

Merchant Account Application

Control #

1

1. Business Information

Type of Business:

- Sole Proprietorship
- Corporation
- Partnership
- Medical or Legal Corporation
- Association/Estate/Trust
- Tax Exempt
- Government
- Limited Liability Company
- Other

Industry (Restaurant, Hotel, etc.):

Type of Goods or Services Sold:

Type of Application:

- Single Location
- Multiple Locations (Chain)
- Additional Chain Location

Number of Locations

Type of Business Location:

- Retail Storefront
- Internet Storefront
- Business Office
- Residence
- Bank
- Other

Years at Main Location

Bank Referral

3. Business Checking

Bank Name	Checking Account #	Transit Routing # <input type="text"/>	Years Open
Bank Address	City	State	Zip

4. Business Owners/Officers/Partners

Please include copy of pre-printed voided check

Name of Primary Owner/Officer/Partner	Social Security #	Percent Owned	Phone #	Owner/Officer Since
Residence Address	City	State	Zip	Title
Name of Secondary Owner/Officer/Partner	Social Security #	Percent Owned	Phone #	Owner/Officer Since
Residence Address	City	State	Zip	Title

5. Transaction Information

Refund Policy: Refund in 30 Days or Less No Refund/Exchange Exchange Only N/A

<input type="checkbox"/> Visa® / MC® / Discover® Total Monthly Sales:	Monthly Visa/MC Sales:	Avg Ticket:	% of MOTO:
<input type="checkbox"/> American Express® <input type="checkbox"/> Apply New <input type="checkbox"/> Existing SE #	ESA %	<input type="checkbox"/> Split Dial	
<input type="checkbox"/> Discover® <input type="checkbox"/> Apply New <input type="checkbox"/> Existing Merchant #:	RAP %	<input type="checkbox"/> Debit Cards	FCS # for EBT:
<input type="checkbox"/> Diners®/Carte Blanche® Merchant #:		<input type="checkbox"/> Check Authorization Service	Name of Provider:
<input type="checkbox"/> JCB® Merchant #:		Merchant #:	Check %

6. Product Selection

	Device	Make	Model	Quantity	Rent/Buy Own
<input type="checkbox"/> Dial Terminal	Terminals				
	Printers				
	Pinpads				
	Imprinters	Standard			
<input type="checkbox"/> MeS Payment Gateway	URL Address required:		Admin Email:		
<input type="checkbox"/> MeS Virtual Terminal	Requires computer and access to the web		Admin Email:		
<input type="checkbox"/> MeS Tele-Pay	Transaction authorization & capture by telephone				
<input type="checkbox"/> Other Product	Name of other product:				

7. Dial Terminal Features

Phone Training for Merchant? Yes No

<input type="checkbox"/> Access Code (# to dial out of business):	<input type="checkbox"/> Invoice # Prompt On	<input type="checkbox"/> Terminal Reminder to Check Totals (VeriFone only)
<input type="checkbox"/> Auto Batch Close HR: MIN: <input type="checkbox"/> AM <input type="checkbox"/> PM	<input type="checkbox"/> Fraud Control On	HR: MIN: <input type="checkbox"/> AM <input type="checkbox"/> PM
<input type="checkbox"/> Reset Reference # Daily	<input type="checkbox"/> Password Protect On	<input type="checkbox"/> Tip Option On
<input type="checkbox"/> Receipt Header Line 4:		<input type="checkbox"/> Clerk Enabled
<input type="checkbox"/> Receipt Header Line 5:		
<input type="checkbox"/> Receipt Footer:		



MeS 032009

Copy to MeS

Copy to Merchant



Pricing Schedule

By signing the Merchant Application, Merchant understands the rates and fees stated below correspond to the volume and average ticket indicated on page 1 of the Application. In the event Merchant's actual activity is less than the volume and average ticket on page 1, Merchant is subject to an increase in rates and fees.

Business Name (as shown on Application)	Contact Name	Phone Number
---	--------------	--------------

8. Visa/MasterCard Rates & Fees Visa Payment Options: Credit/Business Cards Consumer Debit/Prepaid Cards Both

All Plans	Discount Rate %:	Per Item \$:	Monthly Minimum \$25	Priced As: <input type="checkbox"/> Retail <input type="checkbox"/> MOTO/Internet
<input type="checkbox"/> Fixed Rate/Assessments Plan	Rewards Rate %:		Mid-Qual Rate %:	Non-Qual Rate %:
	Rewards Per Item \$:		Mid-Qual Per Item \$:	Non-Qual Per Item \$:
<input type="checkbox"/> Pass-Through Plan (includes Interchange, Assessments, Association Fees, Sponsorship Fees)				
<input type="checkbox"/> Other Plan:				

9. Authorization Fees

10. Other Transaction Fees

11. Miscellaneous Fees

Visa/MasterCard	\$	Debit Cards	\$	Account Application (One Time)	\$
Discover	\$	MeS Tele-Pay Auth & Capture	\$	New Account Setup (One Time)	\$
American Express	\$	Internet Provider Transaction Fee	\$	Internet Service Setup (One Time)	\$
JCB	\$	EBT	\$	Internet Provider Fee (Monthly)	\$
Diners/Carte Blanche	\$	Bill Me Later	\$	Chargebacks (per CB)	\$
		Verified By Visa	\$	Help Desk (Monthly)	\$
		MasterCard SecureCode	\$	Merchant Statement (Monthly)	\$
		Visa/MC Account Updater	\$	Web Reporting (Monthly)	\$
				PCI Admin Fee (Annual)	\$

12. Equipment/Software Fees

Device	Rent or Purchase	Per Item	Quantity	Total
Terminal/Printer Set				
Terminal/Printer/Pinpad Set				
Terminal				
Printer				
Pinpad				
Imprinter				
PC Software License				
Monthly Support (Merchant Owned Equipment)				

13. Third Party Disclosure Names of companies associated with Merchant who have access to transaction information. Failure to disclose this information can result in account cancellation.

Subtotal	
Sales Tax (if necessary)	
Total	

14. Merchant Signatures

By submitting this Merchant Account Application, Merchant: 1) Certifies that all information provided in this Application is correct, 2) Understands additional information may be needed before this Application can be fully evaluated, 3) Has reviewed and accepted all terms of the attached Merchant Agreement, Pricing Schedule, Merchant Restrictions Addendum, Special Services Addendum, and Card Not Present Addendum, 4) Authorizes credit and debit entries to Merchant's business checking account, 5) Agrees to notify Processor if any information in this Application changes, 6) Understands that incomplete or inaccurate information may result in account denial or cancellation, 7) Agrees that in the event the Merchant Agreement is modified, continuing to process transactions constitutes acceptance of the revised Merchant Agreement, 8) Authorizes the request of consumer and business credit reports from consumer and business credit reporting agencies, and verification of all information contained in this Application.

Printed Name Owner/Officer/Partner 1	Signature	Date
Printed Name Owner/Officer/Partner 2	Signature	Date

For Processor & Bank Use To be completed by bank or merchant services representative when visiting the merchant's place of business.

Address of location inspected <input type="checkbox"/> Business Address <input type="checkbox"/> Mailing Address <input type="checkbox"/> Other:			
Does name posted at business match name on application?		Are store hours posted?	
<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Does location have appropriate business signage?		Did you view merchant's inventory?	
<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Was inventory consistent with merchant's type of business?		Does inventory volume appear to be sufficient?	
<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Number of Employees			
Referral Bank Name	Referral Bank Representative Name	Referral Bank Representative Phone #	Referral Bank Representative Signature
Merchant Services Processor Merchant e-Solutions (MeS)	Processor Representative Name	Processor Representative Phone #	Processor Representative Signature
Association Member Bank Columbus Bank & Trust Merchant Services, P.O. Box 23019, Columbus GA 31902-3019 (706) 649-4900			Association Member Signature



Member Bank (Acquirer) Information

Acquirer Name: Columbus Bank and Trust
Acquirer Address: 1125 1st Avenue, Columbus GA 31901
Acquirer Phone: 706-649-4900

Important Member Bank (Acquirer) Responsibilities

1. A Visa Member is the **only entity** approved to extend acceptance of Visa products directly to a Merchant.
2. A Visa Member must be a principal (signer) to the Merchant Agreement.
3. The Visa Member is responsible for educating merchants on pertinent Visa Operating Regulations with which Merchants must comply.
4. The Visa Member is responsible for and must provide settlement funds to the Merchant.
5. The Visa Member is responsible for all funds held in reserve that are derived from settlement.

Merchant Information

Merchant Name _____
Merchant Address _____
Merchant Phone _____

Important Merchant Responsibilities

1. Ensure compliance with cardholder data security and storage requirements.
2. Maintain fraud and chargebacks below thresholds.
3. Review and understand the terms of the Merchant Agreement.
4. Comply with the Card Association Operating Regulations.

The responsibilities listed above do not supercede terms of the Merchant Agreement and are provided to ensure the Merchant understands some important obligations of each party and that the Visa Member (Acquirer) is the ultimate authority should the Merchant have any problems.

Merchant's Signature Date

Merchant's Printed Name and Title

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 individual or business who opens an account. What this means for you: when you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We will also ask to see your driver's license and/or other identifying documents.

1. Business Identification

MINIMUM OF ONE BOX MUST BE CHECKED AND COMPLETED, AND SUPPORTING DOCUMENTATION MUST BE PROVIDED

- Government Issued Business License
Identification Number _____ Place of Issuance _____ Date of Issuance _____ Expiration Date _____
- Tax Return
I.R.S. Employer Identification Number _____ Type of Taxes Filed _____ Place of Issuance _____ Date Filed _____
- Corporate Resolution
Place of Issuance _____ Date Filed _____
- Articles of Incorporation
Place of Issuance _____ Articles of Incorporation File Date _____
- Partnership Agreement
Name of Who Executed Partnership Agreement _____ Place of Issuance _____ Date of Agreement _____
- Business Financial Statements
Type: _____ Balance Sheet _____ Income Statement _____ Statement of Cash Flows _____ Date _____ Place of Issuance _____

2. Personal Identification

MINIMUM OF ONE BOX MUST BE CHECKED AND COMPLETED, AND SUPPORTING DOCUMENTATION MUST BE PROVIDED

- Driver's License
- Passport*
- Mexican Consulate ID*
- Military ID*
- Resident Alien ID*

Number on ID _____ Place of Issuance _____ Date of Expiration _____

*If option is selected, the following credit card information is required:

Type of Card _____ Name of Card Issuer _____ First 4 Digits of Card Number _____ Expiration Date _____

3. Signatures

Merchant DBA Name _____

Merchant Signature** _____ Printed Name and Title of Merchant Signer _____ Date _____

Merchant Services Representative Signature** _____ Printed Name of Merchant Services Representative _____ Date _____

** BY SIGNING ABOVE, YOU HEREBY ACKNOWLEDGE AND AGREE THAT THE INFORMATION LISTED HEREIN IS TRUE AND CORRECT AND WAS PERSONALLY OBSERVED ON THE INDICATED DOCUMENTS.

This agreement is between Merchant e-Solutions ("MeS"), a Delaware corporation, Columbus Bank and Trust Company ("Bank"), a Georgia bank with its principal place of business in Columbus, Georgia and a business ("Merchant") that has requested payment processing services through MeS on behalf of Bank. Merchant understands that submission of a Merchant Account Application is 1) subject to approval by MeS and Bank and, 2) signifies Merchant's acceptance of the terms of this Merchant Agreement, Pricing Schedule, Merchant Restrictions Addendum, Special Services Addendum, and Card Not Present Addendum.

1. **Card Acceptance:** Merchant agrees to accept payment options in accordance with association, network, and issuer guidelines. Merchant desires to accept the following payment options: [] Credit/Business Cards, [] Consumer Debit/Prepaid Cards, [] Both. If an option is not specified, MeS will assume Merchant desires to accept Both. In the event Merchant desires not to accept Credit/Business Cards or Debit/Prepaid Cards, Merchant is responsible for notifying MeS. MeS will notify Bank and Bank will notify Visa. Merchant is responsible for examining cards and indicating non-acceptance to cardholders as appropriate. If Merchant desires not to accept Credit/Business Cards or Debit/Prepaid Cards but then submits those payment types for transaction processing, the transactions will be subject to appropriate interchange and other normal transaction fees.
2. **Payment Processing:** Merchant agrees to process payments as instructed in operating cards and guides provided by MeS in conjunction with payment processing solutions.
3. **American Express:** By signing the Merchant Account Application, Merchant represents that the information Merchant has provided on the Merchant Account Application is complete and accurate. Merchant understands that the Terms and Conditions for American Express® Card Acceptance ("Terms and Conditions") will be sent to the business entity indicated in the Merchant Account Application along with the welcome letter upon approval of such business entity to accept the American Express Card by American Express Travel Related Services Company, Inc. By accepting the American Express card for the purchase of goods and/or services, Merchant agrees to be bound by the Terms and Conditions.
4. **Payment Solutions:** Merchant agrees to use the payment processing solution for which the merchant has applied and to notify MeS of any changes, including the addition or deletion of payment options and the addition or deletion of terminals or other equipment. If Merchant uses a payment solution not provided by MeS, Merchant is solely responsible for all risks associated with using such solution.
5. **Card Verification: Merchant agrees to follow proper card acceptance procedures.**
 - For Merchants, described as merchants who operate their business from a retail establishment, procedures include an examination of cards to verify the presence of appropriate card marks, cardholder signature, and valid start and expiration dates.
 - For Internet or MOTO Merchants, described as merchants who provide goods and services through the Internet or through Mail Order or Telephone Order (MOTO), the use of AVS (Address Verification Service) is required for all transactions processed.
6. **Card Present/Not Present: Merchant understands the card must be present at the time of a transaction in order for the merchant to perform the transaction.**
 - Merchant can process transactions in which cards are not present (for example, telephone, mail order, internet sales) only 1) For Merchants, if Merchant has notified MeS prior to processing such transactions, 2) For Internet or MOTO Merchants, if Merchant operates in a Card Not Present environment and notified MeS of this environment on the Merchant Account Application.
 - Internet and MOTO Merchants must observe best practices established for internet and direct marketers, including disclosure of Merchant's physical address and customer service phone number and hours of operation.
 - Merchant understands that when a card is not present at the time of a transaction, a higher degree of risk exists that can result in higher transaction fees, possible chargebacks, and potential merchant account cancellation in the event of excessive chargebacks or fraudulent transactions.
7. **Authorization:** Merchant understands that an authorization must be obtained for each transaction, regardless of dollar amount, and included on the sales receipt.
 - In the event of the failure of electronic point-of-sale equipment, Merchant agrees to obtain voice authorizations as instructed in operating cards and guides provided by MeS.
 - Merchant understands that an authorization is not a guarantee of payment, but an indication that at the time of the authorization, the card account is open and has available funds.
 - Merchant agrees not to accept a card or submit a transaction for settlement when authorization is denied.
 - Merchant will not try to gain an authorization by splitting the amount of a transaction into smaller, separate amounts.
8. **Sales Receipts:**
 - Sales receipts must include the following information: 1) Merchant name, 2) Type of transaction, 3) Value of the transaction, 4) Date of the transaction, 5) Terminal location where the transaction occurred, 6) Account number of the cardholder, and 7) Authorization number.
 - If Merchant uses an electronic printer connected to an electronic point-of-sale device, Merchant must obtain the cardholder's signature on the printed sales receipt.
 - If Merchant uses an electronic printer but keys the card number into the terminal, Merchant must: 1) Obtain the cardholder's signature on the electronic printer receipt, 2) Imprint the card on a sales draft using an imprinter and MeS supplied imprinter plate, 3) Complete the entire imprinted sales draft, 4) Obtain the cardholder's signature on the imprinted sales draft.
 - Internet Merchants must provide customers with a sales confirmation through e-mail. The sales confirmation must include the following: 1) Merchant name, 2) Type of transaction, 3) Description of the items purchased and their value, 4) Date of the transaction and date shipped, 5), Truncated Account number of the cardholder, and 6) Authorization number.
 - In all cases, Merchant is responsible for ensuring the legibility and completeness of sales receipts and sales confirmations.
9. **Back-Up Procedures:** When Merchant is unable to obtain electronic authorization due to malfunctioning equipment, communication interruption or other circumstances, Merchant shall handle authorizations in accordance with back-up procedures outlined in the operating guide. All non-bankcard authorizations shall be handled in accordance with the guidelines of the issuing companies of those cards.
10. **Cardholder Signatures:** Merchant is responsible for obtaining the cardholder's signature on each sales receipt and verifying the signature on the sales receipt matches the signature on the card. Cardholder signatures are required on all sales receipts unless Merchant has arranged with MeS to process transactions in which cards are not present. If Merchant is presented with an unsigned card, Merchant shall request further identification for verification. For Internet and MOTO Merchants, cardholder signatures are not applicable, but Merchant must have made previous arrangements with MeS to process transactions for which cards are not present.
11. **Returns:** Merchant agrees to clearly disclose Merchant's return policy to cardholders and to honor the return policy as disclosed.
 - For Merchants, clear disclosure consists of displaying applicable refund options on sales receipts near the signature area and in type at least ¼ inch high.
 - For Internet Merchants, the return policy must be clearly displayed at the merchant's internet-based store.
 - For MOTO Merchants, transactions fulfilled as telephone orders cannot be protected by any restrictive return policies, as proper written disclosure cannot be made at time of purchase.
 - In the case of returns in which Merchant extends a refund for purchases made with a charge card, Merchant shall not make any cash refunds but process a credit transaction according to instructions provided by MeS in operating cards and guides. Merchant must complete a credit voucher signed by the cardholder at the time of a return.
 - Merchant understands that when credits are issued, Merchant's designated business checking account is debited for the credit amounts.
 - Per item transaction fees apply to credits as well as purchases.
12. **Settlement:** Merchant agrees to balance and submit transactions for settlement each business day. Merchant understands that by not submitting transactions for settlement each business day, a higher degree of risk exists that can result in higher transaction fees and possible chargebacks.
13. **Payments:** All payments to Merchant for authorized transactions shall be made through the Automated Clearing House (ACH) and to the business checking account designated by Merchant in the Merchant Account Application. The time between the day of a transaction and payment to Merchant is dependent on when transactions are submitted and processed for settlement, when payments are processed by the ACH, and when Merchant's bank receives and processes payments from the ACH. Payments owed Merchant may be made in full, less discount, credits, chargebacks, fees, and other adjustments. Payments owed to MeS may be deducted from incoming transactions or debited against Merchant's designated business checking account at a time determined by MeS.
14. **Business Checking:** Merchant authorizes MeS, in accordance with this agreement, or other obligations owed to MeS, or its agents, to initiate credit and debit entries to Merchant's business checking account, or any other account maintained by Merchant at any financial institution that receives ACH files. This authority shall remain in effect until MeS has received written notification from Merchant of Merchant's termination of this agreement, Merchant has satisfied all payments owed to MeS, and all transactions submitted by Merchant have exceeded dispute and chargeback time limitations.
15. **Sales Receipt Storage:** Merchant agrees to store and maintain sales receipts for at least 2 years following the date of transaction. At the end of this period, Merchant shall destroy the records, leaving no legible information.
16. **Equipment:** Merchant must possess appropriate equipment for processing transactions in accordance with their merchant account, i.e. properly installed and programmed terminals, magnetic stripe readers, PIN pads, printers, etc.
17. **MeS-Provided Equipment:** Upon Merchant's request, MeS shall provide terminals and related equipment to Merchant for a fee. MeS shall be responsible for the maintenance of MeS provided equipment provided Merchant pays for all maintenance or repairs required as a result of Merchant's negligence or misuse of equipment. Merchant shall notify MeS immediately concerning any noticeable malfunction of or damage to the equipment. Equipment is the sole property of MeS and Merchant has no interest or property rights.
18. **Retrieval Request:** Merchant agrees to mail or fax copies of sales receipts to MeS within 24 hours of receiving a retrieval request from MeS. Merchant understands that failure to respond to a retrieval request within the time period with a copy of the transaction and proof of delivery to MeS shall constitute a waiver of all rights of Merchant to dispute the chargeback. This may result in higher transaction fees and termination by MeS of Merchant's account. For Merchants, the sales draft must be legible, accurate, complete, and signed by the cardholder. For Internet Merchants, a facsimile of the e-mail sent to the cardholder must be provided. For MOTO Merchants, the sales receipt completed by Merchant must be provided.

- 19. Chargebacks:** Merchant agrees to pay MeS or Bank for transactions successfully challenged by cardholders or card issuers in accordance with association guidelines relating to chargebacks and to permit MeS or Bank to debit Merchant's designated business checking account or other account as a result of chargebacks.
- Chargebacks can be caused by, but not limited to: 1) Illegible or incomplete sales drafts, 2) Duplicate sales drafts from the same transaction, 3) Cardholder disputes regarding the product, service, or price, 4) Merchant violations of association agreements, 5) Unauthorized transactions, 6) Transactions performed with counterfeit, altered, or expired cards.
 - Merchant authorizes MeS or Bank at its discretion to establish a reserve account held by MeS or bank with an amount determined by MeS or Bank to be used to offset chargebacks.
 - MeS or bank has the right to increase or decrease the amount of the reserve account depending on Merchant's chargeback activity or other risk factors determined by MeS or Bank.
 - In the event of termination of Merchant's account by Merchant, MeS or bank, MeS or Bank has the right to have a reserve account remain in effect for Merchant for at least 180 days following the date of termination of Merchant's account.
 - If Merchant owes MeS or Bank amounts under the terms of this agreement and fails to pay in full within 24 hours of a request by MeS or Bank, MeS or bank has the right to consider amounts as uncollected and can initiate collection procedures, which may include the use of outside collection agents.
 - Merchant shall be responsible for any expenses incurred by MeS or Bank or their agents in an effort to collect amounts owed by Merchant.
 - In the event that MeS or Bank incurs fines from the associations due to excessive chargebacks, Merchant is responsible for such fines and authorizes MeS or Bank to debit merchant's designated business checking account accordingly.
- 20. Merchant Warranties:**
- Merchant warrants and agrees to fully comply with all federal, state, and local laws, rules and regulations, as amended periodically, including the Federal Truth-in-Lending Act and Regulation Z and further to comply with all card association rules including, without limitation, the requirements of Visa's Cardholder Information Security Program (CISP) and MasterCard's Site Data Protection Program (SDP) as well as any other security guidelines or requirements established by the card associations.
 - Merchant warrants that each transaction presented by Merchant to MeS for payment 1) Is a valid transaction completed in accordance with association and network regulations and according to instructions provided in operating cards and guides provided by MeS, 2) Is submitted following the delivery of merchandise or services to cardholders as described in the sales receipt, 3) Was completed by Merchant identified in the Merchant Account Application and no other entity, 4) Has not imposed, directly or indirectly, separate or additional fees or surcharges to the cardholder, and 5) Is not subject to any lien.
 - Merchant warrants that 1) To the best of Merchant's knowledge, the cardholder involved in a transaction has no reason to dispute the transaction, 2) In the event of a cardholder or card issuer dispute, Merchant shall hold MeS harmless.
 - Merchant warrants and agrees that without the cardholder's written consent, Merchant shall not sell, purchase, exchange, or disclose a cardholder's account number or other information to any third party for any reason other than to Merchant's agents for the purpose of assisting Merchant in the delivery of merchandise or services as part of the transaction, or to MeS, Bank, the card associations or networks, or pursuant to a government request.
- 21. PCI Compliance:** Merchant shall at all times be in compliance with the Payment Card Industry (PCI) Data Security Standards (DSS) and shall validate compliance as required by the PCI Security Standards Council. Merchant understands the disclosure of cardholder information to unauthorized parties can result in penalties and fines to Merchant, including merchant account cancellation.
- 22. Fraud/Factoring:** Merchant shall not accept, deposit, process, or enter into Merchant's terminal, a fraudulent sale, or any sale made by any other merchant. If Merchant does so, MeS can immediately terminate Merchant's account, place payments owed to Merchant on hold for at least 180 days, and add Merchant to the Terminated Merchant File. This action may result in preventing the Merchant from accepting card payments again or establishing another merchant account.
- 23. Payment Withholding:** In the event MeS or Bank believes fraud by Merchant has occurred or Merchant fails to provide funds for debits due to chargebacks, credits, or fees, MeS or Bank may hold all payments owed to Merchant for submitted transactions until Merchant fulfills financial obligations to MeS or Bank. Merchant understands that payments to Merchant's account that result from submitted transactions are provisional and may be debited from Merchant's account in accordance with association and network rules. If Merchant ceases to do business and does not claim funds held under this provision within 180 days, MeS or Bank may retain these funds.
- 24. Terminated Merchant File:** Merchant understands that MeS can add Merchant to the Terminated Merchant File if Merchant fails to comply with the terms of this Agreement or the provisions of the association rules.
- 25. Discount/Fees:** "Discount" refers to a percentage of the gross transactions processed by Merchant. "Interchange" refers to amounts assessed by the associations for the processing of transactions. "Fees" refers to amounts charged for any other purposes, including per transaction fees, chargeback fees, equipment use fees, or fees for other miscellaneous services.
- Amounts owed by Merchant to cover discount, interchange, or fees, are identified in a Pricing Schedule provided in conjunction with this Agreement.
 - MeS has the right to modify the amounts as necessary to offset any increase in costs experienced by MeS due to: association or network changes in rules, regulations, or operating procedures; any additional requirements imposed by federal or state government agencies or regulatory authorities; increases in telecommunication or other operating costs; or other increases in costs associated with providing services to Merchant under the terms of this Agreement.
 - Merchant agrees to pay the fees and charges identified in the Pricing Schedule, incorporated herein, and understands the Pricing Schedule may be modified, amended, or supplemented in accordance with this Agreement.
 - Merchant understands that MeS agrees to provide at least 30 days advanced written notice to Merchant in the event of changes to the Pricing Schedule.
- 26. Initial Discount:** Merchant understands that initial discount rates assessed by MeS are based on Merchant's projected sales volume, average transaction amount, and card acceptance practices. If Merchant's actual sales volume and average transaction amount are less than Merchant's projected sales volume and average transaction amount, MeS reserves the right to adjust discount rates to reflect Merchant's actual sales volume and average transaction amount without 30 days advanced written notice.
- 27. Merchant Account Application:** Merchant warrants that all information provided in the Merchant Account Application is complete and accurate. Merchant understands that if MeS finds information provided in the Merchant Account Application to be inaccurate, MeS has the right to immediately terminate Merchant's account. Merchant understands that discount rates, interchange, and other fees are based on sales volumes and average ticket identified by merchant in the Merchant Account Application. Should Merchant's actual sales volumes and average ticket vary from information provided in the Merchant Account Application, Merchant agrees that MeS can adjust discount, interchange, and fees accordingly, without prior notice to Merchant.
- 28. Billing:** Merchant must notify MeS of any billing error within 60 days of the billing date.
- 29. Term:** The initial term of this Agreement shall be for three years, subject to approval by MeS, and shall renew for each successive one-year term unless either party provides the other with 30 days written notice prior to the expiration of the current term. Bank may terminate this Agreement at any time without notice.
- 30. Termination:** Upon termination of this Agreement, Merchant agrees to pay all amounts owed to MeS by Merchant. MeS can debit amounts owed to MeS by Merchant from Merchant's business checking account. MeS shall have the right to terminate this Agreement at any time without cause or notice.
- 31. Indemnity:** Merchant agrees to indemnify and hold harmless MeS from any claims, damages, costs, fees, and expenses, including reasonable attorneys' fees and expenses arising from 1) Merchant's provision, failure to provide, or alleged failure to provide, goods or services to cardholders, 2) Merchant's breach of terms or warranties set forth in this Agreement, 3) Any action by any federal or state agency, authority, or regulatory body involving Merchant, 4) Any claim for funds owed by Merchant. Merchant acknowledges liability for the actions, or failure to act, of Merchant's employees and agents in regard to this Agreement.
- 32. Force Majeure:** Both parties will be released from liability if unable to perform as specified due to wars, riots, acts of God, etc. MeS liability to Merchant shall not exceed the amount of the sales draft and MeS shall not be liable for any incidental or consequential damages. MeS accepts no responsibility other than authorization and electronic capture services for non-bankcards. For check authorization, validation, or guarantee service, MeS accepts no responsibility other than programming the electronic equipment to connect Merchant to 3rd-party vendor.
- 33. Notices:** Notices to Merchant will be sent to the same address provided by Merchant for the delivery of billing statements or other communications.
- Merchant shall notify MeS in writing at least 30 calendar days prior to any change in Merchant's name or location.
 - Notices to MeS must be written and will be deemed received when delivered in person or by other means providing a record of receipt from the U.S. Postal Service or other express mail or Messenger service.
 - Notices to MeS must be sent to: Credit Operations, 920 North Argonne Road, Suite 200, Spokane, WA 99212.
- 34. Arbitration:** Any controversy or claim between or among the parties hereto will be determined by binding arbitration in accordance with the Federal Arbitration Act, applicable state law, and an arbitration administrator determined by MeS. Judgment on any arbitration award may be entered in any court having jurisdiction. Any party to this Agreement may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this Agreement applies in any court having jurisdiction over such action in the state of California.
- 35. Assignment:** Merchant may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written permission of MeS. Any such assignment or delegation does not limit Merchant's obligations, indemnities, or liability to MeS. This Agreement is binding upon the parties hereto and to their respective successors and assigns.
- 36. Amendment:** MeS has the right to amend any of the terms of this Agreement provided MeS provides written notice to Merchant at least 30 calendar days prior to the effective date of the amendment. Continuing to process transactions constitutes Merchant's acceptance of amendments.
- 37. Attorney's Fees:** If a legal or arbitration proceeding is commenced in connection with any dispute under this Agreement, the prevailing party, as determined by the court or arbitrators, will be entitled to recover from the other attorneys' fees, costs, and in-house expenses incurred in connection with such action or proceeding.
- 38. Governing Law:** This Agreement shall be governed by the laws of the State of California and shall, in addition, be subject to the by-laws and operating regulations of the card associations and networks. Merchant shall indemnify and hold MeS harmless for any costs, fees, or expenses, which MeS may incur in enforcing its rights hereunder.
- 39. Miscellaneous:** If any court finds any portion of this Agreement invalid or unenforceable, the remaining provisions shall remain in force.
- 40. Guarantee:** The owners or officers, as indicated in the Merchant Account Application, individually and collectively agree to guarantee to MeS, its agents and successors, the prompt and complete payment of all debts and obligations that result from the establishment of an account under the terms of this Agreement. The guarantee will remain in effect until all said debts and obligations are paid in full, notwithstanding the termination or amendment of this Agreement.
- 41. Bank:** Merchant e-Solutions is a registered service provider for Columbus Bank and Trust, Columbus, GA. Bank may be contacted at: P.O. Box 23019, Columbus, GA 31902-3019 or at (706) 649-4900. Bank is the only entity approved to extend acceptance of card payments directly to Merchant.

American Express®, Discover®, Diners Club®, Carte Blanche®, and JCB® require separate approval. Debit network sponsorship is through Carrollton Bank, Baltimore, MD.

1. Merchant must not:
 - Accept cardholder payments for previous card charges incurred at the merchant location.
 - Establish a minimum or maximum transaction amount as a condition for honoring a card.
 - Require a cardholder to complete a postcard or similar document that includes the cardholder's account number, card expiration date, signature, or any other card account data in plain view when mailed.
 - Add any surcharge to transactions (Travelers cheque and Foreign Currency fees are not surcharges).
 - Add any tax to transactions, unless applicable law expressly requires that Merchant be permitted to impose a tax. Any tax amount, if allowed, must be included in the transaction amount and not collected separately.
 - Enter any transaction for a transaction that was previously charged back to MeS or Bank and subsequently returned to Merchant, irrespective of cardholder approval. Merchant may pursue payment from the customer outside the Visa system.
 - Request or use an account number for any purpose other than as payment for its goods or services.
 - Disburse funds in the form of travelers cheques, if the sole purpose is to allow the cardholder to make a cash purchase of goods or services from Merchant.
 - Disburse funds in the form of cash, unless: 1) Merchant is dispersing funds in the form of travelers cheques, Visa TravelMoney Cards, or Foreign Currency. In this case, the transaction amount is limited to the value of the travelers cheques, Visa TravelMoney Cards, or Foreign Currency plus any commission or fee charged by the Merchant, or 2) Merchant is participating in the Visa Cash Back Service.
 - Accept a card for the purchase of scrip.
 - Accept a card for a manual cash disbursement.
 - Accept a card to collect or refinance an existing debt that has been deemed uncollectible by Merchant providing the associated goods or services.
 - Enter a transaction that represents collection of a dishonored check.
2. Merchant must not, in the event of its failure, including bankruptcy, insolvency, or other suspension of business operations, sell, transfer, or disclose any materials that contain cardholder account numbers, personal information, or other transaction information to third parties. Merchant must return this information to Bank or provide acceptable proof of the destruction of this information to Bank.
3. Confidentiality of Visa BIN Information
 - If Merchant receives Visa BIN information from a merchant services provider or Bank, Merchant must not use such information for any reason other than to identify Visa Debit Category products at the point of sale, unless authorized by Visa U.S.A.
 - Visa BIN information provided to Merchant is proprietary and confidential information belonging to Visa U.S.A.
 - Merchant must not disclose Visa BIN information to any third party without prior written permission from Visa U.S.A.
4. Deposit Requirements and Restrictions
 - Merchant must deposit only transactions that directly result from cardholder transactions with Merchant.
 - An Internet Payment Service Provider (ISPS) may deposit transaction receipts on behalf of a sponsored merchant, as long as the ISPS has been approved by the Member (Acquirer) Bank.
 - o The ISPS name may appear in the clearing record only if both these conditions are met: Cardholder accesses the web site of the ISPS directly, and the name of the ISPS is visible to the cardholder during the selection, order, and payment processing services.
 - o If the cardholder accesses the Merchant's web site and is then linked to the web site of the ISPS for payment, the ISPS name must appear in the clearing record in conjunction with the Merchant's name.
 - Merchant must not deposit a transaction until it does one of the following: 1) Completes the transaction, 2) Ships or provides the goods, 3) Performs the purchased service, or 4) Obtains the cardholder's consent for a recurring transaction.
 - Merchant must not deposit a transaction that it knows or should have known to be either fraudulent or not authorized by the cardholder.
 - Merchant is responsible for its employees' actions while in Merchant's employ.
 - Merchant may deposit a prepayment, within the time limits specified in section 5 below, if the Merchant advises the cardholder of the immediate billing at the time of the transaction, for 1) Prepayment of services, excluding estimates for services to be provided, and 2) Full prepayment of custom-ordered merchandise, manufactured to the cardholder's specifications. For prepayment of services, the transaction date is considered to be the date of cardholder prepayment.
 - An Advance Payment Service Merchant must only deposit a transaction representing a partial or complete advance payment, provided the Merchant informs the cardholder of the following, 1) Total price of the services or activity, 2) Advance payment amount, 3) Advance payment confirmation code, and 4) Cancellation terms. For more information on restrictions related to Advance Payment Service transactions, see the Special Services Addendum, section 2.
 - If Merchant has multiple outlets, Merchant must ensure that MeS and Bank are able to 1) Identify the location of each transaction on the transaction receipt, and 2) Include this identification in the clearing record.
5. Visa Deposit Time Limits
 - Merchant must deposit transactions within 5 calendar days of the transaction date, except as specified below.
 - Merchant must deposit transactions for Delayed Delivery Transactions within 5 calendar days of the date of both the deposit and final payment.
 - Merchant with multiple outlets and these business types: transportation companies subject to federal or foreign regulations, oil companies, car rental companies, hotels, motels, and restaurant chains, must deposit transactions as follows:
 - o Purchase transactions within 20 calendar days of the transaction date.
 - o Credit transactions within 9 calendar days of the transaction date, if accumulated at a central office or facility.

This SPECIAL SERVICES ADDENDUM (the "Addendum") is made a part of the terms and conditions of the Merchant Agreement (the "Agreement") and the Merchant Account Application for processing services that Merchant signed (the "Application"). Under the first paragraph of the Merchant Agreement, Merchant has agreed to comply with all terms and conditions of the Addendum. This Addendum describes additional requirements that Merchant is to follow for the following special card processing services:

Travel and Entertainment Services

- A. Advance Payment Service
- B. Reservation Service
- C. T&E Advance Deposit Service
- D. Priority Check-Out Service
- E. T&E Cash Disbursement Service

Other Special Services

- A. Account Funding Transaction
- B. CPS/Small Ticket
- C. Dynamic Currency Conversion Transactions
- D. Express Payment Service (EPS)
- E. Preauthorized Health Care
- F. Supermarket Incentive Program
- G. Telephone Service Transactions
- H. Visa Cash Back Service
- I. VisaNet Copy Request and Fulfillment Service

All capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings assigned to them in the Agreement or Application.

1. Definitions.

- 1.01** Account Funding Transaction - Use of a Card to fund another account, such as a prepaid Card account.
- 1.02** Advance Payment Service - A Visa service that allows a Cardholder to use his or her Card for a partial or complete advance payment for recreational services or activities provided by an Advance Payment Service Merchant.
- 1.03** Advance Payment Service Merchant - A non-T&E Merchant participating in the Advance Payment Service, whose primary function is to provide recreational services to tourism and travel.
- 1.04** Advance Payment Service Transaction - A Transaction completed by an Advance Payment Service Merchant.
- 1.05** Car Rental Company - A merchant whose primary business is the rental of passenger vehicles.
- 1.06** Central reservations Service - An entity that acts as a reservations resource for lodging establishments located in close proximity to each other.
- 1.07** CPS/Small Ticket - A Visa-offered service designed to meet the special Card acceptance and operating procedures of certain Merchants involving small dollar transactions.
- 1.08** Dynamic Currency Conversion - A conversion of currency in which goods or services are normally priced into a different currency, as agreed upon by the Cardholder and Merchant.
- 1.09** Express Payment Service (EPS) - A Visa Point of Sale service that permits certain Express Service Payment Merchants (e.g., restaurants, fast food restaurants, motion picture theatres and automobile parking lots and garages) to process Card Transactions using special procedures as outlined in the Visa Operating Rules.
- 1.10** Lodging Merchant - A merchant that sells overnight accommodations intended for a limited period of time.
- 1.11** Priority Check-Out Service - A Visa service provided that allows a Cardholder to authorize the use of the Cardholder's Card for payment of the total obligation to the Lodging Merchant with or without prior knowledge of the total amount, by signing a completed Priority Check-Out Agreement.
- 1.12** Priority Check-Out Agreement - A written agreement that, when bearing the Cardholder's signature, authorizes a Lodging Merchant participating in Visa's Priority Check-Out Service to deposit a Charge without the Cardholder's signature for the total amount of the Cardholder's obligation.
- 1.13** Supermarket Incentive Program - A Visa program that permits certain supermarket merchants to qualify for reduced interchange reimbursement fees.
- 1.14** T&E Advance Deposit Service - A Visa service that a Lodging Merchant or Car Rental Company provides to a Cardholder, allowing use of a Visa Card to pay in advance deposit required to reserve accommodations or a vehicle.
- 1.15** T&E Cash Disbursement Service - A Visa service which permits a T&E Merchant to make cash disbursements to Cardholders producing certain Visa Cards.
- 1.16** T&E Merchant - A merchant whose primary function is the provision of travel related services.
- 1.17** Telephone Service Transaction - A Card Transaction in which a Cardholder uses a Visa Card to purchase a telephone call.
- 1.18** Visa Cash Back Service - A Visa service whereby cash is obtained from a qualified Merchant through the use of a Visa Check Card II in conjunction with, and processed as a PIN-based transaction.

2. Advance Payment Service. A Merchant participating in the Advance Payment Service must:

- A. Accept all Cards for advance payment when the Cardholder agrees to the Advance Payment Service;
- B. Determine the amount of the Advance Payment Service transaction. The transaction amount must not exceed the total price of the reserved services or activity.
- C. Inform the Cardholder of the following: (1) total price of the services or activity, (2) advance payment amount, (3) advance payment confirmation code, and (4) cancellation terms. If a cancellation request is not received within the cancellation time specified by the Merchant, the Cardholder must forfeit the advance payment amount.
- D. Obtain all of the following Cardholder information: (1) Cardholder's Account number, telephone number, and mailing address, (2) Card expiration date, and (3) the name embossed on the Card.
- E. Merchant must complete a Charge Record for the amount of the advance payment, including all of the following: (1) words "Advance Payment" on the signature line, (2) Cardholder Account number, telephone number, and mailing address, (3) Card expiration date, and (4) the name embossed on the Card
- F. Merchant must follow normal Authorization procedures. Merchant must mail a written confirmation to the Cardholder, with: (1) a copy of the Charge Record and (2) Merchant's cancellation policy, including any applicable limitations relating to "bad weather" cancellations. For an advance payment made less than 72 hours prior to the scheduled commencement of services, a written confirmation is required only upon Cardholder request.
- G. Merchant must: (1) accept all cancellation requests, provided that the request is made prior to the specified cancellation date and time, (2) provide a cancellation number and advise the Cardholder to retain it in case of a dispute, (3) complete a Credit Voucher for the amount of the advance payment with all of the following information: (a) words "Advance Payment" on the signature line, (b) Cardholder Account number and mailing address, (c) Card expiration date, (d) the name embossed on the Card, and (e) the cancellation number. Merchant must mail the Credit Voucher to the address indicated by the Cardholder within 3 business days from the transaction date

3. Reservation Service. If Merchant provides lodging (hotel, motel, resort or inn) or car rentals only for "Specialized Vehicles" (e.g., a unique class of vehicle not in the Merchant's main rental fleet and not constituting more than five percent (5%) of Merchant's rental fleet), Merchant may use certain Card types specified by Bank to guarantee a reservation by obtaining the name of Cardholder, the Card account number and expiration date and by completing the following procedures:

- A. Verbal Confirmation. Verbally confirm to the Cardholder the reservation by stating the following information:
 - 1. Cardholder's name, the Card account number and expiration date as provided by the Cardholder;
 - 2. name and exact address, including street, city and state of the location of the lodging check-in or Specialized Vehicle pick up;
 - 3. reservation confirmation code;
 - 4. rate and any other details relating to the reservation; and,
 - 5. provisions of the guaranteed reservation relating to the Cardholder's obligations and any other cancellation details related to the reservation as specified below.
- B. For Lodging Merchants:
 - 1. Inform the Cardholder that lodging accommodations will be held until check-out time on the day after the scheduled arrival date unless cancelled by 6:00 p.m. (local establishment time) on the scheduled arrival date.
 - 2. For establishments requiring cancellation before 6:00 p.m. (local establishment time) on the scheduled arrival date, the cancellation time must not exceed 72 hours before the scheduled arrival date. If the cancellation is required before 6:00 p.m. on the guaranteed arrival date, the Cardholder must be provided with the specific written cancellation policy, including the date and time the cancellation privileges expire. If a reservation is made less than 72 hours before the scheduled arrival, the cancellation procedure of 6:00 p.m. (local establishment time) on the scheduled arrival date will apply.
- C. For Car Rental Merchants:
 - 1. Inform the Cardholder that the Specialized Vehicle will be held until the scheduled pick-up time, unless the reservation is cancelled by the specified cancellation time, which must not exceed 72 hours before the scheduled pick-up time.
 - 2. If the reservation is made less than 72 hours before the scheduled rental, the cancellation period must be no earlier than 12 hours before the scheduled pick-up time.
- D. Written Confirmation. Provide the Cardholder with the written confirmation specified below.
 - 1. For Lodging Merchants. If requested, provide a written confirmation to the Cardholder, including the information specified in subsection (A) above.
 - 2. For Car Rental Merchants. Provide a written confirmation to the Cardholder, including the information specified in subsection (A) above. For reservations made less than 72 hours before the scheduled pick-up time, written confirmation is required only upon the Cardholder request.

E. No Show Charges. Advise the Cardholder of the billing for a No Show Charge as specified below. (a "No Show Charge" is a charge by Merchant resulting from the Cardholder's failure to use the reservation). The No Show Charge must have an Authorization Code and must bear the words "No Show" on the signature line of the Charge Record or as otherwise specified by Bank.

1. **For Lodging Merchants.** If the Cardholder has not checked in by check-out time the day following the scheduled arrival date, and if the reservation was not properly cancelled, the Cardholder may be charged for one night's lodging (including tax).
2. **For Car Rental Merchants.** If the Merchant held the Specialized Vehicle and the vehicle has not been rented by the scheduled pickup time and the reservation was not properly cancelled, Merchant may bill the Cardholder a No Show Charge. The amount of the No Show Charge may vary, but may not exceed the value of 2 days' rental (including tax). If the Cardholder Account is charged a No Show Charge for a reserved Specialized Vehicle, Merchant must hold the Specialized Vehicle available for the Cardholder for the period of time represented by the No Show Charge.

F. Cancellation Procedures. Accept a cancellation request from a Cardholder provided the cancellation request is made before the specified cancellation time. Provide the Cardholder with a cancellation code and advise the Cardholder to retain it in case of dispute. If requested, provide the Cardholder with written confirmation of the cancellation including the Card's embossed name, the cancellation code and the details related to the cancelled reservation.

G. Scheduled Reservation Date Procedures.

1. If the reserved lodging accommodations or Specialized Vehicle has not been rented or cancelled by the specified cancellation time, the lodging accommodations or Specialized Vehicle must be held available in accordance with the reservation.
2. If the Cardholder does not cancel or claim the reservation within the prescribed time, Merchant may submit a No Show Charge (including tax) with the Cardholder's name, Card account number and expiration date and the words "No Show" on the signature line of the Charge Record, or as otherwise specified by Bank.
3. Merchant must obtain an Authorization Code for the No Show Charge in accordance with the Authorization provisions in this Agreement.

H. Alternate Lodging or Specialized Vehicle. If the guaranteed lodging or Specialized Vehicle is not available, Merchant must provide alternate accommodations or an alternate Specialized Vehicle as specified below at no charge to the Cardholder.

1. **For Lodging Merchants:**

- (a) Provide the Cardholder with at least comparable lodging for one night at another establishment.
- (b) Provide transportation for the Cardholder to the other establishment.
- (c) If requested, provide the Cardholder with a 3-minute telephone call.
- (d) If requested, forward all messages and calls for the Cardholder to the alternate establishment.

2. **For Car Rental Merchants:**

- (a) Provide the Cardholder with at least a comparable Specialized Vehicle from another car rental merchant for the period of time guaranteed.
- (b) Provide transportation for the Cardholder to the location of the other car rental merchant.

4. T&E Advance Deposit Service.

A. Reservations.

1. Determine the amount of the T&E Advance Deposit (the "Deposit") by the Cardholder's intended length of stay. The amount must not exceed:
 - (a) For Lodging Merchants, the cost for 14 nights' accommodation;
 - (b) For a Car Rental Merchant, the cost of the intended term of rental, not to exceed 14 days' rental.
2. Apply the amount of the Deposit to the total obligation. Merchant may not process a "No Show" charge under the Reservation Service, in addition to the Deposit.
3. Inform the Cardholder of (a) the total obligation; (b) the reserved accommodation or car rental rate and the transaction amount; (c) for Lodging Merchants and Car Rental Merchants, the exact name and location of the Merchant; (d) the advance deposit requirements; (e) the cancellation requirements; (f) for Lodging the accommodations will be held for the number of nights used to determine the amount of the Deposit; and (g) for Car Rental Merchants, the vehicle will be held for the number of days used to determine the amount of the Deposit.
4. Obtain the Cardholder's name, Card Account number and expiration date, as well as the Cardholder's telephone number, mailing address, scheduled date of arrival, embarkation or rental and, for Lodging Merchants, the intended length of stay and for Car Rental Merchants, the term of the rental.
5. Inform the Cardholder that if changes in the reservation are requested, written confirmation will be provided at the Cardholder's request.
6. Advise the Cardholder of the conditions for forfeiture of the amount of the Deposit as follows:
 - (a) **For Lodging Merchants:** If the Cardholder has not checked in by check-out time the day following the last night of accommodation used to determine the amount of the Deposit or if the reservation was not cancelled by the specified date and time, the Cardholder will forfeit the entire amount of the Deposit or the portion that is in accordance with Merchant's stated cancellation policy.
 - (b) **For Car Rental Company:** If the Cardholder has not rented the vehicle by the end of the last day of the rental period used to determine the amount of the transaction or if the reservation was not cancelled by the specified date and time, the Cardholder will forfeit the entire amount of the Deposit or the portion that is in accordance with Merchant's stated cancellation policy.
7. Quote the rate of the reserved accommodations, the amount of the Deposit and the exact Merchant's name and location. Provide the Cardholder with a confirmation number (advising that it must be retained) and with the date and time the cancellation privileges expire.
8. Complete a Charge for the amount of the Deposit using a form specified by Bank. The Charge must include:
 - (a) the words "Advance Deposit" on the signature line or as otherwise specified by Bank;
 - (b) the Cardholder's name, Card Account number and expiration date;
 - (c) the Cardholder's telephone number and mailing address;
 - (d) the confirmation code;
 - (e) the scheduled check-in, vehicle rental, or embarkation date; and
 - (f) the date and time the cancellation privileges expire without forfeiture of the Deposit.
9. Follow normal Authorization procedures for Charges. If the Authorization request is approved, mail the Cardholder a copy of the Charge and the cancellation policy to the address provided by the Cardholder within 3 business days following the Charge date; and submit the Charge to Bank in accordance with this Agreement.
10. If the Authorization request results in a decline, advise the Cardholder and do not process the Charge.

B. Cancellations.

1. Accept a cancellation request from a Cardholder provided the cancellation request is made before the specified cancellation date and time.
2. Provide a cancellation number and advise the Cardholder to retain in case of a dispute.
3. For cancellation of a lodging or car rental reservation, complete a Credit Voucher for the entire amount of the Deposit. Include on the Credit Voucher:
 - (a) the words "Advance Deposit" on the signature line of the Charge Record or as otherwise specified by Bank;
 - (b) the Cardholder's name, Card Account number and expiration date;
 - (c) the Cardholder's mailing address; and,
 - (d) the cancellation code.
4. Mail the Cardholder a copy of the Credit Voucher to the address provided by the Cardholder within 3 business days following the Credit Voucher's transaction date.

C. Alternate Accommodations.

1. **For Lodging Merchants:**

- (a) If lodging guaranteed with Deposit is unavailable, complete and deliver to the Cardholder a Credit Voucher for the entire amount of the Deposit.
- (b) Provide the following services at no charge to the Cardholder:
 - (i) At least comparable lodging at an alternate establishment for the number of nights used to determine the amount of the Deposit not to exceed 14 nights, or until the reserved accommodations are available for the Cardholder at the original location reserved with Merchant, whichever occurs first.
 - (ii) Transportation to the alternate establishment and return transportation to the original establishment. If requested, transportation to and from the alternate establishment must be provided on a daily basis.
 - (iii) If requested, two 3-minute telephone calls.
 - (iv) If requested, forwarding of all messages and calls to the location of the alternate establishment.

2. **For Car Rentals:**

- (a) If the reserved vehicle is unavailable, complete and deliver to the Cardholder a Credit Voucher for the entire amount of the Deposit.
- (b) Provide at least a comparable vehicle for the number of days specified in the reservation, not to exceed 14 nights, or until the reserved vehicle becomes available, whichever occurs first.

D. Liabilities and Indemnification. Merchant indemnifies and holds harmless Bank and any Card Organization from any loss, damage, claim or suit (including reasonable attorney fees) arising from use of a Card for a Deposit.

E. Central Reservation Service. After application to and approval by Merchant Bank (which shall be in Merchant Bank's absolute discretion), and performance of a site inspection, Merchant may participate in the Central Reservation Service.

1. Any contract between Merchant and a lodging establishment for the Central Reservation Service must be executed by an officer or manager of the lodging establishment.
2. Only a Central Reservation Service that has registered with the Card Association for the particular Card type used and has a properly executed, written contract with a lodging establishment may perform services on behalf of the establishment. The Central Reservation Service may not use an agent to perform the services.
3. The Central Reservation Service must follow the procedures for reservations, cancellations, alternate accommodations and Chargebacks in the Agreement and in the Operating Rules and accept full responsibility for resolving any Cardholder problems related to the T&E Advance Deposit Service.

5. Priority Check-Out Service.

A. Any lodging merchant participating in the Central Reservation Service or T&E Advance Deposit Service may participate in the Priority Check-Out Service as follows:

1. Provide the Cardholder with a Priority Check-Out Agreement which must be on a form specified by Bank or a form supplied by Merchant which provides for at least the following:
 - (a) The Card account number;
 - (b) Merchant name, location and telephone number;
 - (c) The departure date of the Cardholder;
 - (d) The Cardholder name and room number;
 - (e) A statement authorizing Merchant to charge the Cardholder Account for the amount of the bill without the Cardholder's signature on the Charge;
 - (f) The Cardholder's signature on the Priority Check-Out Agreement; and
 - (g) A provision allowing the Cardholder to request from Merchant specific billing receipts, including the name and address where Merchant should mail the receipts.
2. Inform the Cardholder that the Priority Check-Out Agreement must be completed and signed, and the mailing address must be included to receive a copy of the hotel bill supporting the final Charge amount.
3. Obtain the completed Priority Check-Out Agreement and ensure the Card account number identified is identical to the account number used for the Charge.
4. Complete the Charge and record the total amount of the Cardholder's obligation and the words "Priority Check-Out" on the signature line of the Charge Record or as elsewhere designated by Bank.
5. Follow normal Authorization procedures for lodging Merchant transactions.
6. If requested by the Cardholder, mail the Cardholder a copy of the Charge, the itemized hotel bill, and signed Priority Check-Out Agreement to the address provided by the Cardholder on the Priority Check-Out within 3 business days following the Cardholder's departure.

B. Merchant must retain a copy of the itemized hotel bill and the signed Priority Check-Out Agreement supporting a Priority Check-Out Charge for a minimum of 6 months following the Charge date.

6. T&E Cash Disbursement Service.

A. A Lodging Merchant may make T&E Cash Disbursements to a registered Visa Signature or Visa Infinite Cardholder under the following conditions: (1) the Cardholder indicates at registration the intent to pay for the Merchant's services with a Visa Card, (2) before disbursement, the Lodging Merchant reviews positive identification, as required by the Operating Rules and, if permitted under applicable law, records type and number on the Charge Record required under the Operating Rules.

B. A Lodging Merchant may not disburse more than \$250 during the Cardholder's stay.

C. A Lodging Merchant must not include any additional fees or charges, except taxes or charges imposed by law to the transaction amount.

7. CPS/Small Ticket.

A. Merchant may participate in the CPS/Small Ticket program if Merchant has registered for this services as required by the Operating Rules and Merchant is involved in the following businesses: (1) local commuter passenger transportation, (b) taxicabs and limousines, (3) restaurants, (4) fast food restaurants, (5) parking lots and garages, (6) motion picture theaters, or (7) video tape rental stores.

B. If the Charge is \$15 or under, the Merchant is not required to: (1) obtain the Cardholder signature or, (2) provide a Charge Record, unless the Cardholder requests one.

C. Merchant must obtain Authorization for a CPS/Small Ticket Transaction.

D. Merchant's POS terminal must read and transmit track 1 or 2 of the Magnetic Stripe or unaltered chip data, as specified in the Operating Regulations.

E. CPS/Small Ticket transactions are not permitted in a Card Not Present transaction.

8. Dynamic Currency Conversion Transactions.

A. Before Merchant may offer Cardholders a Dynamic Currency Conversion Transaction, Merchant must fully inform the Cardholder that (1) a Dynamic Currency Conversion Transaction is optional, and (2) the Cardholder need not do anything additional to have the transaction processed in the local currency. A Cardholder must expressly agree to a Dynamic Currency Conversion Transaction. Merchant is prohibited from using any customer service procedure that results in a Cardholder choosing a Dynamic Currency Conversion Transaction by default.

B. CNP Transactions.

1. Before initiating a Dynamic Currency Conversion Transaction in a CNP Transaction, Merchant must disclose the following information to the Cardholder: (1) the price of the goods or services in the Merchant's local currency, (2) the exchange rate, including any commission; (3) that the Cardholder has a choice of currencies, including the Merchant's local currency; and (4) that the choice of currency is final. For an Electronic Commerce Transaction, the Cardholder must confirm receipt of the above information by clicking on an "accept" or other affirmative button to ensure proper disclosure.

2. In addition to the Charge Record requirements specified for CNP Transactions, a Charge Record for a Dynamic Currency Conversion Transaction must include the following information: (a) the price of the goods or services in the Merchant's local currency accompanied by the currency symbol next to the amount, (b) the total price in the Transaction Currency accompanied by the words "Transaction Currency" and the currency symbol next to the amount, (c) a statement in an area easily seen by the Cardholder that: (i) the Cardholder was offered a choice of payment in the Merchant's local currency, and (ii) the choice of currency is final.

C. T&E Express Services. A Car Rental Merchant or Lodging Merchant that offers T&E Express Services may establish an agreement with a Cardholder, in advance of hotel check-out or car rental return, that the currency conversion rate will be determined by the Merchant at a later time, without further consulting the Cardholder.

1. For a T&E Express Service Transaction, the Merchant must document the terms of the Dynamic Currency Conversion in a written agreement. The agreement must be signed by the Cardholder in advance of a hotel check-out or car rental return. The written agreement must document: (a) the specific currency in which the conversion will take place, (b) that the Cardholder has been offered a choice of currencies, including the Merchant's local currency, (c) that the Cardholder understands that a Dynamic Currency Conversion Transaction will take place, (d) that the currency choice is final, and (e) that the currency conversion rate will be determined at a later time without further Cardholder consultation.

2. In addition to the otherwise applicable Charge Record requirements, a Charge Record for a Dynamic Currency Conversion Transaction must include the following information: (a) the price of the goods or services in the Merchant's local currency accompanied by the currency symbol next to the amount, (b) the total price in the Transaction Currency accompanied by the words "Transaction Currency" and the currency symbol next to the amount, (c) the exchange rate, including any commission, (d) a statement in an area easily seen by the Cardholder that: (i) the Cardholder was offered a choice of currencies, including payment in the Merchant's local currency, and (ii) the choice of currency is final.

3. For a T&E Express Service Transaction, a Merchant must: (a) send the Cardholder a copy of the Charge Record through the postal service within three business days of completing the Transaction and (b) process any delayed or amended charges at the same currency conversion rate as the original Dynamic Currency Conversion Transaction.

D. Face-to-Face Transactions.

1. Before initiating a Dynamic Currency Conversion Transaction in a face-to-face transaction (other than a T&E Express Service Transaction), Merchant must post a statement in an area easily seen by the Cardholder that: (a) the Cardholder was offered a choice of payment in the Merchant's local currency, and (b) the choice of currency is final.

2. In addition to the otherwise applicable Charge Record requirements, a Charge Record for a Face-to-Face Dynamic Currency Conversion Transaction must include the following information: (a) the price of the goods or services in the Merchant's local currency accompanied by the currency symbol next to the amount, (b) the total price in the Transaction Currency accompanied by the words "Transaction Currency" and the currency symbol next to the amount, and (c) the exchange rate, including any commission.

9. Express Payment Service (EPS).

A. If Merchant's business is a fast-food restaurant, movie theater or parking lot business and has a location that submits EPS Charges that are at least fifty percent (50%) of Merchant's total monthly Charges, that Merchant location may participate in the Express Payment Service (EPS) subject to the following requirements:

1. Merchant must process all Charges using a Magnetic-Stripe-Reading Terminal capable of reading track 1 or track 2 of the magnetic stripe on a Card, or the chip data on a chip-based card, and at which an attempt to read the magnetic stripe or chip of the Card was made. The terminal must meet the following requirements and any other requirements specified by Bank:

- (a) Perform data capture of the Card Account number, Charge date and Charge amount; and
- (b) Validate the service code (a 3-digit number encoded on the magnetic stripe which identifies how the encoded bank identification number is valid for use), the Card Account number and expiration date.

2. The limit for each EPS Charge is \$25, except for an airport parking lot business, which limit for each EPS Charge is \$75.

3. For each EPS Charge that is \$25 or less, Merchant is not required to obtain the Cardholder signature on a Charge Record, nor is Merchant required to provide a Charge Record to the Cardholder, unless the Cardholder requests one. For an airport parking lot business, Merchant is not required to obtain the Cardholder signature on a Charge Record if the Charge does not exceed \$150, and Merchant is required to provide a Charge Record to the Cardholder if the Charge exceeds \$25.

4. Unless specified below, each Charge which exceeds \$25, or in the case of airport parking lots exceeds \$75, does not meet the EPS time limit, or does not satisfy the EPS data requirements will not be considered an EPS Charge and will be subject to all requirements specified for normal Card Transactions described elsewhere in the Agreement.
5. Each EPS Charge must be identified and processed in accordance with all requirements specified in the Operating Rules.
6. Each Charge exceeding \$25, or in the case of parking lots exceeding \$75 which meets the additional custom payment services requirements specified in the Operating Rules may qualify for a fee discount provided it is processed in accordance with the requirements specified in the Operating Rules.
7. Merchant must display at least one sign at each of Merchant's EPS locations advising Cardholder that a Charge Record is available upon request. Each sign must be placed in a prominent location and must be clearly visible to Cardholders as they affect a Charge.
8. Merchant must allow locations to be monitored for excessive levels of risk or suspect risk patterns and must take corrective action as directed. This may include installation of special systems, special identification of all Charges processed or discontinuation of EPS.
9. Merchant must submit EPS Charges to Bank within three (3) days of the date the transaction is completed.

B. A Charge cannot qualify for the EPS rates if it is captured by an electronic point-of-sale terminal owned or controlled by an entity that directly or indirectly discriminates against certain Card types in favor of others in availability of pricing or services, or if a Card Association determines that the entity is engaged in conduct which unfairly prevents or impedes a Card Association or its members from competing with the entity.

10. Preauthorized Health Care Transactions.

A. If Merchant is primarily engaged in providing health services other than a pharmacy and agrees to accept a Preauthorized Health Care Charge from a Cardholder for the purchase of services, Merchant may complete a Preauthorized Health Care transaction if the Cardholder delivers to Merchant an order form containing a written request signed by the Cardholder for services to be charged to the Cardholder Account. The order form must specify:

1. The assignment of insurance benefits by the Cardholder to Merchant;
2. The Cardholder's authorization for Merchant to charge the Cardholder Account for only that portion of the bill due subsequent to receipt of any applicable insurance payment by Merchant; and
3. The duration of time for which the Cardholder's permission is granted, which may not exceed one year. If a Preauthorized Health Care transaction is renewed, the Cardholder must deliver to Merchant a subsequent order form for continuation of services to be charge to the Cardholder Account.

B. Merchant must retain a microfilm or other adequate copy of the order form for the duration of the period for which it is in effect and must be provided in response to a Card Issuer's request.

C. Merchant must not complete a Preauthorized Health Care transaction after receiving a cancellation notice from the Cardholder or Bank or a notice not to honor the Card.

D. Merchant must type or print legibly "Preauthorized Health Care" on the signature line of the Charge Record or as otherwise specified by Bank.

E. When Merchant receives notice of determination of health insurance benefits from the Cardholder's insurance company, Merchant must, within 90 days of the service date, complete a Charge and request Authorization for the amount of the Cardholder's portion of the bill and submit the Charge to Bank.

11. Supermarket Incentive Program.

A. A Merchant location may participate in the Supermarket Incentive Program, provided Merchant meets the following criteria:

1. Merchant is a retail store primarily engaged in selling food for home preparation and consumption.
2. Merchant offers a complete line of food, including self-service groceries, meat, produce and dairy products.
3. Merchant's monthly sales of perishables represent at least forty-five percent (45%) of Merchant's total monthly sales. Perishables are packaged, in-store bakery goods, dairy products, delicatessen products, floral items, frozen foods, meat and produce.
4. Merchant must accept Cards at all check-out lanes that accept checks and for the purchase of all goods and services sold within the stores.

B. To qualify for the Supermarket Incentive Program, each Charge must be processed in accordance with the requirements of the Supermarket Incentive Program.

1. Each Charge must be authorized.
2. An Authorization request for a Supermarket Incentive Program Charge must originate at a point-of-transaction terminal capable of reading and transmitting either track 1 or track 2 of the magnetic stripe of the Card used and at which an attempt to read the magnetic stripe of the Card was made.
3. Each Authorization request must include special POS entry codes which will be provided to merchants desiring to participate in the Supermarket Incentive Program.
4. In addition, an Authorization request for a Supermarket Incentive Program Charge must meet each of the following Authorization requirements:
 - (a) Authorization must originate at an attended point-of transaction terminal capable of reading either track 1 or track 2 of the magnetic stripe of a Card. Where the Card must be present, the Cardholder's signature must be obtained, and the full unaltered contents of either track 1 or track 2 of the magnetic stripe must be read and transmitted.
 - (b) At least one, but not more than one, Authorization Code must be obtained for each Charge on the Charge date.
 - (c) Authorization must not be obtained through: V.I.P. System emergency authorization procedures; "Code 10" authorization procedures; or "Referral" authorization procedures.
 - (d) The Charge amount transmitted in the Authorization request and in the Charge must be in U.S. Dollars.
 - (e) The Authorization request and Charge must provide any special information specified by Bank.

5. Special Processing Requirements

- (a) Chargebacks, subsequent Charges, Credit Vouchers and reversals of Supermarket Incentive Program Charges must be submitted at the Supermarket Incentive Program Interchange Reimbursement Fee.
- (b) Merchant must submit a Supermarket Incentive Program Charge to Bank on the Charge date.

C. **Performance Criteria.** A Charge cannot qualify for the Supermarket Incentive Program fee if it is captured by an electronic point-of-sale terminal owned or controlled by an entity that directly or indirectly discriminates against certain Card types in favor of others in availability, or if a Card Organization determines that the entity is engaged in a course of conduct which unfairly prevents or impedes its members from competing with the entity.

12. Telephone Service Transactions. A telephone service Merchant must not accept payment for a telephone call when the Card number is: (1) entered via touchtone key pad, or (2) provided to an operator. This prohibition excludes the following: (a) Magnetic Stripe telephone transactions as defined in the Operating Rules; (b) transactions for which the Card Issuer has a contract with the carrier; (c) transactions involving telephone services that have been explicitly approved by Visa and provide appropriate risk controls; and (d) telephone orders for goods and services.

13. Visa Cash Back Services.

A. A qualified Merchant under the Operating Rules may offer Visa Check Card II Cardholders the Visa Cash Back Services option under the following conditions: (1) the service is offered as a part of a purchase transaction, (2) the transaction is processed using a POS terminal with a PIN pad, (3) the PIN is used for Cardholder identification purposes, and (4) the transaction is processed in accordance with the Operating Rules.

B. A qualified Merchant may establish its own maximum cash back amount up to and including \$200. The cash back amount must not exceed \$200. The amount of cash back must be less than the total transaction amount.

14. Account Funding Transaction.

An Account Funding Transaction must be processed as a purchase transaction and include the appropriate electronic commerce and account funding transaction indicators as required by the Operating Rules.

This CARD NOT PRESENT ADDENDUM (the "Addendum") is made a part of the terms and conditions of the Merchant Agreement (the "Agreement") and the Merchant Account Application for processing services signed by Merchant (the "Application"). Under the first paragraph of the Merchant Agreement, Merchant has agreed to comply with all terms and conditions of the Addendum. As provided for in Section 6 of the Agreement, the following terms and conditions describe the procedures for Card Not Present (CNP) transactions. All capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings assigned to them in the Agreement or Application.

1. Additional Definitions.

- A. 3-D Secure - A Visa-approved authentication method that is the global authentication standard for Electronic Commerce Transactions.
- B. Authentication Request - A request for Cardholder authentication from a Merchant utilizing 3-D Secure to a Card Issuer.
- C. Deferred Payment Transaction - A CNP Transaction for which the Cardholder is billed once no more than 90 days after the first shipment of merchandise.
- D. Electronic Commerce Transaction - A Card Transaction conducted over the Internet or other network.
- E. Order Form - A document bearing the Cardholder's signature, either written or electronic, authorizing goods or services to be charged to his or her account. An Order Form may be: (a) a mail order form, (b) a Recurring Transaction form, or (c) an e-mail or other electronic record that meets the requirements of applicable law.
- F. Permanent Establishment - A fixed place of business through which an Electronic Commerce or Mail Order/Phone Order Merchant conducts its business, regardless of its Web site or server locations.

2. Acceptance of Card Not Present (CNP) Charge Transactions.

- A. Merchant may accept Card Not Present (CNP) transactions and related Charges ("CNP Transactions") based upon the description of Merchant's business ("Business") on the Application and as authorized by the Merchant Bank. Merchant Bank reserves the right to terminate CNP Transactions in the event that there is any material change in the Business, including any material change in the customers, products, management or employees of the Business.
- B. Merchant agrees that, except as expressly permitted by the Operating Rules, no CNP Transactions shall be submitted for processing prior to shipping of the product purchased and/or the implementation of the service offered.
- C. Merchant understands and agrees that CNP Transactions:
 - 1. Do not (except in the case of Recurring Transactions) require the Cardholder's signature on the Charge, sales draft or sales slip;
 - 2. Require the Merchant to obtain the valid Expiration Date for each Card used for a CNP Transaction; and
 - 3. Require the Expiration Date of the Card be submitted as part of the Authorization process.

D. It is understood that Authorizations for CNP Transactions are subject to Chargeback and such Authorizations do not guarantee the validity or collectability of the Card Transaction. Merchant agrees to take reasonable additional steps to verify the identity of the authorized Cardholder on these types of transactions, especially when merchandise is shipped to a third party. Merchant acknowledges and agrees that the receipt of an Authorization Code indicating approval does not guarantee Merchant against Chargebacks. Merchant is encouraged to use fraud reduction systems offered by the Card Associations, such as AVS and CVV2/CVC2 in CNP Transactions.

E. Generally, in order to satisfy a retrieval request for CNP Transactions, the following transaction receipt information must be provided by Merchant: (1) the Cardholder Account number, (2) the Card expiration date, (3) the Cardholder name, (4) the transaction date, (5) the Transaction amount, (6) the Authorization Code, (7) Merchant's Name, (8) Merchant's location, (9) a description of the goods or services, (10) the "ship to" address, and (11) the AVS response code (if AVS was used).

3. Processing Restrictions. If at any time the volume of CNP Transactions, substantially exceeds the projected annual volume stated on the Application, or if at any time Merchant Bank suspects fraud, money laundering or violations of the Operating Rules, Merchant Bank may, in its sole and absolute discretion and in addition to other remedies that the Merchant Bank may have:

- 1. Refuse to process the excessive or suspect CNP Transactions;
- 2. Process the CNP Transactions and retain the funds received from processing until such time as the excess or suspect Charges are found to be valid or invalid and processed in accordance with the Operating Rules;
- 3. Suspend the CNP Transactions and/or terminate the Agreement; or
- 4. Amend the Agreement to protect the interests of Merchant Bank.

4. Electronic Commerce Transactions.

- A. If Merchant Bank authorizes Merchant to accept Electronic Commerce Transactions, Merchant agrees to comply with all the provisions of the Operating Rules pertaining to Electronic Commerce Transactions.
- B. Merchant shall at all times maintain a secure site for the transmission of data relating to the processing of Electronic Commerce Transactions. Merchant shall be responsible for ensuring, obtaining and maintaining site security, for the encryption of all data, and for any and all storage of data both in electronic and physical form.
- C. Each Electronic Commerce Transaction must be identified as such when submitted by Merchant by using the appropriate Electronic Commerce Transaction indicator values specified by the Card Associations.
- D. Merchant may not submit a request for Authorization for an Electronic Commerce Transaction that has failed a 3-D Secure authentication request.
- E. Merchant shall display on Merchant's web site in a prominent manner: (1) the address of the Merchant's Permanent Establishment, including Merchant's country of domicile, located on the same screen view as the checkout screen used to present the total purchase amount, or within the sequence of web pages the Cardholder accesses during the checkout process; (2) a complete and accurate description of the goods or services offered; (3) Merchant's merchandise return and refund policy clearly displayed on either the checkout screen, or on a separate screen that allows the purchaser to click an acceptance button; (4) Merchant's consumer data privacy policy and the method of transaction security used to secure cardholder account data during the ordering and payment process; (5) a customer service contact, including electronic mail address or telephone number; (6) transaction currency; (7) export restrictions (if known); (8) Merchant's delivery/fulfillment policy.
- F. Merchant shall provide Cardholders a secure transaction method, such as Secure Socket Layer or 3-D Secure.
- G. Each web site operated by Merchant must display the marks of the Card Associations for the Card types which are accepted by the Merchant, as specified in the Operating Rules.
- H. Merchant cannot refuse to complete an Electronic Commerce Transaction using a MasterCard-branded Card solely because the Cardholder does not have a digital certificate or other secured protocol.

I. Merchant agrees to include, in addition to the other data required under the Operating Rules, the following data on a transaction receipt completed for an Electronic Commerce Transaction:

- 1. Merchant's name most recognizable to the cardholder, such as: Merchant "doing business as" name or Merchant's "universal resource locator" (URL).
- 2. Customer service contact information including telephone country code and area code. If Merchant delivers goods or services internationally, Merchant must list both local and internationally accessible telephone numbers.
- 3. Terms and conditions of sale, if restricted.
- 4. The exact date any free trial period ends, if offered.
- 5. Cancellation policies.
- 6. Merchant's Online Address
- 7. A unique transaction identification number

J. Merchant will provide a completed copy of the transaction record to the Cardholder at the time the purchased goods are delivered or services performed. Merchant may deliver the transaction receipt in either of the following formats: (1) electronic (e.g., e-mail or fax), or (2) paper (e.g., hand-written or terminal-generated). Merchant may not transmit the Cardholder Account number to the Cardholder over the Internet or on the transaction receipt.

5. Installment Billing Transactions.

- A. If Merchant is so permitted by Merchant Bank, Merchant may offer Cardholders involved in Electronic Commerce Transactions or mail order/telephone order transactions an Installment Billing Transaction option. If Merchant offers an Installment Billing Option, Merchant must: (1) disclose in writing the terms, including but not limited to, whether the installment terms are limited to certain goods that a Cardholder may purchase, (2) disclose in writing any shipping and handling charges and any applicable tax, (3) inform a Cardholder not billed in the transaction currency of the Merchant that each Installment Billing Transaction amount may vary due to currency conversion rate fluctuations, (4) ensure that the sum of the Installment Billing Transactions does not include any finance charge or exceed the total price for the goods' and (5) Authorize all Card Transactions (zero floor limit).
- B. Merchant may not add finance charges to an Installment Billing Transaction.
- C. Merchant may not deposit the first Installment Billing Transaction until the shipment date of the goods. Thereafter, Merchant must deposit subsequent Installment Billing Transaction receipts at either of the following intervals: (1) 30 calendar days or more, or (2) the monthly anniversary of the shipment date.

6. Recurring Transactions and Preauthorized Orders.

A. For Recurring Transactions of varying amounts: (1) the Order Form must allow the Cardholder to specify a minimum and maximum transaction amount to be charged, unless the Cardholder will be notified of the amount and date of each Charge as specified below; (2) Merchant must inform the Cardholder of the Cardholder's right to receive, at least 10 calendar days prior to each scheduled transaction date, written notification of the amount and date of the next charge; and (3) the Cardholder can choose to receive the notification in any of the following ways (a) for every Charge, (b) when the transaction amount does not fall within the range specified on the Order Form, or (c) when the transaction amount will differ from the most recent charge by more than an agreed-upon amount.

- B. For Recurring Transactions, if the Order Form is provided to Merchant in an electronic format, the initial Card Transaction must be processed utilizing the appropriate Electronic Commerce Transaction indicator values specified by the Card Associations. Subsequent Recurring Transactions must be processed as Recurring Transactions as required by the Operating Rules.
- C. For a Recurring Transaction, the Order Form must include, but is not limited to, Transaction Amount, unless the Recurring Transactions are for varying amounts; frequency of recurring charges; and duration of time for which Cardholder permission is granted. Merchant must retain a copy of the Order form for the duration of the recurring services and provide it upon Issuer request. Merchant must obtain an Authorization for each transaction and write or print the words "RECURRING TRANSACTION" (or "P.O." for MasterCard transactions) on the signature line of the transaction receipt. Merchant must obtain the Cardholder signature, or an electronic signature or other similar authentication, that is effective under applicable law. For an Electronic Commerce Transaction, Merchant must include the frequency and duration of the Recurring Transaction, as agreed to by the Cardholder, on the Transaction Receipt, and must provide a simple and easily accessible online cancellation procedure, if the Cardholder request for goods or services was initially accepted online.
- D. If a Recurring Transaction is renewed, the Cardholder must complete and deliver to you a subsequent Order Form for the continuation of such goods or services to be charged to the Cardholder Account.
- E. Merchant may not complete a Recurring Transaction after receiving a cancellation notice from the Cardholder or Issuing Bank or after a request for Authorization has been denied.
- F. A Recurring Transaction may not include partial payments for goods or services purchased in a single transaction.
- G. Merchant may not include additional finance charges on a Recurring Transaction.
- 7. Deferred Payment Transaction.** Merchant may use the status check procedure for a Deferred Payment Transaction to serve only as account verification at the time the Cardholder places the order. Merchant must (1) request Authorization for a Deferred Payment Transaction on the date the Cardholder is billed, which must be no later than 90 days from the initial shipment date, and (2) include disclosure of the deferred payment process, including the exact date of billing, with the initial shipment to the Cardholder. The billing date is considered to be the Transaction Date.
- 8. Delegation Of Duties.** Card Program duties may, from time to time, be delegated to and among the Company's business units without giving notice to Merchant, provided, however, Merchant Bank will remain responsible for any obligation owed by Merchant Bank under the Agreement and Company will remain responsible for any obligation owed by Company under the Agreement.
- 9. Suspension and Termination.** Should Merchant, at any time, fail to agree or comply with this Addendum, Merchant Bank shall have the right to immediately and without prior notice suspend and/or terminate CNP Transactions and/or the Agreement.