumes, BINs, prospective and current Issuers, other acquirers of Card Transactions and/or Merchants, and any information disclosed by a Disclosing Party to a Receiving Party prior to the execution of the Agreement in contemplation or anticipation of the entry into the Agreement, regardless of whether such disclosure was protected by a confidentiality agreement. The term "Confidential Information" also includes the terms of this Agreement and the Operating Regulations, including documents incorporated by reference, each of the schedules, exhibits, appendices and amendments thereto and any material that is distributed or disclosed by the Disclosing Party in connection with the Program, regardless of whether such information is marked as "Confidential." The term "Confidential Information" includes information or data that is in oral, written or other visual form, or recorded on tape, electronic or other media. The terms of this Section 9 shall supersede any oral or written agreements between you and us governing confidentiality entered into prior to the execution of this Agreement and the terms of this Section 9 shall apply retroactively to the date of the first disclosure by the Disclosing Party of Confidential Information in contemplation of the entry into this Agreement. In the event of a conflict between the terms of this Section 9 and the terms of any confidentiality agreement between you and us entered into prior to entry into this Agreement, the terms of this Section 9 shall govern. The term "Confidential Information" will exclude (i) information in the public domain or information that becomes available to the general public without restriction through no wrongful act or omission of the Receiving Party; (ii) information that is independently developed by the Receiving Party without reference to Confidential Information of the other party; or (iii) information that is known by the Receiving Party prior to disclosure by the Disclosing Party.

#### 9.2 Limited Use

You agree that Confidential Information will be used by you for the sole and exclusive purpose of performing the obligations and exercising the rights as granted or permitted under this Agreement. You must ensure that Confidential Information is kept confidential and is not disclosed, directly or indirectly, to any third party unless the Disclosing Party consents in writing to such disclosure, and then only upon the prior execution of a confidentiality agreement containing terms substantially similar to those in this Section 9 by the third party to whom the Receiving Party desires to disclose such information. Notwithstanding the foregoing, the Receiving Party may disclose strictly limited and necessary types of Confidential Information to its Affiliates and/or agents that require access to such Confidential Information in order for the Receiving Party to perform its obligations under this Agreement, subject to the terms of Section 9.2 and provided that such Persons are bound to confidentiality terms substantially similar to those in this Section 9.

#### 9.3 Permitted Disclosures

Notwithstanding the above restrictions, the Receiving Party may disclose Confidential Information in response to a subpoena or order of a court or an agency or government authority of competent jurisdiction that is binding on the Receiving Party, and which compels the disclosure of Confidential Information, provided that the Receiving Party will, to the extent permitted by Requirements of Law, immediately notify the Disclosing Party of the receipt of a subpoena or order so as to permit the Disclosing Party to contest any such subpoena or order or to seek an appropriate protective order at the Disclosing Party's expense. To the extent required by specific circumstances, you may disclose certain limited and necessary terms of this Agreement and the Operating Regulations, to (i) your regulators, examiners, auditors and counsel, or (ii) to proposed investors and financing sources and their advisors in connection with a merger or acquisition or proposed merger or acquisition or the like, provided such proposed recipients agree in writing to be bound by the obligations of confidentiality required by these Operating Regulations and provided that you provide prompt written notice to the applicable Card Association Network in advance of such disclosure.

#### 9.4 Return or Destruction of Confidential Information

Upon the termination or expiration of this Agreement, all Receiving Parties will comply with the Disclosing Party's reasonable instructions regarding the disposition of Confidential Information, which may include the return or destruction of any and all Confidential Information (including any electronic or paper copies, reproductions, extracts or summaries thereof); provided that the Receiving Parties may retain a reasonable number of copies of any tangible property containing Confidential Information, subject to the terms of these Operating Regulations, which may be used solely for regulatory and record-keeping purposes and may not be used for any other purpose.

#### 10. Advertising and Publicity

Except as otherwise explicitly permitted by the terms of this Agreement, you may not use the registered trademarks, service marks, logos or any proprietary information of the applicable Card Association, us or the applicable Card Association's or our Affiliates without the prior written consent of the owner of such intellectual property and the prior review, by such owner, of the materials in which such marks, logos or proprietary information is proposed to be used, including in any press release. In your case, such materials shall include the types of media referred to in Section 7.2 in which the Program Marks or logos are displayed. Such consent shall not be unreasonably withheld or delayed. Neither party shall make any public statement or press release regarding the Program or this Agreement, without the prior written approval of the other party.

11. Fees; Adjustments. You agree to pay charges and fees in the amount and in the frequency specified from time to time by us. You also agree to pay any fines imposed on us by the applicable Card Association resulting from Chargebacks and any other fees or fines imposed by the applicable Card Association with respect to your acts or omissions. We have the right to revise our fees and charges upon written notice to you and you shall pay such revised charges and fees. You agree that any objections to any such charges or fees that are not made and timely received by us as provided herein, shall be deemed waived by you.

#### 12 Representations; Warranties

12.1 For each Card transaction submitted to us, you warrant the following: (a) it is a lawful sale/rental not previously submitted and is only for the items sold or rented (including taxes, but without any surcharge); (b) it represents an obligation of the Cardholder for the transaction amount; (c) it is not an amount charged subject to any dispute, set-off or counterclaim; (d) it is for merchandise or service actually delivered or performed at the same time you accepted and submitted the Card for processing (except for any delayed delivery or advance deposit transactions expressly authorized by this Agreement); (e) it is not the refinancing of an existing obligation of the Cardholder or arising from the dishonor of a personal check; (f) that you have no knowledge or notice that the transaction is improper, fraudulent or unauthorized; (g) that the transaction is between you and the Cardholder; and (h) the transaction is made in accordance with this Merchant Agreement, the Operating Regulations and the applicable Card Association Rules.

12.2 THIS IS A SERVICE AGREEMENT. WE DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THOSE REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE OR ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE SERVICES PROVIDED UNDER THIS AGREEMENT.

13. **TERMINATION** Merchant's agreement to participate in Acquirer's bank card processing program shall continue unless the Merchant provides Acquirer 90 days advance written notice. Acquirer may terminate Merchant's participation at any time by giving written or telephonic notice to Merchant. Written notice shall be deemed given on the date mailed by certified mail, return receipt requested. Telephonic notice shall be deemed given on the date the call is completed. In no event shall Merchant be required to deposit, or Acquirer to accept for deposit, any charge forms or credit forms after the Termination Date. All obligations incurred or existing under these Regulations as of the date of termination shall survive such termination. Merchant expressly acknowledges that Discover maintains records containing information on Merchants terminated for one or more reasons specified in Discover Operating Rules and Regulations. Such reasons generally include, but are not limited to: fraud, counterfeit paper, unauthorized transactions, breach of contract, excessive chargebacks or highly suspect activity. Merchant acknowledges that Acquirer is required to report the Merchant business name and the name of its principals to Discover when Merchant is terminated due to one or more of the foregoing reasons. Merchant expressly agrees and consents to such reporting by Acquirer in the event of the termination of these Regulations due to one or more of such reasons.

14. Security Interest. You hereby grant us a security interest and lien on any deposit account that you now or hereafter have with any financial institution, in all funds in any such account, all writings evidencing any such account, and all proceeds of the foregoing, to secure your existing and future obligations to us under this Agreement. You agree to take such actions as may be required, from time to time, to establish and maintain such security interest as a perfected first lien security interest. For purposes of this provision, any failure by you to pay us, upon demand, the amount of any transaction that we have charged back to you or any other amount owed by you to us under this Agreement shall constitute a default by you. Upon any such default, we shall have all rights and remedies provided by law, including the right to enforce our security interest by applying all funds in any account held by us to any and all of your indebtedness to us.

15. Limitation of Liability. Our liability to you with respect to any Card transaction shall not exceed the amount represented by the transaction record in connection with that transaction less any applicable discount, provided that our total, aggregate liability for all claims shall not exceed the amount of fees paid by you during the three (3) months prior to the most recent claim. IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHATSOEVER.

16. Entire Agreement; Compliance. The parties intend that the Merchant Application, the Merchant Agreement, the Schedule to these Merchant Regulations, the applicable Card Association Rules, and our schedule of fees and charges for the services provided hereunder, shall constitute the entire agreement of the parties and may not be contradicted by evidence of any prior or contemporaneous agreement. You shall comply with all laws applicable to you and any Card Transaction, including, without limitation, all state and federal consumer credit and consumer protection statutes and regulations. You shall also comply with all operating instructions, rules and regulations as we or the applicable Card Association may issue or amend from time to time. You shall pay, or reimburse us for our payments of, any fines or assessments imposed by the applicable Card Association that arise out of your credit card activities. The applicable Card Association Rules are incorporated herein by reference and you agree to be bound by and comply with the same.

17. Waiver. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity. The waiver by any party of the time for performance of any act or condition hereunder does not constitute a waiver of the act or condition itself.

18. Severability, Amendment, and Construction. If any provision of this Agreement is declared illegal or void, it shall not affect the validity or enforceability of the remainder of this Agreement. This Agreement may be amended at any time by us upon written notice to you. Your continued use of our services hereunder subsequent to any such change constitutes your acceptance of the change. This Agreement shall be construed and interpreted in accordance with the laws of the state of Wisconsin and applicable federal law. All headings are for convenience only and do not control substantive provisions of this Agreement.

19. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto, their successors, and assigns. Notwithstanding the foregoing, you may not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, or by other operation of law, any right or obligation under this Agreement without our written consent. Any purported assignment, transfer, or delegation in violation of this Section shall be null and void. We may subcontract or delegate our obligations hereunder to subcontractors or third parties at our sole discretion.

20. Fines or Assessments. If we are fined or assessed any sum by the applicable Card Association, for your violations of the applicable Card Association Rules, the applicable Card Association by-laws or regulations or operating guidelines, you will immediately reimburse us for said amounts.

21. Lawsuits, Venue, and Attorneys' Fee. You and we agree to and hereby waive the right to trial by jury in any lawsuit arising out of this Agreement and the documents referenced in this Agreement, whether such claims are based on contract, unjust enrichment, tort or any other theory of law. Each party represents to the other that this waiver is knowingly, willingly and voluntarily given. The parties further agree that all such lawsuits shall only be venued in the county in which

our principal place of business is located. You will reimburse us for reasonable attorney's fees and other costs and expenses incurred by us in enforcing any rights Acquirer may have with regard to this Agreement and the documents referenced herein.

**22 Reserve Account.** In our sole discretion, we may require you to establish a Reserve Account to protect our interests based upon our estimate of the amount necessary to cover anticipated chargebacks, fees and other liabilities you owe us. To establish the Reserve Account, you authorize us to deduct funds from amounts due you by us, or charge any deposit account of yours with any other financial institution by Automated Clearing House or otherwise and place such funds in a deposit account in a depository selected by us (the "Reserve Account"). You hereby grant us a security interest in the funds in the Reserve Account as security for any existing or future obligation we owe you. The funds in the Reserve Account shall not be subject to the claims of any other party. You may not grant any lien or security interest in the Reserve Account. We may deduct a portion from each credit transaction deposited or transmitted by you to us or any other financial institution and place such funds into the Reserve Account. The Reserve Account shall be maintained for as long as we, in our sole discretion, deem necessary. You hereby expressly authorize any financial institution at which you maintain an account to transfer funds from such account to us upon our request to maintain funds in the Reserve Account of a level deemed appropriate by us. In our sole discretion, we may withdraw funds from the Reserve Account to satisfy your obligations to us. If your funds in the Reserve Account are not sufficient to cover the Chargebacks, adjustments, fees and other charges due from you, or if the funds in the Reserve Account have been released, you agree to promptly pay us such sums upon request. You shall not receive any accrued interest on any funds held by us as a result of your processing of transactions, including, but not limited to, funds held by us in a Reserve Account. Notwithstanding the foregoing, we shall be entitled to accrued interest on any such held funds.

#### 23 Financial and Other Information

**23.1** Upon our request, you shall furnish to us copies of your financial statements, and /or such other financial information and reports reasonably requested by us. You authorize us to obtain, from time to time, credit, financial, and other information regarding you from other persons or entities, such as credit reporting agencies. You also authorize us to respond to requests from others for information regarding you. We have the right at any reasonable time to verify all sales and to audit your books, accounts, records, and other papers relative to credit transactions tendered to us hereunder.

**23.2** From time to time, we may determine that an inspection of your business location is necessary. In such event, you shall pay the costs incurred by us for such inspection, including, but not limited to, costs incurred for airfare and hotel accommodations. Prior to the imposition of such costs, we shall notify you in writing of our intention to impose such costs and provide you with an estimate as to the amount of such costs. Your written consent to pay such costs shall not be unreasonably withheld.

**24 Indemnification:** You agree to indemnify and hold us, our vendors and affiliates, as well as the applicable Card Association and any Issuer, harmless from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees) resulting from your actions, including, but not limited to, any breach of any warranty, covenant or agreement or any misrepresentation by you under this Merchant Agreement, or arising out of you or your employees' actions, including as a result of your processing of transactions or use of any Services obtained.

#### 25 Processing Related Equipment

**25.1** YOU WARRANT THAT ANY PROCESSING EQUIPMENT AND/OR SOFTWARE YOU OBTAIN IS FOR A COMMERCIAL PURPOSE AND IS NOT FOR PERSONAL USE. Unless otherwise provided for in a separate sales agreement, the sale of all processing equipment is between you and third parties, including, but not limited to, our independent sales agents and representatives.

**25.2** YOU ACKNOWLEDGE THAT ANY EQUIPMENT AND/OR SOFTWARE YOU OBTAIN MAY NOT BE COMPATIBLE WITH ANOTHER PROCESSOR'S SYSTEMS. WE DO NOT HAVE ANY OBLIGATION TO MAKE SUCH EQUIPMENT AND/OR SOFTWARE COMPATIBLE WITH ANY OTHER PROCESSING SYSTEMS. IN THE EVENT THAT YOU ELECT TO USE ANOTHER PROCESSING SERVICE PROVIDER UPON THE TERMINATION OF THIS MERCHANT AGREEMENT, YOU ACKNOWLEDGE THAT YOU MAY NOT BE ABLE TO USE THE EQUIPMENT AND/OR SOFTWARE THAT YOU HAVE OBTAINED.

**25.3** We may upgrade or otherwise modify our computer system at any time without prior notice. You agree to provide us access to your processing equipment in the event that we deem it necessary as part of our upgrade or system modification.

#### 26 Other Provisions

**26.1** No party shall be liable for any default or delay in the performance of its obligations under this Merchant 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 third party 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 nonperforming 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 or funds from a third party shall not excuse the performance of your obligations to us under this Merchant Agreement.

**26.2** The headings contained in this Merchant Agreement are for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Merchant Agreement.

**26.3** If there are any inconsistencies between the Merchant Application and Agreement and the Operating Regulations, the Merchant Application and Agreement will govern. If any part of the Merchant Agreement is not enforceable, the remaining provisions shall remain valid and enforceable.

**26.4** This Merchant Agreement constitutes the entire agreement between the parties with respect to the subject matter thereof, supersedes any previous agreements and understandings and, except as expressly provided in this Merchant Agreement, can be changed only by a written agreement signed by all parties. A party's waiver of a breach of any term or condition of this Merchant Agreement shall not be deemed a waiver of any subsequent breach of the same or another term or condition.

**26.5** The parties acknowledge that the applicable Card Association Rules give the applicable Card Association certain rights to require termination or modification of this Merchant Agreement with respect to transactions involving Cards and the Card Association 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 the applicable Card Association Rules with respect to this Merchant Agreement's applicability to transactions involving such other Cards.

**26.6** You may designate a third party as your agent for the purpose of delivering credit card transactions data-captured at Point-Of-Sale Terminals by such agent for clearing and settlement. In such event, you agree that: a) you must provide satisfactory notice to us if exercising use of third-party agent; b) you understand and agree that the obligation of us to you to reimburse you for credit card transactions is limited to the amount (less fees) delivered by that agent to us; c) you are responsible for any failure by your agent to comply with your responsibilities under this Agreement and the Operating Regulations including but not limited to any violation which results in a chargeback.

**27. Merchant Chargeback Notification:** As a merchant participating in the Card Association system, you must be aware of the credit cardholder's right to charge back a transaction. A chargeback occurs when a cardholder disputes purchase for any number of reasons. Please be aware of the following:

A chargeback is initiated by the cardholder's bank, not the Acquirer

The chargeback process is one which ordinarily favors the cardholder rather than the merchant.

- A chargeback does not mean that you, as a merchant, are without recourse. What it may mean, however, is that you will have to pursue a private collection action against your customer.
- A cardholder's right to charge back is very broad. The cardholder simply has to file a written dispute with his/her bank. The bank must then charge the item back.
- An authorization does not guarantee your sale, should the cardholder dispute the sale.
- A cardholder has significant rights to return merchandise. Please note paragraph 12 of the Merchant Regulations. Should the cardholder claim he/she was not made aware of the disclosure (the merchant's return policy), a chargeback will likely be initiated.
- The Acquirer is simply the messenger when a chargeback is initiated by a cardholder. The Acquirer must process the chargeback to the merchant's account per the Applicable Card Association rules and regulations.

28. Definitions. As used in this Merchant Agreement, the terms below will have the following meanings:

**Authorization.** Approval by, or on behalf of, the Issuer to validate a transaction. An Authorization indicates only the availability of the Cardholder's credit limit at the time the Authorization is requested.

**Automatic Payment Plan.** An obligation, either of a fixed or variable amount, that is paid by a Cardholder with a series of charges to a Card account over a period time pursuant to an agreement between the Cardholder and the merchant.

**Card Not Present.** A Card Sale or Credit that occurs when neither the Card nor the Cardholder is present at the point-of-sale to conduct the Card Sale or Credit, including Internet, mail-order and telephone-order Card Sales and Credits.

**Card Present.** A Card Sale, Cash Advance or Credit that occurs where the Card and the Cardholder are present at the point-of-sale and the Card is used to conduct the Card Sale, Cash Advance or Credit, as evidenced by our receipt of Track Data in the Authorization Request (except with respect to Biometric Card Transactions, which constitute Card Present Card Sales but will not include CVV with the Authorization Request).

**Card Sale.** A sale of goods or services to a Cardholder by a Merchant, either in a Card Present environment or as a

Card Not Present transaction, either of which is conducted pursuant to a Merchant Agreement where the amount of such sale is applied to a Card Account and considered an obligation of the Cardholder.

**Card Transaction.** A transaction involving a Card, including any Card Sale, Cash Advance, Credit, Chargeback, Reversal or Correction.

**Cardholder.** The individual whose name is embossed on a Card (or Debit Card, as applicable) and any authorized user of such Card.

**Chargeback.** The procedure by which a Sales Draft or other indicator of a Card transaction (or disputed portion thereof) is returned to Bank or the Issuing Bank, the liability for which is the Merchant's responsibility.

**Chargeback Fee.** A fee incurred each time a transaction is charged back to you.

**CID or Card Identification Data.** The three digit number that follows the complete or truncated Card Number in the signature panel or in a separate box directly to the right of the signature panel on the back of each Card.

**Credit.** A refund or price adjustment given for a previous purchase transaction.

**CVV or Card Verification Value.** The three digit number that follows the complete or truncated Card Number in the signature panel or in a separate box directly to the the right of the signature panel on the back of each Card.

**CVC or Card Verification Code.** The three digit number that follows the complete or truncated Card Number in the signature panel or in a separate box directly to the the right of the signature panel on the back of each Card.

**Dial-Up Terminal.** An Authorization device which, like a telephone, dials an Authorization center for validation of transactions.

**the applicable Card Association Rules.** The rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by the applicable Card Association.

**Discount Rate.** An amount charged for processing credit Card transactions or signature debit Card Sales. Discount Rates are charged on all sales and refunds.

**Dispute.** A ticket retrieval request, request for a Chargeback, Chargeback, request for representment of a Card Transaction, or representment of a Card Transaction, as the context may require, by an Issuer, us or the applicable Card Association, including supporting information and documentation provided by the Issuer or us in connection with any of the foregoing, and the applicable Card Association's process of resolving or effecting any of the foregoing, including Dispute arbitration, as more fully described in the Dispute Rules.

**Dispute Rules.** The document that contains instructions and requirements relating to the resolution of Disputes relating to Card Transactions, including Chargebacks, Credits and corrections, as such document may be amended from time to time by the applicable Card Association.

**Fees.** The fees and charges we or the applicable Card Association assess for or related to the Services.

**Interchange.** A charge assessed by the applicable Card Association and paid to the Issuer.

**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 a Sales Draft.

**Issuer.** The bank or other party that has issued a Card.

**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.

**POS Device.** An electronic point-of-sale device, cash register, or terminal and any necessary software, including a CAT and a self-service terminal, located at the physical premises of a merchant that is capable of electronically capturing data from Cards and receiving electronic evidence of Authorization responses and which may also be capable of transmitting electronic evidence of Sales Data.



**Program Marks.** Any and all trademarks and service marks of a Card Association which are provided to you or approved by us for your use in connection with the Services.

**Referral Code.** The message received from an Issuing Bank when an attempt for Authorization requires a call to the Voice Authorization Center or Voice Response Unit (VRU).

**Requirements of Law.** Any law, ordinance, statute, treaty, rule, judgment, decree, regulation, official directive, consent, approval, authorization, order or other determination or finding of any governmental authority applicable to or binding upon you or to which you are subject, whether federal, state, county, local, foreign or otherwise, including state usury laws, the Truth-In-Lending Act, the Fair Debt Collection Practices Act, the Federal Equal Credit Opportunity Act, the Fair Credit Reporting Act as amended by the Fair and Accurate Credit Transactions Act, the National Bank Act, the Bank Secrecy Act as amended by the USA PATRIOT Act together with implementing federal regulations, the Trading With the Enemy Act, the International Emergency Economic Powers Act and the United Nations Participation Act and related Executive Orders and implementing U.S. Department of the Treasury regulations, the Electronic Funds Transfer Act, the Telephone Consumer Protection Act, the Gramm-Leach-Bliley Act, the Foreign Corrupt Practices Act, the Anti-Boycott provisions of the Export Administration Act and implementing U.S. Department of Commerce regulations, the Federal Trade Commission Act, the Sarbanes-Oxley Act and implementing federal regulations, and Regulations B, E, P and Z of the Board of Governors of the Federal Reserve System.

**Reserve Account.** A fund established and managed by us to protect against actual or contingent liability arising from Chargebacks, adjustments, fees and other charges.

**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.

**Sales Data.** Evidence of Card Sales and Credits in electronic format that is captured, prepared and/or transmitted by you for a Card Sale or Credit.

**Sales Draft.** Evidence of a purchase of goods or services by a Cardholder from Merchant using a Card, regardless of whether the form of such evidence is in paper, electronic or otherwise, all of which must conform to the applicable Card Association Rules.

**Security Requirements.** The Payment Card Industry Data Security Standard located at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org) (as the same may be amended and supplemented from time to time), which is incorporated herein by reference and all related compliance requirements and (ii) any additional security requirements and all related compliance requirements promulgated by the applicable Card Association from time to time.

**Services.** The activities undertaken by Processor and Bank to authorize, process and settle all United States Dollar-denominated Card transactions undertaken by Cardholders at Merchant's location(s) in the United States, and all other activities necessary for Processor and Bank to perform the functions required by your Merchant Agreement for all other Cards covered by your Merchant Agreement.

**Settlement Account.** An account at a financial institution designated by Merchant as the account to be debited and Credited by Processor or Bank for Card transactions, fees, Chargebacks and other amounts due under the Merchant Agreement or in connection with the Merchant Agreement.

**Signature Debit Transaction.** A transaction in which a Debit Card is used at a Merchant location bearing a Card Association logo, but where the Cardholder does not enter a PIN.

**Transaction Documentation.** Collectively, Transaction Receipts and Transaction Slips.

**Transaction Receipt.** A paper or electronic copy of Card Transaction data generated at the point -of -sale when the Card Transaction is conducted using a POS Device, a copy of which is provided to the Cardholder.

**Transaction Slip.** A form used by you to capture Card Transaction data in transactions where a POS Device is not used, one copy of which is provided to the Cardholder and one copy of which is provided to us for settlement of the Card Transaction, including a Sales Slip or a Credit Slip, as applicable or appropriate under the circumstances