

**Merchant Agreement
(Public Sector)**

This Merchant Agreement is entered into by and between City of Hollywood (“City”) and Bank of America, N.A. (“Servicer”) as of _____ (the “Effective Date”).

WHEREAS, City desires to procure certain merchant acquiring and related services on behalf of itself, its Agencies and various qualified Participants;

WHEREAS, Servicer is able to provide such merchant acquiring and related services within the United States Territory;

WHEREAS, the City and Servicer wish to enter into this Merchant Agreement to set forth the terms of their relationship as well as establish one set of standardized terms and conditions which will govern the provision of such merchant acquiring and related services to the City, its Agencies and its qualified Participants;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, Servicer and City agree as follows:

GENERAL TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions. Capitalized terms used in the Merchant Agreement shall have the meanings set out in these General Terms (including Schedule 1 – Definitions, attached hereto) or elsewhere in the Merchant Agreement, or in the Payment Network Rules, as applicable. Terms defined in both these General Terms and the Payment Network Rules, shall have the meanings set out in these General Terms. Additionally, the terms “we”, “us” and “our” refer to the applicable Servicer. The terms “you” and “your” refer to the applicable Merchant.

1.2 U.S. Territory Addendum. The U.S. Territory Addendum, together with any Supplement thereto and/or other documents identified or otherwise incorporated therein, form the terms and conditions that are specific to the United States Territory, including the applicable Fee Schedule and Agreed Upon Card Types identified therein. The U.S. Territory Addendum including the Supplements thereto attached collectively as Appendix 1 is a component of the Merchant Agreement and is hereby incorporated into the Merchant Agreement for all Merchants.

1.3 City; Agencies; Participants; Effect of Termination.

- i. The City, each Agency (defined below), and each Participant (defined below) shall be deemed to be a Merchant under the Merchant Agreement; and by and through its signature hereon, the City acknowledges and agrees that it is responsible for each Agency’s and each Participant’s compliance with the terms and conditions under the Merchant Agreement (including, for the avoidance of doubt, City’s) under, and compliance with, the terms of the Merchant Agreement in effect at any time (including, without limitation, the payment of Fees, Other Payments, Data Compromise Losses and any other amounts due thereunder). With regard to such performance and compliance by any Merchant, Servicer may enforce the Merchant Agreement directly against the City without first being required to seek enforcement against any Agency or Participant.
- ii. **Agency.** An “Agency” shall be defined as a City office, department, division, bureau, board, commission or other agency, which operates under the same tax identification number as the City (where applicable), as identified in the Merchant signature block hereon, excluding any governmental entity or political subdivision located in the City with separate statutory authority, or delegated authority from the City to procure services or otherwise operates under a separate tax identification number as the City (where applicable).
- iii. **Participant.** A “Participant” shall be defined as any government entity or political subdivision located within the jurisdictional limits of the City, excluding an Agency, such as an office, department, division, bureau, board, commission or other agency, with separate statutory authority, or delegated authority from the City to procure services or otherwise operate under a separate tax identification number as the City (where applicable) that has executed a Participation Agreement.
- iv. **Participation Agreement.** “Participation Agreement” shall be defined as a contracting document pursuant to which Servicer agrees to provide Merchant Services and Ancillary Services to certain Participants, substantially in the form as set out in Exhibit 1 to the U.S. Territory Addendum, which is executed by Participant, City, and Servicer.
- v. The City acknowledge and agree that: (a) a Participant may not receive Merchant Services and/or Ancillary under the Merchant Agreement until it has both: (i) satisfied any conditions or requirements as set forth in Section 2.1 of the General Terms, below; and (ii) entered into a Participation Agreement; (b) upon complete execution of a Participation Agreement, the Participant that is a Party thereto will have all the same rights and obligations that Merchant has under

the Merchant Agreement as if that Participant had separately entered into the Merchant Agreement with Servicer directly; and (c) any and all Participation Agreements shall be coterminous with the Merchant Agreement.

- vi. Any amendments to the Merchant Agreement by State will constitute simultaneous and identical amendments to each Participation Agreement.

2 MERCHANT SERVICES

- 2.1 Provision of Merchant Services.** From the Effective Date and in consideration for the payment of the Fees and any other amounts due under the Merchant Agreement by you, we will provide the Merchant Services as set out in the Merchant Agreement as well as any other Ancillary Services that the Parties may agree to from time to time, to the extent permitted by Applicable Law and the Payment Network Rules. In providing such Ancillary Services to you, we may receive fees from third parties. We shall not be required to provide the Merchant Services and/or any Ancillary Services to you until: (i) we have approved your use thereof, including (without limitation) in connection with ensuring compliance with AML/Sanctions Laws; (ii) we have received all required duly executed documents; and (iii) you have successfully completed any required testing or training requirements. Whenever you use the Merchant Services and/or any Ancillary Services, you agree to be bound by these General Terms, the U.S. Territory Addendum and/or Supplements and to follow all relevant procedures in accordance with the Payment Network Rules.
- 2.2 Implementation Plan.** We will make the Merchant Services and/or any Ancillary Services operational and available to you through a mutually agreed implementation plan. You agree to appoint a project manager who will be our primary contact for executing the implementation plan.
- 2.3 Agreed Upon Card Types and Territories.** The Agreed Upon Card Types, Territories, and currencies in respect of which we will provide Merchant Services and/or any Ancillary Services are set out in the U.S. Territory Addendum and/or Supplements applicable to you. You shall submit to us only Transactions made using the Agreed Upon Card Types. If you submit and we inadvertently or unintentionally accept a Transaction that is outside the scope of the Merchant Services that we have agreed to provide to you, you shall be subject to payment of our then-current transaction fees with respect to such Transaction and/or service, and be responsible for any such Transaction or service to the same extent as you would be if it were an Agreed Upon Card Type or part of the Merchant Services.
- 2.4 Mastercard Installment Payment Program.** You acknowledge that Mastercard operates an Installment repayment program which permits you to accept Card Transactions that enable Cardholders to pay Issuers in Installments pursuant to an Installment repayment agreement entered into between such Cardholder and the relevant Issuer (the "**Mastercard Installment Payment Program**"). There are no enrollment, registration or technical work requirements applicable to you, and you are not required to undertake any additional action to accept such Card Transactions. Any payment made by way of Installments by a Cardholder to the relevant Issuer will not affect the amount we settle to you pursuant to Section 5, and shall be subject to any Fees and/or Other Payments due to us. You may opt out of the Mastercard Installment Payment Program by notifying us using our customer service platform, and we shall inform Mastercard of your election. If you elect not to participate in the Mastercard Installment Payment Program, you acknowledge that you have the ability to opt in to the Mastercard Installment Payment Program at any time thereafter.
- 2.5 Visa Tokenization Process for Browsers.** You acknowledge that Visa permits commercial internet browsing applications to replace each Cardholder's Card number with a Visa Card Network token where such Cardholders automatically populate their details while carrying out a Card Transaction on your website (the "**Visa Tokenization Process for Browsers**"). Visa Card Network tokens that are provided by commercial internet browsing applications pursuant to the foregoing can be accepted and processed similarly to Card numbers and may provide increased security for payment credentials, increased Authorization approvals, and the ability to participate in incentives that may be offered by Visa for transactions conducted with such Visa Card Network tokens. You acknowledge that you have the ability to opt out of the Visa Tokenization Process for Browsers by notifying us in accordance with this Agreement. Opting out of the Visa Tokenization Process for Browsers will not affect the capability of commercial internet browsing applications to automatically populate the relevant form with a Cardholder's Card number where such Cardholder carries out a Card Transaction on your website.

3 EXCLUSIVITY

Except as prohibited by Applicable Law, you will use us as the exclusive provider of Merchant Services and any Ancillary Services and you shall not engage or use any other payment network processor, servicer or processor except us and our selected providers and we shall be the sole provider of merchant acquiring, payment processing and/or other merchant-related services in each of the territories in which we provide Merchant Services and/or any Ancillary Services to you.

4 GENERAL REQUIREMENTS

- 4.1 Compliance with Applicable Law.** Each party is responsible for determining all Applicable Law that applies to it and each party shall comply with all such Applicable Law in performing its obligations under the Merchant Agreement and any applicable Territory Addendum and/or Supplement.
- 4.2 Payment Network Rules.** Each Party must comply at all times with all Payment Network Rules applicable to all Card transactions processed by us and all Cards agreed to be accepted by you. Each Party is responsible for reviewing the Payment Network Rules from

time to time and staying up to date with any changes. Payment Network Rules are available on web sites maintained by the Payment Network, such as <https://usa.visa.com/dam/VCOM/download/about-visa/visa-rules-public.pdf>, and <https://www.mastercard.us/en-us/business/overview/support/rules.html>, as these links may change from time to time. This includes the following obligations:

- i. Except as otherwise agreed with us, you agree that you will honor all valid Cards in accordance with the Payment Network Rules without discrimination when properly presented for payment and not establish a minimum or maximum Transaction amount as a condition for honoring all Cards;
- ii. You must not engage in any acceptance practice that discriminates against or discourages the use of a Card relating to a Payment Network in favor of any other Payment Network;
- iii. You agree not to accept any Card when you know, or should know, that acceptance of such Card may result in Fraud, where the Cardholder is not the authorized user, or where the Transaction does not result from a bona fide Transaction between you and the Cardholder;
- iv. You agree not to add any Surcharges to Transactions, unless expressly permitted under Applicable Law. Any Surcharge applied, if permitted, must be included in the Transaction amount and not collected separately;
- v. You agree to prominently and clearly disclose to Cardholders at all points of interaction your name and your Location, and ensure that the Cardholder is easily able to understand that you are responsible for the relevant Transaction, including the delivery of any goods (whether physical or digital) or provision of the services that are the subject of the Transaction;
- vi. You agree to comply with the Transaction message data requirements set forth in the Payment Network Rules; and
- vii. You agree to display prominently on each of your premises, trading venues and/or Websites where you accept Transactions, all applicable Card and Payment Network identification, as required by and in accordance with Payment Network Rules. See the Payments Acceptance Procedures for additional information regarding the display of Card and Payment Networks.

4.3 Payments Acceptance Procedures. We have created a guide which contains operational procedures, instructions, and other directives relating to Transactions, which is updated by us from time to time (the “**Payments Acceptance Procedures**”). The Payments Acceptance Procedures includes best practices for accepting payments and reflects certain obligations under Payment Network Rules. The Payments Acceptance Procedures are available at https://www.bankofamerica.com/content/pdf/en_us/merchant-services/paymentacceptanceprocedures.pdf

4.4 Submitting or Presenting Transactions.

- i. You agree to ensure that all Transactions submitted or presented to us comply with the Payment Network Rules and Applicable Law. Please refer to the Payments Acceptance Procedures for more information regarding submitting and presenting Transactions and Transaction Data.
- ii. You are prohibited from submitting or presenting a Transaction for Authorization that you know or should have known to be fraudulent or is a result of Fraud, in breach of any Applicable Law, not authorized by the Cardholder or otherwise not in compliance with the Merchant Agreement and/or the Payment Network Rules, or that may be deemed by the Payment Networks in their sole discretion to be a Transaction that may damage the goodwill of the Payment Networks or reflect negatively on the Marks, or otherwise fails to meet standards set out in the Payment Network Rules (“**Prohibited Transactions**”). In addition, Prohibited Transactions shall include: any sale of goods without our express consent that: (i) do not belong to you, including without limitation, any goods delivered on consignment.

4.5 Information Requests. You agree to undertake any action and provide all information which we may request from you to allow us to comply with our obligations under Applicable Law and for any other purpose we deem necessary. In complying with Applicable Law, any request by a governmental authority (including any Regulatory Authority), and/or our internal policies and procedures, we may investigate Card Transactions or any other communications sent or received by you or on your behalf. Such investigations may result in delays or blocks on Card Transactions and/or Settlement. We shall not be liable to you for any loss incurred as a result of any action, delay or failure by us or any of our Affiliates or employees when acting in accordance with this Section. You represent and warrant to us on and as of each day on which we provide Merchant Services and/or any Ancillary Services to you that your performance of your obligations does not and will not violate any law applicable to you or facilitate illegal Transactions, including those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq.

4.6 OFAC Covenant. You agree that you will not use or permit any other Person to use the Merchant Services in any capacity to transact, lend, contribute, or otherwise make available funds or economic resources of any kind to any Affiliate, joint venture partner or Person, to fund any activities of or business with, related to, or for the benefit of any Person: (i) ordinarily resident in any jurisdiction or territory that is the subject of comprehensive Sanctions (currently, Cuba, Iran, North Korea, Syria, and the Crimea, Luhansk, and Donetsk regions of Ukraine); (ii) designated on any applicable Sanctions list, including, but not limited to the List of Specially Designated Nationals and Blocked Persons and Sectoral Sanctions Identifications List maintained by the US Treasury Department’s Office of Foreign Assets Control, HMT Consolidated List, and EU Consolidated List; or (iii) in any other manner that will result in a violation by any Person of Sanctions. You also covenant that you will not engage in any actions intended evade or to circumvent Sanctions.

4.7 Use of Marks. You must comply with all Payment Network Rules regarding the use of Marks owned by the Payment Networks. Your use, display and reproduction of Payment Network Marks in advertising, acceptance decals, signs, or otherwise must be in accordance with the guidelines and standards set by each respective Payment Network. Your use, display, and reproduction of Payment Network Marks in advertising, acceptance decals, signs, or otherwise must be in accordance with the guidelines and standards set by each respective Payment Network. You may not indicate that any Payment Network endorses your goods or services. Your right to use the program Marks of the Payment Networks terminates upon the earlier of:

- i. if and when your right to accept the Cards of the respective Payment Network terminates;
- ii. delivery of notice by us or the respective Payment Network to you of the termination of the right to use the Mark(s) for that Payment Network; or
- iii. termination of the license to use the program Marks by the respective Payment Network to us.

4.8 Information Requirements. For the purposes identified in this paragraph, you expressly authorize us to access, review, and/or use any and all necessary financial information, including financial statements, which are publicly available or otherwise were provided to us (or our Affiliates) pursuant to or related to any other agreement between the Parties or any of our respective Affiliates. However, should such financial information be unavailable or insufficient, upon our request, you agree to promptly disclose or otherwise provide to us such information as we reasonably require, including your quarterly financial statements within forty-five (45) days after the end of each fiscal quarter and your annual audited financial statements within one hundred twenty (120) days after the end of each fiscal year. All financial statements shall be prepared in accordance with U.S. generally accepted accounting principles or the generally accepted accounting principles specific to your jurisdiction. Such information is being provided to us in order to enable us to: (i) perform our obligations under the Merchant Agreement; (ii) assess our regulatory, financial and insurance risks in connection with any Merchant Services and/or any Ancillary Services provided; (iii) monitor your performance under the Merchant Agreement; (iv) ensure your compliance with Applicable Law and/or the Payment Network Rules; and (v) take all reasonable steps to assist us in handling any Claim or query raised by any Person in relation to the Merchant Services and/or any Ancillary Services or any Transaction, Chargeback, Retro-Charge or Representment. You shall notify us in writing of any changes in the information you share with us in accordance with this Section as soon as reasonably practicable. In addition to the foregoing, you shall provide us in writing any information we may reasonably require concerning your Settlement Account and/or any Ancillary Account. Where we request such information from you, you are responsible for providing correct information to us in relation to the Settlement Account and you accept that we shall rely solely upon the information provided.

4.9 Locations. You must provide to us and keep current a list of all of your Locations where we have agreed to provide Merchant Services and/or any Ancillary Services to you. You shall be liable to us under the Merchant Agreement for all such Locations (including any failure of such Location to comply with any obligations applicable to you under the Merchant Agreement).

4.10 Accuracy of Transaction Data. You are responsible for the quality and accuracy of all data provided to us. We may elect to return to you any Transaction Data that is incorrect, illegible or otherwise not in the proper form. You will be responsible for any related expenses incurred by us or delay in Settlement to you in this regard.

4.11 Authorization. You must obtain an Authorization for each Card Transaction in accordance with the Payment Network Rules and (where applicable) the relevant Territory Addendum. You acknowledge that receipt of Authorization:

- i. does not guarantee payment or Settlement of a Transaction;
- ii. indicates only the availability of credit at the time of Authorization;
- iii. does not warrant that the person presenting the Card is the authorized user of the Card;
- iv. is not an unconditional promise or guarantee by us that any Transaction will not be subject to Chargeback; and
- v. is not a representation or warranty, either express or implied, that the particular Transaction is in fact a valid, authorized or undisputed Transaction entered into by the Cardholder.

You may request, but must not require a Cardholder to provide additional identification information as a condition of Card acceptance, unless such information is required to complete the Transaction, or the Payment Network Rules specifically permit or require such information to be collected.

4.12 Payment Timeframes. Except as may be permitted under the Payment Network Rules, you must not request payment from a Cardholder before the relevant goods have been shipped or before a service is delivered unless we specifically agree in writing to do so. Any requests for Authorization which do not lead to a request for the Issuer to allocate funds for Settlement within fourteen (14) days after such request for Authorization will automatically expire, unless we agree otherwise with you in writing.

4.13 Goods and Services; No Reselling. You must only accept Transactions in respect of goods and/or services the sale and/or supply of which is provided by you, not any other Person, and only at the Locations you have notified to us. You must also inform us of any material changes to the goods and services provided by you. We may from time to time establish restrictions on the types of goods and services in respect of which you may submit Transactions. You may use the Merchant Services and/or any Ancillary Services only for your own proper business purposes. You may not resell or otherwise provide, directly or indirectly, any part of the Merchant Services and/or any Ancillary Services to any other Person.

4.14 No Undue Delay. All Transactions should be submitted to us without delay and in any event within the timeframes specified under the Payment Network Rules.

5 SETTLEMENT

5.1 Settlement of Transactions. We will Settle with you for each Transaction acquired and accepted by us under the Merchant Agreement by way of Standard Day Funding (as defined below), subject to the terms of the Merchant Agreement and, in connection with Standard Day Funding, after our receipt of the relevant Settlement Funds from the Payment Networks. This Section shall be subject to the procedures relating to Settlement stipulated in the applicable Territory Addendum.

5.2 Transfers of Settlement Funds. The initiation of transfers of Settlement Funds will only be initiated on Business Days. We will initiate a transfer of Settlement Funds as more fully described in the Payments Acceptance Procedures. The initiation of all transfers of Settlement Funds to your Settlement Account or other payments to you are provisional and are subject to: (i) Section 5.6; (ii) any other amounts under Section 7.5 as we may determine are due and payable to us at such time as we may specify to you; (iii) Data Compromise Losses (as defined below); (iv) Chargebacks; (v) any other obligations owed by you to us; and (vi) our final audit and confirmation. We, or any of our Affiliates, will not: (x) be liable to you or any other Person for any delays in receipt of Settlement Funds or errors in credits or debits to the Settlement Account that are caused by any other Person, including delays or errors of any Payment Network or any financial institution; or (y) guarantee your or any other Person's receipt of the Settlement Funds, or otherwise act as guarantor in relation to the Settlement Funds that may otherwise be due to you or any other Person.

5.3 Standard Day Funding. Subject to this Section 5 and as more fully described in the Payments Acceptance Procedures, we will initiate the transfer of Settlement Funds in the agreed currency to your Settlement Account on the designated Business Day for all Transactions that are received by us prior to the Standard Day Funding Cut-Off Time ("**Standard Day Funding**").

5.4 Cut-Off. If we receive a Transaction after the Standard Day Funding Cut-Off Time more fully described in the Payments Acceptance Procedures, we may submit such Card Transaction to the Payment Networks for settlement on a day designated by us.

5.5 Withholding and Deferral. We may in our discretion withhold, set-off and/or defer payment of any Settlement Funds we owe and/or hold on your behalf:

- i. if you are in breach of the Merchant Agreement;
- ii. in respect of reasonably expected Refunds, Chargebacks or Assessments;
- iii. until the Settlement Funds reach the minimum Settlement threshold amount, as we may establish and notify to you from time to time; or
- iv. if we have reasonable grounds to believe that a Transaction may be subject to Chargeback, is a result of Fraud or otherwise contrary to Applicable Law or the terms of the Merchant Agreement, until we have investigated the Transaction to our satisfaction.

Where we delay payment of Settlement Funds pursuant to this Section, we shall inform you of the delay and the reasons for it within a reasonable time, to the extent that we are able to do so under Applicable Law and provided such notice does not otherwise prejudice our rights under the Merchant Agreement. You agree not to seek to dispose of, charge, grant any lien or other security right over, or otherwise deal with any such Settlement Funds withheld or deferred by us. You are not entitled to earn interest on any such Settlement Funds.

5.6 Settlement Amounts Subject to Adjustments. Your right to receive any amounts due or to become due from us or our respective Affiliates, whether or not those amounts are related to the Merchant Agreement, is expressly subject and subordinate to Chargeback, set-off, recoupment, lien, security interest and our rights to withhold Settlement Funds under the Merchant Agreement for the purpose of paying Chargebacks and any other fees/charges, fines, Assessments, penalties or other liabilities without regard to whether such Chargeback, set-off, recoupment, lien, security interest and the withholding of Settlement Funds rights are being applied to Claims that are liquidated, unliquidated, fixed, contingent, matured or unmatured.

6 SETTLEMENT ACCOUNT; ANCILLARY ACCOUNTS

6.1 Settlement Account Unless otherwise agreed in advance in writing between you and us, you shall open and maintain with us, for such period as may be required under the terms of the Merchant Agreement, a Settlement Account for the purposes of receiving Settlement Funds (other than Conveyed Transactions) under the Merchant Agreement. You shall notify us, in writing, in advance of any material change to the Settlement Account, which you or a Person (including the relevant financial institution, where applicable) wishes to make and not implement any proposed change without our prior written consent.

6.2 Ancillary Account. In addition to your Settlement Account, you shall open and maintain with us (unless agreed otherwise in advance in writing between you and us), for such period as may be required under the terms of the Merchant Agreement, any other account that we may require of you from time to time for the purposes of (without limitation) the payment of any Fees and Other Payments, including Chargebacks, Assessments, penalties and any other amount or liabilities that are due and payable to us under or in connection with the Merchant Agreement ("**Ancillary Account**"). You shall notify us, in writing, in advance of any material change to any Ancillary Account, which you or a Person (including the relevant financial institution, where applicable) wishes to make and not implement any proposed change without our prior written consent.

- 6.3 Direct Debit Mandate.** At our request, you will establish and maintain (or procure) a direct debit mandate or such equivalent mandate that is acceptable to us in order to permit us to debit from the Settlement Account and/or any Ancillary Account all Fees and Other Payments, including Data Compromise Losses, Chargebacks, Assessments, penalties and any other amount or liabilities that are due and payable to us under or in connection with the Merchant Agreement. You shall not withdraw the authorization and consent provided by you pursuant to this Section without our prior written consent and any such withdrawal without our prior written consent shall be considered an Event of Default pursuant to Section 18.2(ii). This authorization will remain in effect until you have provided us at least thirty (30) days' prior written notice that you are terminating the authorization and either: (i) all amounts due under the Merchant Agreement (including any Merchant Services Fees, Third Party Based Fees, and Data Compromise Losses that may arise or be assessed after termination of the Merchant Agreement and all unmatured and contingent liabilities) and under any other agreements with us and our Affiliates have been paid in full; or (ii) you have provided us an authorization to debit via ACH a replacement Settlement Account that is reasonably satisfactory to us.
- 6.4 Credit Balance.** You shall ensure that the Settlement Account and/or any Ancillary Account is funded as we may request at any time, has a credit balance at all times and contains sufficient funds to meet any liabilities, including Refunds, Chargebacks and Assessments owed to us under and in connection with the Merchant Agreement. To the extent that the Settlement Account does not contain sufficient funds or where we are unable to access such funds, you agree to immediately transfer such funds upon our request.
- 6.5 Entitlement to Funds.** You are only entitled to Settlement Funds after we initiate the transfer to the Settlement Account.
- 6.6 Transfers.** Any transfer of any amount made, at your direction, by us to a bank account in your name or in the name of a person other than you will constitute good receipt by you of the sum due and owing by us to you in relation to our liability to you under the Merchant Agreement.

7 RESERVE ACCOUNT

- 7.1 Establishment.** You authorize us to establish a Reserve Account to be held in our name, or the name of any of our Affiliates, pursuant to the terms and conditions set forth in this Section (a "**Reserve Account**"). The amount of funds retained in such Reserve Account will be determined by us and may be adjusted from time to time, in our sole and absolute discretion, based upon your processing history and any potential risk of loss to us. You are not entitled to any interest that accrues on any Reserve Account. You agree and acknowledge that we shall have the exclusive right to withdraw funds from, direct the disposition of, and close any Reserve Account.
- 7.2 Funding.** The Reserve Account must be fully funded by you within three (3) Business Days' of our notice to you. However, we may immediately procure the funding of the Reserve Account in accordance with Section 7.2 in the following situations: (i) there is Fraud pertaining to you or any of your agents or employees or if you have submitted material fraudulent Card Transactions; (ii) the occurrence of a Merchant Event of Default or where one is reasonably anticipated to occur; (iii) a Compromised Data Event occurs, (iv) you admit, acknowledge or otherwise state: (a) your inability or potential inability to satisfy credit or other obligations as they become due or arise; or (b) uncertainty about your ability to continue your operations; or (v) the Merchant Agreement is terminated for any reason.
- 7.3 Funding Methods.** Such Reserve Account may be funded by all or any combination of the following, as determined by us: (i) one or more deductions, recoupments, or off sets to or against any payments otherwise due to you; (ii) one or more debits to your Settlement Account and/or any Ancillary Account; (iii) withholding of Settlement Funds in accordance with Section 5.4; or (iv) cash delivered by you to us. We may accept other forms of funding from time to time at our sole discretion. You shall not be entitled to interest of funds held in such Reserve Accounts. Funds held in a Reserve Account established pursuant to the Merchant Agreement may be held in a commingled reserve account together with reserve funds of our other customers.
- 7.4 Effect of Termination.** In addition, if the Merchant Agreement is terminated for any reason, an immediate Reserve Account may be established by us without prior notice. Any Reserve Account will be held by us for the greater of: (i) ten (10) months after termination of the Merchant Agreement; or (ii) for such longer time period as we determine in our sole discretion taking into account our potential liability for Transactions under the Payment Network Rules.
- 7.5 Insufficient Funds.** If the Settlement Account has insufficient funds, we may, without advance notice, withdraw the funds you owe us (including, without limitation, any Fees and/or Other Payments) from the Reserve Account, or any other account you maintain with us or to which you have granted us access. If funds in the Reserve Account at any time are not sufficient to cover Data Compromise Losses, Chargebacks, adjustments, Fees, charges, fines, Assessments, penalties or other liabilities and other amounts that may be owed by you to us, you agree to immediately pay us such sums upon request or, at our election, we may fund the Reserve Account with such amounts in any manner set forth in Section 7.3. If sufficient funds are not available from those sources, you must pay the amount of any deficiency promptly. If you do not do so, we may cease processing additional Transactions at our discretion until the amounts due are paid.

8 FEES

- 8.1 Payment of Fees and Other Payments.** You agree to pay us all Fees and/or Other Payments due to us under the Merchant Agreement, including Merchant Services Fees and certain Payment Network Fees calculated pursuant to the Fee Schedule. Such Fees and/or Other Payments, including Chargebacks immediately due and payable under Section 11, may be paid to us at our option via: (i) debit of the Settlement Account and/or any Ancillary Account; (ii) debit of funds from the Reserve Account or any other relevant

account; and/or (iii) the withholding, setting-off, recoupment and/or deferral of payment of any Settlement Funds we owe and/or hold on your behalf; and/or (iv) bank transfer in accordance with instructions supplied with an appropriate invoice. You acknowledge that if we choose, for any reason, not to collect all Fees and/or Other Payments when due then this will not forfeit our right to such Fees and/or Other Payments and we reserve the right to conduct reconciliations under which we may identify past due Fees and/or Other Payments, which we may collect upon notice via any of the methods described in this Section 8.1.

- 8.2 Assessments.** We shall pass through to you any fines, penalties or Assessments imposed on us by the Payment Networks as a result of any action or inaction by you, your agents or Third Party Providers. We will provide you with written notice regarding the amount of any Assessment and the date by which it is due and payable to us. All such amounts will be your responsibility to pay on the date we specify.
- 8.3 Merchant Services Fee Changes.** Certain Fees are based upon assumptions associated with the anticipated annual volume and average Transaction size as set out in the Fee Schedule and your method of doing business. If the actual volume or average Transaction size are not as expected or if you significantly alter your method of doing business, we may, pursuant to Section 20.2, change the Merchant Services Fees.
- 8.4 Other Fee Changes.** You agree that we may adjust the Fee Schedule to reflect changes to, or new, Payment Network Fees or Third-Party-Based Fees pursuant to Section 20.2.
- 8.5 Taxes.** All Fees and other sums payable by you under the Merchant Agreement are exclusive of any applicable taxes that may apply under any Applicable Law. You agree to pay any and all taxes imposed on the Merchant Services and/or any Ancillary Services. You also agree to pay any and all taxes imposed on the ownership, possession or use of the Merchant Equipment. If you are required by Applicable Law to make a deduction or withholding from any payment due under the Merchant Agreement, you shall pay such additional amounts as are required to ensure that the net amount received and retained by us equals the full amount had no such deduction or withholding been made and/or no such liability to pay tax been incurred. You further agree that we may withhold any applicable taxes pending your compliance with certain documentary requirements as may be stipulated under Applicable Law or our receipt of any documentation that we may require from you in relation to your tax status. You hereby authorize us to increase the amount of your preauthorized payment to reflect any additional amounts required to ensure that such net amount received and retained equals the full amount.

9 RECOURSE TO PAYMENT

- 9.1 Set-off Authorization.** We may and are authorized by you, without prior notice and both before and after demand, to set-off the whole or any part of your liabilities to us, whether such liabilities are present or future, actual or contingent, or liquidated or unliquidated, matured or unmatured, against any sums held by us and owed to you, whether under the Merchant Agreement or any other agreement between you and us or between you and any of our Affiliates, including, but not limited to, Chargebacks or reasonably anticipated Chargebacks. To the extent permitted by Applicable Law, we may, from time to time, combine, consolidate or merge any or all of your funds and other accounts and set-off, apply or transfer any and all such sums standing to satisfy any debt or liability that you owe us.
- 9.2 Single Integrated Transaction.** You expressly acknowledge and agree that any and all Transactions undertaken hereunder and any Chargebacks hereunder are part of a single-integrated transaction and that our right to recoupment or set-off of any Chargebacks is part of a single-integrated transaction arising under the Merchant Agreement such that it would be inequitable for you to enjoy the benefits under the Merchant Agreement without also meeting your obligations hereunder.
- 9.3 Grant of Security Interests.** To secure the performance of your obligations arising under or otherwise related to the Merchant Agreement, or related to any other agreement for the provision of related services or equipment, you hereby grant us, as collateral agent for our benefit, security interests and right of recoupment in and to: (i) each transaction and its proceeds; (ii) any funds due to you from us; (iii) any and all amounts held in any Ancillary Account; (iv) any and all amounts held in any Reserve Account; (v) all of your now owned and hereafter acquired rights, title, and interests in and to any Reserve Account; (vi) any Bank Equipment due to be returned to us; and (vii) any of your property (excluding real property and personal property) held by us or any Affiliate of ours. Notwithstanding anything to the contrary contained in the Merchant Agreement or elsewhere, all obligations of yours arising under or otherwise related to the Merchant Agreement or related to any other agreement for the provision of related services or equipment (“**Merchant Obligations**”) shall not be secured by real property or personal property now or hereafter owned by you, provided that all Merchant Obligations may be secured by cash or cash equivalents held by Servicer, Bank or any Affiliate of Bank if required by Bank or Servicer in its sole discretion.
- 9.4 Rendering Security Interests Enforceable.** You shall take all necessary steps reasonably requested by us in order to facilitate such taking of security by us, including any registration or perfection requirements to render such security enforceable in any Territory. We may enforce these security interests and rights of recoupment without notice or demand to the fullest extent permitted by Applicable Law. The security interests and rights of recoupment granted under the Merchant Agreement will survive the termination of the Merchant Agreement until all of your obligations arising under or related to the Merchant Agreement are paid and performed in full.

9.5 Other Remedies. Any exercise of any our rights under this Section 9 shall be without prejudice and in addition to any other rights and remedies available to us under the Merchant Agreement or otherwise.

10 BANKRUPTCY RIGHTS

10.1 Filing under Bankruptcy Code. The Parties expressly agree that, in the event of a filing under the Bankruptcy Code with respect to you, the Merchant Agreement is an executory contract under Section 365 of the Bankruptcy Code and is not a financial accommodation or an agreement to provide credit to you. If requested by us, you shall file a motion to assume the Merchant Agreement within thirty (30) days of the filing of any voluntary petition for bankruptcy. You agree that any failure to do so shall be "cause" for us to seek immediate relief from the automatic stay to seek any remedies, including immediate termination of the Merchant Agreement or an order of adequate protection.

10.2 First Day or Other Motion. You further agree, within fifteen (15) days of any bankruptcy filing, to file an appropriate motion seeking court approval that will either: (i) permit the settlement procedures for payment hereunder to continue in accordance with their terms, including for the processing and settling of Chargebacks; or (ii) permit an orderly and scheduled wind down of the settlement procedures for payment hereunder in accordance with their terms, including for the processing and settling of Chargebacks. You further agree, at our request, that you shall immediately seek any necessary court approval, as part of your motion, or otherwise, that all gift cards are honored, returns are accepted, when warranted, that warranties are honored and that any "loyalty" program is maintained or wound down. If you cease honoring gift cards, fail to accept returns or to honor warranties, this shall be deemed a material breach and an event of default under the Merchant Agreement and a Merchant Event of Default in accordance with Section 18.2 and will entitle us to terminate the Merchant Agreement immediately.

10.3 Financial Accommodation. In the event that any bankruptcy court determines that the Merchant Agreement is a financial accommodation or agreement to make a loan, then in such event the Parties agree that any further performance hereunder by us shall be deemed to be the providing of credit post-petition under Section 364 of the Bankruptcy Code and you may not require further performance unless and until you, or if applicable your trustee in bankruptcy, file an appropriate motion under Section 364 of the Bankruptcy Code and agree to provide adequate protection for any losses arising hereunder, including, but not limited to, inclusion of a reserve or budget item in any applicable financing, or the posting of a letter of credit to protect against loss from continuing to make post-petition advances, including losses from Chargebacks.

10.4 Merchant Reserve. You agree that, if you file for relief under the Bankruptcy Code or similar insolvency proceeding, you shall provide a reserve against availability under your debtor in possession financing or post a letter of credit in the amount reasonably agreed with us, which reserve or letter of credit shall be used exclusively for the payment or liquidation of any claims, administrative expenses or other amounts owed to us. You shall maintain any such letter of credit, and bear all costs therefore, until the earlier of: (i) one (1) year after the final Transactions are accepted; or (ii) the date we, in our sole discretion, notify you in writing that such letter of credit will no longer be needed. Such letter of credit shall be in a form and from an issuer acceptable to us. Alternatively, you agree that if you file for relief under the Bankruptcy Code or similar insolvency proceeding, and continue to operate under the terms of the Merchant Agreement, you, or if applicable, the trustee or other appointed administrator in such proceeding, shall seek court approval for the imposition of a reserve or the posting of a letter of credit in the amount reasonably agreed with us, which reserve or letter of credit shall be used exclusively for the payment or liquidation of any claims, administrative expenses or other amounts owed to us

11 CHARGEBACKS AND ASSESSMENTS

11.1 Payable Immediately. Any Chargeback or Assessment incurred by you represents a liability immediately due and payable by you to us on demand, regardless of any termination of the Merchant Agreement or the Merchant Services and shall be paid to us immediately in accordance with Section 8. You will also pay us fees associated with processing Chargebacks (in addition to any Payment Network Fees and/or Third-Party-Based Fees) in accordance with Section 8. We will notify you of any Chargeback or Assessment as soon as reasonably practicable to the extent we are permitted to do so by the Payment Network Rules and Applicable Law.

11.2 Disputing Chargebacks. You may dispute a Chargeback or Assessment as provided in the Payment Network Rules, including any requirements for timely submission. Our obligations to you in relation to Chargeback and Assessment disputes is limited to permissible presentment of your dispute to the appropriate Payment Network. It is your responsibility to provide to us with such evidence as we, the Payment Network or the Issuer may reasonably require both to investigate the disputed Chargeback or Assessment and to prove that the underlying Transaction was authorized by the Cardholder. We will not engage in direct collection efforts against Cardholders on your behalf. If you are successful in any dispute of a Chargeback or Assessment, we will refund to you any amounts received by us in respect thereof from the Payment Network. You agree that the relevant Payment Network's decision regarding the validity and value of any Chargeback and/or Assessment will be final and binding. Please refer to the Payments Acceptance Procedures for more information regarding disputing Chargebacks.

11.3 Provision of Records. You shall provide us with copies of such Transaction Data relating to any Transaction or Chargeback, Retro-Charge or Representation as we may request, in each case in such format as specified by us and within seven (7) days of such request.

12 CURRENCY CONVERSION.

12.1 Currency Conversion for Transactions. Unless otherwise expressly agreed, currency conversion under the Merchant Agreement relating to the interchange and Settlement Processes will be completed utilizing the standard foreign currency conversion rate tables provided by the Payment Networks. Foreign currency differences resulting from differences in timing of the processing of Transactions, Refunds or Chargebacks will be passed through to you.

12.2 Other Conversions. If for the purposes of any currency conversions for amounts payable, pursuant to the Merchant Agreement, in the currency due, the rate of exchange used shall be the conversion rate prevailing exchange rate published by us on the Business Day immediately preceding the date of payment.

13 STATEMENTS.

13.1 Duty to Review Statements. You must promptly and carefully review Statements and we will effect adjustments remedying any errors on Statements, provided that you provide us written notice detailing such errors within sixty (60) days of receiving the applicable Statement. If you do not provide written notice of an error within such sixty (60) day time period, we shall not have any obligation or liability to investigate or correct such error, or to effect any related adjustment, absent any willful misconduct by us.

13.2 Electronic Statements. We will deliver Statements to you electronically, and you authorize us to deliver Statements, as well as any Payment Network or regulatory information and notices of change in terms that we would typically include with paper Statements, to you electronically.

14 THIRD-PARTY SERVICE PROVIDERS

14.1 Third-Party Service Providers. Your use of the Merchant Services and/or any Ancillary Services, Merchant Equipment, Software, systems, materials, supplies or resources of Persons in connection with your processing of Card Transactions, including Third-Party Providers and any third-party lessors and licensors, will not affect your obligations to us under the Merchant Agreement, which will apply to the same extent as if you had not used them. We have no liability or responsibility to you or others regarding these Persons, even if we referred or recommended them to you.

14.2 Agents. You acknowledge that such Third-Party Providers are your agents, and you are solely responsible for: (i) determining whether they can meet your needs and standards; (ii) their actions, inactions and compliance with the terms of the Merchant Agreement and Applicable Law; and (iii) any and all fees, costs, expenses and other obligations owed to them by you or owed by them to us or to the Payment Networks. In addition, you are responsible for its employees' actions.

14.3 Third-Party Providers. Before you engage any Third-Party Provider, you must provide to us in writing the Third-Party Provider's: (i) legal name, (ii) contact information; and (iii) intended function. You agree to provide us any information or documentation of such Third-Party Providers that we may reasonably request from you prior to your engagement of any Third-Party Provider or at any time thereafter.

14.4 Access to Systems. You agree that you shall not use, allow the use of, or provide to any Third-Party Provider access to any Cardholder data, BoA Systems or Merchant Services and/or any Ancillary Services until you receive our approval and, if required, confirmation of the registration of that Third-Party Provider with applicable Payment Networks. You must ensure that you and any Third-Party Provider used by you comply with Payment Network registration processes, all other applicable Payment Network Rules, Applicable Law and the Merchant Agreement (including provisions requiring security of Cardholder data). You must notify us of all Persons who have access to Cardholder data on your behalf, and you may allow Third-Party Providers access to Cardholder data only for purposes authorized under and in conformance with the Merchant Agreement, Applicable Law and the Payment Network Rules. You acknowledge that such Third-Party Providers are required by the Payment Networks to be registered and you shall cooperate with us in completing such registration. You are responsible for all of our costs and expenses associated with our certification (and recertification as may be required by the Payment Network Rules) and registration of any Third-Party Providers.

15 MERCHANT SYSTEMS AND MERCHANT EQUIPMENT

15.1 Merchant Equipment. Unless otherwise agreed in writing between you and us, you shall be solely responsible at your own cost for the provision of all Merchant Systems, Merchant Equipment, telecommunications facilities and any other facilities which are necessary to enable you to receive the Merchant Services and/or any Ancillary Services from us.

15.2 System Enhancements. If you request us to provide any Systems Enhancements and we agree to do so, such System Enhancements will be made in accordance with terms and conditions, including pricing, agreed to by the Parties in writing.

15.3 Liability. You are responsible for any changes or modifications to your Merchant Systems or Merchant Equipment or any failure of your Merchant Systems or Merchant Equipment. Except as expressly set forth in the Merchant Agreement, we do not have any liability with respect to your Merchant Systems or Merchant Equipment.

15.4 Duty Regarding Merchant Systems. You shall be responsible for auditing, balancing, verifying and reconciling any out-of-balance condition within the Merchant Systems and for notifying us of any errors after receipt of the applicable report from us. You shall notify us of all incorrect reports or output within two (2) Business Days after receipt of such reports or output. Within one (1) Business Day of the original Transaction, you must balance each Location to the BoA Systems for each Business Day that each Location is open.

If you determine that Transactions have been processed in error, you shall initiate the appropriate actions for adjustment to correct the Transaction in question.

16 CONVEYED TRANSACTIONS.

For each Conveyed Transaction, you agree that you will have a valid agreement in effect with the applicable Payment Network. Payment of Settlement Funds due to you for Conveyed Transactions will be governed by the agreement you have with the applicable Payment Network and we will have no responsibility for any Conveyed Transactions or for such Payment Network's performance under such agreement, including, without limitation, the funding and Settlement of, or disputes regarding, your Conveyed Transactions. All Chargebacks, Refunds, Claims, and disputes will be handled directly between you and such Payment Networks.

17 REPRESENTATIONS AND WARRANTIES

17.1 Your Representations and Warranties. You represent and warrant to us now and on each day on which we provide Merchant Services and/or any Ancillary Services to you that:

- i. you are a governmental body acting within the scope of your statutory authority and your ordinary course of operations, and you are not a "consumer" for the purposes of any Applicable Law or codes of conduct applicable to consumers (and, if you believe that you have or may become a "consumer" for any of those purposes, you will notify us immediately of that fact). Further, you acknowledge that you will not be treated as a consumer for purposes of the Merchant Agreement, and laws and regulations relating to consumer protection shall not apply;
- ii. the Merchant Agreement and its provisions constitute and create legal, valid and binding obligations on you which are enforceable in accordance with their terms;
- iii. your performance of your obligations will not violate any Applicable Law or facilitate any unlawful Transactions, and you are not aware of any breach by you of any such laws;
- iv. you have implemented and will continue to maintain reasonable processes and controls to identify and prevent the criminal misuse of the Merchant Services, and/or any Ancillary Services and other products and services we may provide to you;
- v. there are no bona fide proceedings or other disputes pending or threatened against you in respect of which, if judgment is given against you, would materially affect your financial condition or ability to pay us under the terms of the Merchant Agreement;
- vi. you own and control the Settlement Account, and the debiting of any account as provided in the Merchant Agreement is not inconsistent with any restriction on the use of such account;
- vii. you have obtained all approvals and authorizations required to enable you to enter into, deliver and perform the Merchant Agreement and the Merchant Services and/or any Ancillary Services contemplated under it, including in connection with any statutory requirements and/or any authorizations required;
- viii. the person executing the Merchant Agreement has full authority, permission and approval to execute and bind the Merchant. You will not dispute such authority, permission and approval.

17.2 Our Representations and Warranties. We represent and warrant to you now and on each day on which we provide Merchant Services and/or any Ancillary Services to you that:

- i. we are validly existing and in good standing; and
- ii. we have all the necessary power and authority to enter into the Merchant Agreement.

18 TERM AND TERMINATION

18.1 Initial Term. The Merchant Agreement shall commence upon the Effective Date and continue for the period set forth in the U.S. Territory Addendum (each an "Initial Term"), and thereafter shall automatically renew for successive one (1) year terms (each a "Subsequent Term") terms until terminated by either party thereto upon one hundred and twenty (120) days' notice prior to the end of the then Subsequent Term. The parties may exercise up to twenty (20) Subsequent Terms upon mutual agreement. Initial Term and Subsequent Term may be referred to herein as the "Term."

18.2 Our Right of Termination Upon Specific Events. We may, to the extent permitted by Applicable Law, terminate the Merchant Agreement or the provision of Merchant Services and/or any Ancillary Services in respect of the Merchant, or withdraw or suspend the Merchant Services and/or any Ancillary Services, with immediate effect and without required notice if any of the following occurs and remains uncured following any applicable cure period in respect of any Merchant (each a "Merchant Event of Default"):

- i. Fraud. You or any of your employees or agents willfully or negligently engage in any Fraud, or we suspect Fraud, whether committed by you, your employees or agents, or other Persons.
- ii. Breach of the Merchant Agreement. You breach any term or condition of the Merchant Agreement (excluding Section 24 (Information Security) or Section 26 (PCI-SCC and Data) of the General Terms) or any other agreement with us or any of our Affiliates, including any payment obligation (excluding Data Compromise Losses), representation, warranty or failure to deliver information, and if the breach is capable of being cured, such breach remains uncured after thirty (30) days (a "Cure Period") following receipt of notice from us.
- iii. Financial condition. (a) You fail generally to pay your debts as they become due; (b) you initiate or enter into any composition or arrangement with your creditors to avoid execution, garnishment, attachment, seizure or forfeiture over

- any of your property or assets; (c) you enter into liquidation, insolvency, administration, receivership, administrative receivership, bankruptcy, reorganization, judicial management or any other similar procedure (other than in the context of a solvent re-structuring), or any step is taken to do so; (d) in our sole and absolute discretion you experience a material adverse change in your financial condition or your ability to perform your obligations under the Merchant Agreement; or (e) there is an entry of a judgment against you which we deem to be of a material nature
- iv. Impermissible assignment. Any assignment of the Merchant Agreement by you in violation of Section 34.
 - v. Non-compliance with Applicable Law. You fail to comply with any Applicable Law or you or any of your employees or agents carry out your business or use the Merchant Services, any Ancillary Services or any other services we may provide to you that may, in our sole discretion, constitute suspicious activities or present any risk of non-compliance with AML/Sanctions Laws.
 - vi. Information Security. (a) We deem or suspect, in our sole and absolute discretion, that you fail to comply with Section 24 (Information Security) of the General Terms or (b) with respect to Data Compromise Losses, non-payment of such Data Compromise Losses within three (3) Business Days after notification from us.
 - vii. Payment Network Determination. Any Payment Network (or its approved quality assessor) determines or suspects that you, or any Third Party Provider: (a) suffered a Compromised Data Event; or (b) failed to comply with PCI-SSC rules, Payment Network Rules, regulations and/or standards; and/or (c) otherwise failed to comply with any of the requirements set forth in Section 26 (PCI-SSC and Data).
 - viii. Transaction irregularities. We deem, in our sole and absolute discretion, that: (a) you have irregular Transactions, (b) excessive Chargebacks, (c) there are any circumstances which may increase our exposure for your Chargebacks or (d) there are any circumstances which otherwise presents a financial or security risk to us;
 - ix. Reputational risk. We deem, in our sole and absolute discretion, that you or any of your employees or agents, any activities you carry out or goods or services you offer, present a reputational risk to us, any of our Affiliates or any Payment Network.

18.3 Your Right of Termination Upon Specific Events. You may, to the extent permitted by Applicable Law, terminate the Merchant Agreement upon written notice to us if any of the following occurs and remains uncured following any applicable cure period:

- i. Breach of the Merchant Agreement. (a) We breach, in a material respect, any representation or warranty of ours in the Merchant Agreement, or any representation or warranty was or is incorrect in any material respect when made, and if the breach is capable of being cured, such breach remains uncured after thirty (30) days following receipt of notice from you; or (b) we default in any material respect in the performance or observance of any term, covenant, condition or agreement contained in the Merchant Agreement, and, if the default is capable of being cured, such default remains uncured after thirty (30) days following receipt of notice from you.
- ii. Insolvency. We undergo any proceedings in respect of bankruptcy, insolvency, receivership, winding-up, dissolution or assignment for the benefit of creditors, whether under the Bankruptcy Code or any similar law.

18.4 Termination for Applicable Law and Payment Network Rules. We may terminate the Merchant Agreement with as much notice as is reasonably practicable under the circumstances if: (i) in our sole discretion such termination is necessary for us to comply with our obligations under any Applicable Law or the Payment Network Rules; (ii) where we are required to do so by Applicable Law, the Payment Networks; and/or (iii) you cause, or may cause, harm or loss of goodwill to the Payment Networks' systems.

18.5 Suspension. In addition to our other rights under the Merchant Agreement, should you experience a Compromised Data Event or if we determine that a Merchant Event of Default has occurred or we suspect may occur, we may immediately suspend the Merchant Services and/or any Ancillary Services, credits or other payments of any and all funds, money and amounts now due or that hereafter become due to you pursuant to the terms of the Merchant Agreement, until we have had reasonable opportunity to investigate such Merchant Event of Default and have determined that the exigent risk to us giving rise to such suspension has abated. We will notify you of any such suspension of the Merchant Services and/or any Ancillary Services and/or funding and the reasons for it within a reasonable period of time, provided that such notice is not, in our sole determination, in contravention of Applicable Law or Payment Network Rules, inconsistent with our internal policies and procedures and/or does not adversely affect our rights under the Merchant Agreement.

18.6 Acknowledgment of Reporting to Payment Networks. If the Merchant Agreement is terminated for a Merchant Event of Default, you acknowledge that we, subject to and in accordance with the Payment Network Rules, may be required to report your business name, the names and other identification of your Controllers and/or principals, and information regarding Third-Party Providers and other Persons to the Payment Networks. In addition, if, we consider that an act or omission by you falls within a Reason Code, at our discretion, we may notify the Payment Networks of such Reason Code.

19 CONSEQUENCES OF TERMINATION.

Without prejudice to our rights under Section 7.4, when the Merchant Agreement is terminated, all amounts due by you or to become due and owing under the Merchant Agreement shall be immediately due and payable in full upon demand. You shall not submit further Transactions for settlement and we shall have no obligation to continue to provide Merchant Services and/or any Ancillary Services.

20 CHANGES TO MERCHANT ACQUIRING SERVICE

20.1 Requests for changes. You may request us at any time to make changes to the Merchant Services and/or any Ancillary Services. We are not obliged to implement any changes, and all requests for changes are subject to our approval. In making changes, we are entitled to rely on requests purporting to be from you. For certain changes, we may require that your request(s) be in writing, in a form and manner acceptable to us, or be from an authorized person you designate

20.2 Mandatory Changes. We may, as required by Applicable Law, the Payment Networks or in accordance with the Payment Network Rules: (i) change, add or delete any of the terms of the Merchant Agreement; (ii) change any Payment Network Fees, Third-Party-Based Fees and/or Other Payments that are payable by you hereunder; and/or (iii) alter the way in which we provide the Merchant Services and/or any Ancillary Services to you ("**Mandatory Changes**"). All such changes will be effective as of the date any such Mandatory Change is implemented under Applicable Law or by the Payment Networks or such other date that may be notified to you. Any such changes may also be effective without notice to you. For the avoidance of doubt, you shall not have any right to terminate the Merchant Agreement in the event of any Mandatory Changes.

21 [RESERVED]

22 COMMUNICATIONS AND NOTICES

22.1 Giving Notices. Any written notice, electronic notice or other written communication to be given under the Merchant Agreement shall be sent: (i) to Servicer at the electronic mail or physical address as specified in the U.S. Territory Addendum, any Supplement hereto, or as may otherwise be notified to you from time to time; or (ii) to you at the electronic mail or physical address specified on the signature page hereto or any Supplement hereto. Notices are effective upon receipt, except as otherwise provided in the Merchant Agreement or any Materials. The language of the Merchant Agreement is English and all notices and information required to be given under the Merchant Agreement will be in English.

22.2 Monitoring of Phone Calls. You agree that we may electronically monitor and/or record any telephone or other electronic communications (whether by telephone, short message service (SMS) message, multimedia messaging service (MMS) message or any other form of telephonic text message, electronic mail or otherwise) with you in those jurisdictions that permit that practice.

22.3 Electronic Mail Communications. If you choose to use unencrypted electronic mail to send instructions or otherwise communicate with us, you agree to bear the risk that such electronic mail may be corrupted, modified, garbled or hacked or its confidentiality may be breached by a third party and the risk that we will rely on such electronic mail, which appears to be from you but which is unauthorized, and that such reliance may result in a loss. In addition, you agree that we may rely on the integrity of electronic transmissions that you send us, and you agree to bear the risk that the information we receive differs from that sent to us, and that such reliance may result in a loss. In the event that an electronic transmission is unclear or if we become aware that it is not an authorized communication from you, we will not act on such transmission and will contact you to clarify any intended content of such transmission.

23 CONFIDENTIALITY AND MATERIALS

23.1 General. We acknowledge that information we obtain from you in connection with the Merchant Services and/or any Ancillary Services we provide to you under the terms of the Merchant Agreement may be Confidential Information. We will maintain the confidentiality of such Confidential Information received from you in connection with the Merchant Services and/or any Ancillary Services we provide under the Merchant Agreement in accordance with our normal procedures for safeguarding customer information. You acknowledge that the Merchant Agreement, our pricing information, and the Materials shall be considered to be our Confidential Information. You also acknowledge our claim to proprietary rights in the Materials and our Confidential Information and that the Materials and our Confidential Information constitute our "trade secrets" or trade secrets of our service providers, licensors or vendors.

23.2 Restrictions. In respect of a Party's Confidential Information, the other Party will:

- i. safeguard the Confidential Information at all times;
- ii. establish and maintain procedures to assure the confidentiality of the Confidential Information and any password or code;
- iii. use the Confidential Information only for the purposes for which provided; and
- iv. notify the other Party promptly by telephone, confirmed in writing, if any Confidential Information is lost or its confidentiality is compromised.

23.3 Use of Confidential Information. Neither Party will, nor will allow anyone else to, do any of the following without the other Party's prior consent:

- i. disclose any Confidential Information of the other Party to any person or entity, except to its employees and agents, any Third-Party Provider, or any of our service providers with a need to know the Confidential Information;
- ii. make any copies, in whole or in part, of Confidential Information of the other Party in whatever form or medium (electronic, printed or otherwise) in which they may exist from time to time, except as provided in the Merchant Agreement; or

iii. translate, reverse engineer, disassemble or decompile any Application or security devices of the other Party.

23.4 Use of the Materials. You have sole responsibility for the custody, control and use of all Materials. You must ensure that no Person will be allowed to initiate a request or other instruction contemplated in the Merchant Agreement or to have access to any Materials without proper supervision and strict security controls to ensure that the Materials are only used in accordance with the Merchant Agreement. If the Merchant Service requires use of user identification codes or passwords, we will be entitled to rely on the correct user identification codes and passwords, as more fully described in the Payments Acceptance Procedures and shall not be responsible for any Losses resulting from our correct use of such data.

23.5 Exceptions. This Section does not limit either your or our ability to disclose information: (i) that the other Party has approved by prior writing for disclosure; (ii) that is disclosed to its professional advisors or auditors; (iii) that becomes public other than through a breach of these confidentiality obligations; (iv) that was in its possession or available to it from a third party prior to its receipt of it in connection with Merchant Service; (v) that is obtained by it from a third party who is not known by it to be bound by a confidentiality agreement with respect to that information; (vi) as required or requested by any securities exchange or Regulatory Authority to which you or we are subject or submit, or (vii) as otherwise required to be disclosed by law or by legal or governmental process. This Section also does not limit our ability, or that of our Affiliates, to access, analyze, and use, for any lawful purpose (including, without limitation, research, relationship management, marketing, analyzing market trends, data analysis and audits, and developing or providing products and services to other Persons), information about you, Transactions submitted by you, or any other information that we obtain in connection with providing products and services to you in accordance with the Merchant Agreement. In addition, either Party may disclose to its offices, Affiliates, officers, employees and agents (and those offices, Affiliates, officers, employees and agents may disclose) such information as permitted under this Section or to otherwise carry out its duties or exercise its rights under the Merchant Agreement. This Section does not limit our ability or that of our Affiliates to access and use Transaction Data related to Merchant Services and/or any Ancillary Services provided to you in connection with the management of our or their business, including making reports to credit bureaus.

23.6 Damages Insufficient Remedy. You and we acknowledge that damages may not be an adequate remedy to protect the other Party against breach of this Section of the Merchant Agreement. You and we agree that the other Party may seek injunctive or other equitable relief in respect of a breach of this Section of the Merchant Agreement.

23.7 Aggregated, Anonymized Data. Notwithstanding any provision contained in the Merchant Agreement to the contrary, we and our Affiliates may use and disclose aggregated, anonymized Transaction Data and Cardholder data for our and our Affiliates' internal analysis and reporting.

23.8 Open Records Law. Notwithstanding the foregoing, we acknowledge that you may be subject to the provisions of applicable state "open records" laws ("**Open Records Law**") and that under certain circumstances, you may be required to release a copy of this Merchant Agreement to a third party under the Open Records Law. In the event that you receive a request for confidential information from any third party under the Open Records Law, you shall immediately (but not later than the next Business Day) notify us of such request. Such notification shall include a copy of the written request received by you. As soon as is reasonably possible following such notice, you will provide us with copies of any documents and/or other materials that you believe to be responsive to such request. You shall respond to such request by either: (x) rejecting such request; or (y) acknowledging receipt of such request and advising the requesting party that a subsequent response will be forthcoming. We may take whatever action (legal or otherwise) we deem necessary to prevent your disclosure of such confidential information, and you shall provide us with reasonable assistance. However, with respect to Cardholder account numbers, personal information and other Card Transaction information, you will not disclose such information to any such requesting party, and may only disclose such information as otherwise required or permitted under Applicable Law or the Payment Network Rules.

24 INFORMATION SECURITY

24.1 Security Measures. You must, and must ensure that any Third-Party Providers, have sufficient and effective security measures in place for the protection of Cardholder data, Sensitive Authentication Data and Transaction Data and comply with the requirements of PCI-DSS. You are responsible for maintaining the security of any Cardholder data, Sensitive Authentication Data and/or Transaction Data you hold and ensuring that such data is adequately backed-up. We shall not be responsible for any loss of such data. You shall, and shall ensure that your Third-Party Providers, comply with the Visa Account Information Security Program, the Mastercard Site Data Protection Program and Discover Network's Information Security & Compliance, or any successor program for each of the foregoing, any relevant program established by any other applicable Payment Network, and demonstrate such compliance by you, or any of your Third-Party Providers, to us on our request. You shall use only services, Third-Party Providers, and Merchant Equipment that have been certified as PCI-DSS compliant by the Payment Networks. Please refer to the Payments Acceptance Procedures for additional information regarding security measures.

24.2 Data Compromise. In addition to your obligations as set forth in Sections 8 and 14 of the General Terms, if you or a Third-Party Provider (or other Person used by you) are determined by any Payment Network, regardless of any forensic analysis or report, to be the likely source of a Compromised Data Event and regardless of your belief that you have complied with the Payment Network Rules and Applicable Law or any other security precautions and are not responsible for the Compromised Data Event, you must, on the date specified by us, pay us for all related expenses, claims, assessments, fines, losses, costs, penalties and Issuer reimbursements

imposed by the Payment Networks, Regulatory Agency, attorneys general, or other Person(s) against Servicer(s) (together, “**Data Compromise Losses**”).

24.3 Compromised Data Event Appeals. If we are allowed under applicable Payment Network Rules to contest or appeal any amount assessed by a Payment Network against us, or any claim of an Issuer, which you are obligated to pay under this Section 23.7, you will be given the opportunity to advise whether you wish us to contest or appeal the Assessment, Claim, penalty or fine on your behalf. If you ask us to contest or appeal, all related costs will be paid by you and you shall prepare such appeal for us to submit on your behalf. Any amount returned to us as a result of the contest or appeal will be promptly refunded to you in the ordinary course of the settlement process.

24.4 Notice of Data Breach. You shall: (i) notify us within twenty four (24) hours of any suspected, alleged or confirmed Compromised Data Event arising; and (ii) engage, at your expense, a certified PCI Forensic Investigator (“**PFI**”) no later than the time required by a Payment Network, which shall be no longer than twenty-four (24) hours following your discovery of that suspected or actual Compromised Data Event. You must cooperate with the PFI so that it may immediately conduct an examination of Merchant Equipment, Merchant Systems, and you and your Third-Party Provider’s procedures and records and issue a written report of its findings. You agree that upon your discovery of a suspected or actual Compromised Data Event, you shall not alter or destroy any related records, and will maintain complete and accurate documentation regarding any modifications made to the records. You shall share with us information related to your, or any Payment Network’s, investigation related to any actual or suspected Compromised Data Event (including forensic reports and systems audits), and we may share that information with the Payment Networks. We may, in accordance with Section 18.2ii suspend or terminate any or all of the Merchant Services and/or any Ancillary Services we may provide to you under the Merchant Agreement for any suspected, alleged or actual Compromised Data Event.

24.5 System Scans. In the event of a Compromised Data Event or if requested by any Payment Network, us, our respective representatives, or any forensic examiner approved by PCI Security Standards Council, LLC (collectively, the “**Requesting Entities**”), any of the Requesting Entities may conduct remote electronic scans of Merchant Systems, similar to those conducted under the PCI-DSS, and you must promptly cooperate to facilitate such scans.

24.6 Increased Fees for Non-Compliance. In addition to any other permitted action, if we determine that you are not in compliance with any of the data security requirements imposed by the Merchant Agreement, the fees for authorizing and processing Transactions under the Merchant Agreement may be increased by twenty-five percent (25%) (in addition to your obligation to reimburse us for any Data Compromise Losses and Issuer costs) until such time as we are satisfied that you have adequately corrected such non-compliance.

25 DATA PROTECTION

25.1 Overall Data Security Regulations. As a financial institution, we are required to comply with the information security standards established under national and international legal and regulatory requirements applicable to us. We are evaluated regularly for compliance with these obligations by various U.S. and international Regulatory Authorities, as applicable.

25.2 Data Protection. You hereby represent and warrant to us now and on each day on which we provide Merchant Services and/or any Ancillary Services to you that you are in compliance with all Data Protection Laws, and where required under such Data Protection Laws you will maintain at all times during the term of the Merchant Agreement a valid registration or authorization with any applicable Data Protection Authority. Except as set out for any specified jurisdiction in any Territory Addendum, you are the controller and/or equivalent term under applicable Data Protection Laws regarding Personal Data you disclose to us. We will also be responsible as a controller and/or equivalent term under applicable Data Protection Laws for Personal Data once you have provided such Personal Data to us except to the extent that it is agreed that we will be responsible as your processor and/or equivalent term under applicable Data Protection Laws for such Personal Data. To the extent that you are the controller and/or equivalent term under applicable Data Protection Laws regarding Personal Data, you shall ensure that you have: (i) in place sufficient legal grounds and obtained any necessary consents, in each case, sufficient to permit the processing of Personal Data by you and us, and the transfer of such Personal Data to us in accordance with applicable Data Protection Laws to enable us to provide the Merchant Services and/or any Ancillary Services; and (ii) provided all necessary data protection notices (including any of our data protection notices we may specify in a Territory Addendum) sufficient for you and us to process the Personal Data for the purposes described in the Merchant Agreement, and to disclose the Personal Data to the types of recipients described in the Merchant Agreement, including if applicable where the recipients are located outside of the originating jurisdiction, unless such disclosure is prohibited under applicable Data Protection Laws. You shall retain, and upon request provide us with, copies of such notices and consents. With regard to our processing of Personal Data, we will comply with our obligations as a financial institution as set out in Section 25, and all applicable Data Protections Laws.

25.3 Processing of Personal Data. Any disclosures of Personal Data that we make will be made in compliance with applicable Data Protection Laws. We will not use Personal Data for direct marketing to Cardholders. We may process Personal Data for the following purposes:

- i. to provide Merchant Services and/or any Ancillary Services to you;
- ii. to facilitate Transactions;

- iii. to comply with the rules of any relevant Payment Network, to respond to inquiries and fulfill requests from you, and manage our relationship with you, including for the assessment of any credit risk;
- iv. to protect the security of accounts and Personal Data;
- v. for business purposes, including data analysis, audits, developing and improving products and services, identifying usage trends and determining the effectiveness of promotional campaigns, and enhancing, improving or modifying our Merchant Services and/or any Ancillary Services;
- vi. for risk management, for Fraud monitoring, detection and prevention, including know your customer, anti-money laundering, due diligence requirements, compliance with Applicable Laws, and tax reporting;
- vii. to comply with Applicable Law legal process and law enforcement requirements; and
- viii. to send administrative information to you, such as changes to our terms, conditions and policies.

You agree that we may disclose Personal Data to:

- i. our Affiliates, agents, auditors and service providers;
- ii. Payment Networks and Fraud prevention agencies;
- iii. any other person if legally required, including to law enforcement agencies, Regulatory Authorities and courts; and
- iv. any other person to whom we may transfer or intend to transfer, assign or sell any of our rights or obligations under the Merchant Agreement.

25.4 Processing of Merchant Data. You agree that we, and/or any of our Affiliates, may use, share, release or process Merchant Data, subject to Section 23, for developing, enhancing, improving or modifying the Merchant Services, any Ancillary Services and other services that we may provide to you, including data and usage analysis and audits.

25.5 Processing of Data in Foreign Jurisdictions. You acknowledge and agree that data processing related to Merchant Services and/or any Ancillary Services may take place in countries other than those where you and your accounts with us are located and/or where your Locations are situated. You further understand that information concerning your relationship with us may be available on our electronic data system both for information management purposes and in order to enable you to benefit from our electronic banking services. You understand and agree that, as a result, Personal Data, Merchant Data and banking relationship information may be available to some of our officers outside the country or countries where you and your accounts are located and/or where your Locations are situated. You authorize us to transmit Personal Data, Merchant Data and banking relationship information across national borders, notwithstanding the banking secrecy laws of any of the countries involved, as necessary or appropriate to provide Merchant Services and/or any Ancillary Services provided that such transmissions are undertaken in accordance with Applicable Law.

26 PCI-SSC AND DATA

26.1 Compliance with PCI-SSC Rules. Without prejudice to the provisions of Section 4.1 of the General Terms, both Parties (and in the case of Merchant, any and all Third-Party Providers and other Persons used by you) will comply with all PCI-SSC rules, regulations and/or standards as required of them respectively, directly or indirectly, by the Payment Networks.

26.2 Representation by Merchant. You represent, warrant and undertake that no Compromised Data Event relating to Transaction Data processed by or on behalf of the Merchant has occurred before, and remains unremedied on, the date on which the Merchant Agreement was signed by the Parties. In addition to our rights under Section 18.2, if you breach this representation, warranty and undertaking, you acknowledge and agree that we may immediately suspend the Merchant Services, any Ancillary Services and/or take such other steps as we, any Regulatory Authority or any Payment Network reasonably considers necessary to remedy the breach.

26.3 No Storage of Specific Data. You will not at any time "store" (as defined in the PCI-SSC standards): (a) a Card's verification value in the Card's magnetic stripe, on the Card, in or next to its signature panel, or in the Card's magnetic stripe image in a chip application; (b) a PIN verification value in a Card's magnetic stripe; (c) the full contents of any track from a Card's magnetic stripe (on the Card, in a chip or elsewhere); or (d) any other data (including any Sensitive Authentication Data) that any of the Payment Networks mandate from time to time as data that cannot be stored.

26.4 Retention of Records. Subject to the requirements of the PCI-SSC and addition to the other record retention requirements set forth in the Merchant Agreement, you will retain accurate copies of all Transaction Data for a minimum period of eighteen (18) months from the date of the relevant Transaction, Chargeback, Retro-Charge or Representation to which it relates.

27 RETENTION OF RECORDS.

You must retain legible copies or images of your Transactions and any other records of Transactions in accordance with the terms of the Payment Network Rules. Please refer to the Payments Acceptance Procedures for additional information regarding retention of records.

28 REIMBURSEMENT

28.1 Your Reimbursement Obligation. You agree to reimburse us and our Affiliates, employees, directors and officers, for all Claims brought against such parties, and all related Losses, to the extent such Claims: (a) result from any breach of any warranty, covenant or obligation of yours under the Merchant Agreement; (b) result from any misrepresentation by you under the Merchant Agreement; (c) result from or relate to any act or omission (including Fraud, negligence, or willful misconduct) by you, your employees, agents,

or Third Party Provider in connection with the Merchant Services; (d) result from your provision of goods and services to Cardholders; (e) result from any instructions provided by you or on your behalf in relation to your Settlement Account; or (f) otherwise result from any of acts or omissions by you, your employees, agents, or Third Party Provider that render us in breach of any Applicable Law. The obligations contained in the preceding sentence will continue after the Merchant Services, any Ancillary Services you are using and/or the Merchant Agreement is terminated for Claims that arise based on events occurring during the use of the Merchant Services and/or any Ancillary Services. This Section does not apply to any cost or damage attributable to our gross negligence or intentional misconduct.

28.2 Our Reimbursement Obligation. We agree to reimburse you and your employees, directors and officers, for all Claims brought against you, and all related Losses, to the extent such Claims result from: (a) any breach of any warranty, covenant or obligation by us under the Merchant Agreement; (b) any misrepresentation by us under the Merchant Agreement; or (c) any gross negligence or willful misconduct by us, our employees, or agents in connection with the provision of the Merchant Services and/or any Ancillary Services by us.

28.3 Reimbursement Procedure. If a Party receives notice of any Claim for which reimbursement may be available under the Merchant Agreement (the “**Reimbursed Party**”), the Reimbursed Party will: (a) promptly notify the Reimbursing Party hereunder (the “**Reimbursing Party**”) of the Claim, and (b) reasonably cooperate with the Reimbursing Party in the investigation and defense of the Claim (which will be conducted at the Reimbursing Party’s sole expense). The Reimbursing Party will, upon written notice from the Reimbursed Party, immediately undertake the defense of such Claim with counsel reasonably satisfactory to the Reimbursed Party. The Reimbursing Party will keep the Reimbursed Party reasonably informed of the progress and status of the Claim, and will provide to the Reimbursed Party information that the Reimbursed Party requests about the Claim, the Claim’s progress, and the Claim’s status, to the extent reasonable. The Reimbursing Party will be entitled to direct the defense and settlement of any Claim; provided, however, that the Reimbursing Party will not settle any Claim without the Reimbursed Party’s written consent to the extent that the settlement involves more than the payment of money by the Reimbursing Party. In addition to the defense provided by the Reimbursing Party, the Reimbursed Party may elect to retain its own counsel, but the Reimbursing Party will not be responsible for any fees or expenses of such counsel.

29 [RESERVED]

30 **LIMITATION OF LIABILITY**

30.1 DISCLAIMER OF WARRANTIES. THIS IS A SERVICES AGREEMENT AND EXCEPT AS EXPRESSLY PROVIDED HEREIN, WE DISCLAIM ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO YOU OR ANY OTHER PERSON, INCLUDING ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE (REGARDLESS OF ANY COURSE OF DEALING, CUSTOM OR USAGE OF TRADE) OF ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE MERCHANT SERVICES AND/OR ANY ANCILLARY SERVICES PROVIDED UNDER THE MERCHANT AGREEMENT.

30.2 LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING IN THE MERCHANT AGREEMENT TO THE CONTRARY AND TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH SERVICER’S CUMULATIVE LIABILITY, IN THE AGGREGATE (INCLUDING OF ANY REIMBURSEMENT OBLIGATION UNDER THE MERCHANT AGREEMENT, WHETHER SUCH CLAIMS ARE RELATED OR UNRELATED TO ONE ANOTHER) FOR ALL LOSSES, CLAIMS, SUITS, CONTROVERSIES, BREACHES, OR DAMAGES FOR ANY CAUSE WHATSOEVER (INCLUDING THOSE ARISING OUT OF OR RELATED TO THE MERCHANT AGREEMENT) AND REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY (INCLUDING NEGLIGENCE) WILL NOT EXCEED THE AMOUNT OF MERCHANT SERVICES FEES (EXCLUSIVE OF ANY PAYMENT NETWORK FEES AND THIRD-PARTY-BASED FEES) RECEIVED BY SUCH SERVICER PURSUANT TO THE MERCHANT AGREEMENT DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE DATE ON WHICH YOUR FIRST CLAIM UNDER THE MERCHANT AGREEMENT AROSE.

30.3 EXCLUSION OF CONSEQUENTIAL DAMAGES. NOTWITHSTANDING ANYTHING IN THE MERCHANT AGREEMENT TO THE CONTRARY AND TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL ANY SERVICER BE LIABLE UNDER ANY THEORY OF TORT (INCLUDING NEGLIGENCE), CONTRACT, STRICT LIABILITY OR OTHER LEGAL THEORY FOR LOST PROFITS, LOST REVENUES, LOST BUSINESS OPPORTUNITIES, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES (EACH OF THE FOREGOING TYPES OF DAMAGES OR OTHER AMOUNTS ARE REFERRED TO HEREIN COLLECTIVELY AS “CONSEQUENTIAL DAMAGES”), EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER ANY PARTY OR ANY ENTITY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FOR THE AVOIDANCE OF DOUBT, ANY ASSESSMENTS, CHARGEBACKS, CHARGES, FINES, PENALTIES OR OTHER LIABILITIES (INCLUDING ANY DATA COMPROMISE LOSSES) THAT MAY BE IMPOSED ON US OR YOU BY A PAYMENT NETWORK OR OTHERWISE IN CONNECTION WITH THE MERCHANT SERVICES AND/OR ANY ANCILLARY SERVICES AND ALL RELATED COSTS AND EXPENSES INCURRED BY US THAT ARE DUE FROM YOU ARE NOT CONSEQUENTIAL DAMAGES (AS DEFINED HEREIN).

30.4 Acts and Omissions. Neither Party will be responsible for the acts or omissions of the other Party’s officers, employees, Affiliates or agents (including the amount, accuracy, timeliness or authorization of any instructions or information received). We will not be responsible for the acts or omissions of any other person or entity, including any clearing-house, Payment Network or processor, any country’s central bank, any other financial institution or any supplier (except for our suppliers providing the Merchant Services and/or any Ancillary Services under the Merchant Agreement), and no such person or entity will be deemed our agent.

30.5 Force Majeure. To the extent permissible under Applicable Law, neither you nor we will be liable for any failure or delay in performing our respective obligations in relation to the Merchant Services and/or any Ancillary Services if that failure or delay is caused by circumstances beyond the control of the other Party, including any natural disaster (such as earthquake or flood), emergency conditions (such as war, riot, fire, theft or labor dispute), legal constraint or governmental action or inaction, or for the act, omission, negligence or fault of the other, or if such performance would, in either Party's good faith belief, violate Applicable Law.

31 PUBLICITY

None of the Parties will use the other Party's name, Marks or initiate publicity relating to the Merchant Agreement without the prior written approval of the other Party, except that a Party may make disclosures required by legal, accounting or regulatory requirements.

32 FURTHER AGREEMENTS

You shall execute such other agreements or documentation as we deem reasonably necessary for you or us to comply with your or our obligations under Applicable Law, the Payment Network Rules and/or the Merchant Agreement upon our request.

33 RIGHT OF AUDIT AND REVIEW

33.1 To ensure compliance by you with the Merchant Agreement, Applicable Law and the Payment Network Rules, including your compliance with the data security standards adopted by the PCI Security Standards Council, LLC, upon thirty (30) days' written notice (or upon shorter notice or no notice if such an audit is requested or required by a Regulatory Authority, Payment Network or as the result of a Compromised Data Event relevant to the Merchant Agreement), you will:

- i. permit us and/or our duly authorized representatives or Persons to access during normal operating hours such premises, Locations, Merchant Equipment and/or systems (including any computer or server systems) on which your operations are carried out or where your records or stock are located without advance notice;
- ii. permit us and/or our duly authorized representatives or Persons to take and retain copies of all such records (in any medium) to determine whether you are in compliance with the requirements of the Merchant Agreement and performing your obligations hereunder; and
- iii. provide all reasonable cooperation in relation to such audit.

33.2 Costs. Where such an audit is requested by a Payment Network or Regulatory Authority, you shall pay any costs and charges incurred by us in respect of such audit.

33.3 Remediation. You must promptly take corrective action acceptable to us, the Regulatory Authority and the Payment Networks (as applicable) to rectify:

- i. any failure to comply with the Merchant Agreement or any problem identified in any report, examination or audit that could reasonably be expected to have an adverse impact on us, Issuers, Payment Networks or Cardholders; and
- ii. any control deficiencies identified in such report.

34 ASSIGNMENT

34.1 No Assignment by Merchant Without Prior Written Consent. You may not assign the Merchant Agreement or transfer any right or delegate any duty or performance under the Merchant Agreement (whether by operation of law, where applicable, or otherwise), without our prior written consent, which shall not be unreasonably withheld. Any purported assignment by you of rights or delegation by you of obligations contrary to the provisions of the Merchant Agreement shall be void. Without prejudice to our rights under the foregoing, we may additionally (or in the alternative) declare a Merchant Event of Default pursuant to Section 18.2iii under such circumstance. You shall be liable to us for all liabilities, Chargebacks, Settlement Fees and Other Payments in connection with any and all Card Transactions submitted to us for processing by any assignee or transferee of the Merchant Agreement not previously approved as such by us.

34.2 Material Event Notices. You will also notify us at least ten (10) Business Days in advance of any changes to your legal name, tax identification number, address, telephone/facsimile number, Settlement Account, or other profile information. You shall also provide us with advance written notice of any material change in your operations that would affect your ability to perform your obligations under the Merchant Agreement, or would otherwise change how you use the Merchant Services and/or any Ancillary Services provided under the Merchant Agreement, including any material changes in Transaction volume.

34.3 Assignment of Merchant Agreement by Bank or Servicer. You hereby agree that Bank and/or any Servicer may assign their respective rights and/or novate their respective rights and obligations, in whole or in part, under the Merchant Agreement and any applicable Territory Addenda and/or Supplements to any Person without requiring your consent. If Bank and/or any Servicer does so, Bank and/or such Servicer will provide reasonable notice to you following the assignment or novation (as applicable).

34.4 Binding Nature of Agreement. Except as provided in the following sentence, the Merchant Agreement will be binding upon permitted successors and assigns and will inure to the benefit of the parties and their respective permitted successors and assigns. In the event of an assignment for the benefit of creditors, custodian, receiver, officer of a court or other person charged with taking

custody of a party's assets or business, such assignee will not have any right to continue or to assume or to assign the Merchant Agreement.

35 IRS REPORTING INFORMATION

Pursuant to Section 6050W of the Internal Revenue Code ("IRC"), merchant acquiring entities (like us) and third-party settlement organizations are required to file an information return reflecting all payment card transactions and third-party network transactions occurring in a calendar year. Accordingly, you will receive a Form 1099-K reporting your gross transaction amounts for each calendar year. In addition, the IRC may require us to undertake backup withholding if you do not provide us with the correct name and Taxpayer Identification Number that you use when filing your income tax return that includes the transactions for your business. To the extent permissible under Applicable Law, you shall be responsible for any financial penalties imposed on us by any Regulatory Authority resulting from your failure to provide us with information we may request from you that we require to fulfill our obligations as required under Applicable Law (each a "**Regulatory Penalty**"). Any such Regulatory Penalties shall be paid to us immediately on our demand in accordance with Section 8.1.

36 MISCELLANEOUS

36.1 Entire Agreement; Interpretation. The Merchant Agreement, together with the relevant Territory Addendum including the Fee Schedule and any Supplements incorporated therein as amended from time to time, constitute and represent the entire agreement between you and us regarding the Merchant Services and/or any Ancillary Services we provide to you anywhere in the world and supersede and extinguish all prior agreements, understandings, representations, warranties and arrangements of any nature (including requests for proposals and other sales material), whether oral or written, between you and us relating to that Service. Throughout the Merchant Agreement, where appropriate: (i) reference to any law, statute or order is to that law, statute or order as amended, modified or replaced from time to time; (ii) the term "law" includes Applicable Laws, rules, regulations, interpretations, orders, writs, judgments, injunctions, decrees, awards and guidelines (whether or not having the force of law but, if not, compliance with which is customary or expected practice in the jurisdiction concerned), in each case issued by any authority or other body (whether governmental or non-governmental) having competence and authority over those matters; (iii) singular terms include the plural and the plural includes the singular; (iv) reference to any gender includes the others; (v) the words "will" and "shall" are used interchangeably and have the same meaning; (vi) the word "including" means "including, but not limited to," and the word "includes" means "includes, but is not limited to"; (vii) references to "days" mean calendar days unless otherwise indicated through the use of the phrase "Business Day"; and (viii) reference to a "Section" or "Schedule" is to the corresponding Section of or schedule to the General Terms or Territory Addendum, as applicable. Headings are for convenience and reference only, and will not in any way affect the meaning or construction of any provision of the Merchant Agreement. Purchase orders, requests for production, pre-printed terms or other Merchant-generated documents that we may receive are for administrative convenience only and do not modify the Merchant Agreement and are expressly rejected by us.

36.2 Survival. The terms of the Merchant Agreement governing your obligations and our rights regarding the following matters will survive termination until all these matters are resolved or settled and all amounts owed to us are fully and irrevocably paid: (i) processing and settlement of Transactions; (ii) adjustments; (iii) all amounts (including Fees and Other Payments) due to us under the Merchant Agreement; (iv) the resolution of any Chargebacks, Assessments, penalties and/or any other amount or liabilities involving Transactions; (v) Compromised Data Events; and (vi) all our rights regarding your breach of any of your agreements, representations, warranties, covenants or other obligations under the Merchant Agreement. In addition to the foregoing and any terms and provisions which by their terms or nature survive termination, will survive termination of the Merchant Agreement.

36.3 Third Parties; Subcontractors. The Parties are independent contractors. No Party will have any authority to bind any other Party. We may engage, subcontract with or use our Affiliates and/or other Persons to provide Merchant Services and/or any Ancillary Services and perform any of our obligations under the Merchant Agreement. Except for any person or entity to whom the Merchant Agreement provides any express indemnity or covenant, you and we do not intend that the Merchant Agreement shall confer any right or benefit on any person or entity who is not a Party to the Merchant Agreement (including any right or requirement to consent to any variation, amendment or termination of the Merchant Agreement), and any and all laws or regulations conferring such rights or benefits are hereby excluded (to the maximum extent permissible). Nothing contained in the Merchant Agreement shall create any agency, fiduciary, joint venture or partnership between you and us.

36.4 Severability. If any provision of the Merchant Agreement or its application to any person or set of circumstances is held to be invalid, unlawful, void or unenforceable to any extent, the remaining provisions of the Merchant Agreement and their application to any other persons or circumstances shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

36.5 Waiver. No delay or failure to exercise any right or remedy under the Merchant Agreement constitutes a waiver of that right or remedy. No waiver of a single breach or default under the Merchant Agreement constitutes a waiver of any other breach or default. Any waiver under the Merchant Agreement must be in writing.

36.6 Counterparts; Electronic Versions. The Merchant Agreement and any Supplements hereto may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of the Merchant Agreement or any Supplement, by facsimile or other electronic means, will be effective as delivery of a manually executed counterpart of the Merchant Agreement or any Supplement.

- 36.7 Governing Law.** The Merchant Services and any Ancillary Services, including any of Servicer's rights and duties related thereto, are governed by the federal laws of the United States of America, regardless of where you are located or where the Transaction occurs. Otherwise, Merchant Agreement and its interpretation shall be governed by the laws of the state of Florida, without reference to principles of conflicts of law other than those applying the substantive law of Florida subject to any supervening United States federal law, rule or regulation applicable to a national banking institution.
- 36.8 Dispute Resolution.** Except as set out in the applicable Territory Addendum, any dispute, controversy or claim concerning your use of the Merchant Services, any Ancillary Services or the Merchant Agreement (with the exception of any dispute, controversy or claim relating to any breach of Section 24 and/or Section 26, or in connection with any Compromised Data Event) will be referred to and finally determined by arbitration in accordance with the JAMS International Arbitration Rules (an "Arbitration"). The place and seat of Arbitration will be the Borough of Manhattan, New York, New York, and the language to be used in the arbitral proceedings will be English. Either Party may exercise self-help remedies or obtain provisional or ancillary remedies from a court at any time, even while the arbitration is pending. By exercising or obtaining any such remedies, neither Party waives any rights it may otherwise have. You agree that you will not commence any action, litigation or proceeding against us in any way related to the Merchant Services, any Ancillary Services, the Merchant Agreement or related transactions in any forum other than the seat or courts set out in this Section. Each Party waives the defense of inconvenient forum, and waives any objection that it may now or hereafter have to the seat for arbitration or venue for litigation set forth in this Section. Nothing in the Merchant Agreement shall affect any right that we may otherwise have to bring any action, litigation or proceeding relating to the terms and conditions of the Merchant Agreement applicable to the Merchant Services, any Ancillary Services or the transactions relating thereto against you or your assets in the courts of any jurisdiction.
- 36.9 Conflicts; Order of Precedence.** If there is a conflict between Applicable Law, the Payment Network Rules, the General Terms and/or the Territory Addendum, such documents will govern in the following order of precedence: (i) Applicable Law; (ii) Payment Network Rules; (iii) the Territory Addendum; and (iv) the General Terms.

{Signature page immediately follows}

IN WITNESS WHEREOF, each of the Parties has caused the Merchant Agreement to be executed as of the Effective Date, by its duly authorized officer(s).

Merchant **City of Hollywood**

(Lead Merchant's Address for Notices)

APPROVED AS TO FORM:

BY: _____
(Signature of Lead Merchant)

BY: _____

NAME: _____
(Print Name of Signor for Lead Merchant)

NAME: _____

TITLE: _____
(Title of Signor for Lead Merchant)

TITLE: _____

Servicer **BANK OF AMERICA, N.A.**

BY: _____
(Signature of Servicer)

NAME: _____
(Print Name of Signor for Servicer)

TITLE: _____
(Title of Signor for Servicer)

SCHEDULE 1

DEFINITIONS

Affiliate. An entity that directly or indirectly: (i) owns or Controls a Party; or (ii) is owned or Controlled by a Party; or (iii) is under common ownership or Control with a Party

Agreed Upon Card Types. The Card types we agree that you may accept.

AML/Sanctions Laws. All laws relating to client identification, the prevention of money-laundering, terrorism, the use of proceeds of crime, economic or political sanctions, including Sanctions, and any other similar matter.

Ancillary Services. Such services as we may offer or provide to you from time to time either directly or through third-party vendors in connection with the Merchant Services which may be subject to additional terms and conditions.

Applicable Law. All laws, enactments and regulations including any regulatory requirements, rules or guidelines applicable to Merchant (or its Affiliates), Bank or Servicer, including AML/Sanctions Laws and Data Protection Laws.

Assessment. An assessment, fine or any other charge levied by a Payment Network on us or you (directly or indirectly) in relation to the Merchant Services.

Asset Sale. The sale, transfer or other disposal of all or substantially all of your or your parent entity's assets.

Authorization. The provision to you of confirmation from the applicable Issuer of: (i) whether the Cardholder who has presented a Card to pay for goods and services has sufficient funds or credit available for such goods and services at that time; and (ii) that the Card has not been blocked, marked as lost, stolen, compromised from a security perspective, or is otherwise unavailable for use.

Bank. Bank of America, N.A.

Bank Equipment. Any Merchant Equipment acquired from Servicer.

Bankruptcy Code. Title 11 of the United States Code as amended from time to time.

BoA Systems. Any and all Card-related information reporting, operating and processing systems used by us or Persons on our behalf, including hardware, Software, related documentation, technical formats and specifications, technical and business information related to inventions, present and future products and product lines, intellectual property, know-how, and any other information that is identified as BoA's systems, whether owned by us or providers used by us.

Business Day. Any day other than a Saturday, Sunday, or a bank or public holiday as defined in the applicable Territory Addendum.

Card. A credit, debit, charge, purchase or virtual card or any other card-based or Payment Network-based payment instrument.

Cardholder. The Person who has requested goods and/or services from you and who is the authorized user of the Card presented for payment.

Chargeback. A Transaction (or disputed portion thereof) that is returned to us by the Issuer, the liability of which is your responsibility.

Claim. Any action, proceeding, claim, demand or Assessment, fine or similar charge, whether arising in contract or tort (including negligence or breach of statutory duty) or otherwise commenced by a Person.

Compromised Data Event. Any loss, disclosure, theft or compromise of Sensitive Authentication Data, Cardholder data or Transaction Data.

Control. To directly or indirectly own, have ownership of, or have voting or investment power over more than 50% of the shares, units, capital, voting or ownership interest in an entity.

Confidential Information. All information concerning or relating to a Party or any of its Affiliates, employees, agents, service providers, or representatives, including:

- i. business practices and strategies or information concerning business practices or strategies, including any documents prepared by a Party or any of its employees, agents or representatives (including lawyers, accountants and financial advisors); and
- ii. any other information which is manifestly confidential by virtue of its nature or description or which a Party expressly designates as being confidential.

Conveyed Transaction. Any Transaction conveyed to a Payment Network by us for Settlement by such Payment Network directly to you. Payment Networks to which we will submit Conveyed Transactions are set out in a Supplement to the Merchant Agreement.

Data Protection Authority. The competent authority for regulating the processing of Personal Data in a relevant jurisdiction.

Data Protection Laws. Collectively, all laws regarding the collection, use, storage, transfer and processing of data, including Personal Data, relating to individuals (and, where applicable, legal persons), including all applicable U.S. national and state laws and regulations. The term Data Protection Laws includes any laws, regulations or decrees governing the use and/or disclosure of customer data by financial institutions, including bank secrecy obligations.

Debit Network means the telecommunications and processing system of a shared electronic funds transfer network (such as Interlink®, NYCE®, Star® or Interac®) for processing and settling Debit Network transactions.

De-identification or De-identified. Removing, obscuring, masking or obfuscating Personal Data from a record to ensure that the remaining information does not directly or indirectly identify an individual.

EMV. Europay/Mastercard/Visa.

EU. The European Union as constituted from time to time.

Fees. The fees and any other amounts payable or become due and owing by you under the Merchant Agreement, which include the Payment Network Fees, Third-Party-Based Fees, the Merchant Services Fees, and Other Payments.

Fee Schedule. The fee schedule set forth in the applicable Territory Addenda as amended and updated from time to time.

Fraud. Misuse or theft of Card information by you or any other Person that involves, but is not limited to, account takeover, counterfeit Cards, lost/stolen Cards, fraudulent Card not present Transactions, skimming, database hacking, franchise software hacking or phishing.

General Terms. The terms set out under the heading General Terms hereof and in any Schedule thereto, including this Schedule 1.

Issuer. The financial institution or Payment Network that has issued a Card to the Cardholder.

Location. A physical location, Website, division, processing method or business activity where or from which you are conducting business activities within the Territories and relevant to the subject matter of the Merchant Agreement). For the avoidance of doubt, any "Merchant Outlet" or "Merchant Location" as defined under the Payment Network Rules is deemed to be a "Location" for these purposes.

Losses. Any and all liabilities, losses, damages, costs, charges, expenses, including any actions or expenditures required by law or regulations, reasonable legal, auditor and other fees, and costs.

Marks. Names, logos, emblems, brands, service marks, trademarks, trade names, tag lines or other proprietary designations.

Materials. The software, user identification codes, passwords, codes, keys, test keys, security devices, authenticators, personal identification numbers, embedded algorithms, digital signatures and certificates, other similar devices and information, Payments Acceptance Procedures and any documentation we provide to you in connection with the Merchant Services.

Merchant. An entity that enters into or otherwise accedes a Merchant Agreement with Servicer.

Merchant Agreement. An agreement between a Merchant and the Servicer incorporating the General Terms and the applicable Territory Addendum (and any Supplements thereto) as the same may be amended from time to time.

Merchant Data. Documents, data and records in any medium relating to Merchant and the Merchant Services provided to Merchant, including Transaction Data.

Merchant Equipment. Any and all equipment you use in connection with your receipt of the Merchant Services from us, including all telecommunication lines and wireless connections and Software (excluding BoA Systems), PIN Entry Devices, Merchant Systems, Terminals, Card readers, merchandise and Card scanners, printers, and other hardware or software, whether owned by you, Third-Party Providers or other Persons.

Merchant Services. The merchant acquiring services provided by us to you under the Merchant Agreement, including services to facilitate: (i) Authorization; (ii) the transmission of Transactions received from you to a Payment Network for onward transmission to the Issuer in order to allow the Issuer to allocate such funds for transfer to us; and (iii) the subsequent Settlement of funds received from the Payment Networks by us to you.

Merchant Services Fees. Our fees for providing the Merchant Services and/or any applicable Ancillary Services to you, as set out in the applicable Fee Schedule, as amended from time to time. The Merchant Services Fees are in addition to any Payment Network Fees and, for the avoidance of doubt, shall exclude any Payment Network Fees and any Third-Party-Based Fees.

Merchant Systems. Any Card acceptance and processing systems used by you including Software (except BoA Systems or any other system or Software we may provide to you from time to time), related documentation, technical formats and specifications, technical and other information related to inventions and present and future products and product lines, intellectual property, know-how, and any other information that is identified as your systems, whether owned by your or Third-Party Providers or other Persons.

Other Payments. Means: (i) all Assessments, Chargebacks, charges, fines, penalties or other liabilities (including any Data Compromise Losses) that may be imposed on us or you by a Payment Network or any Regulatory Authority or otherwise in connection with the Merchant Services and all related costs and expenses incurred by us; (ii) all fees associated with processing Chargebacks, without regard to whether the Chargeback is settled in your favor or the Issuer's favor; (iii) all payments required to establish or fund a Reserve Account; (iv) all costs and expenses, including reasonable legal fees, incurred by us in the protection, preservation, amendment, exercise or enforcement of any term of the Merchant Agreement including in connection with any bankruptcy proceedings relating to you and/or in connection with the recovery of any Bank Equipment and such amounts due; and/or (v) any other amounts owing to us pursuant to the Merchant Agreement or any other agreement between you and us.

Parties. In the case of any Merchant Agreement, the applicable Merchant and the applicable Servicer together.

Party. The applicable Merchant or applicable Servicer under a Merchant Agreement.

Payment Network. Any entity formed to administer and promote Card payment networks, including Visa Inc., Visa Canada Corporation and Visa Europe (collectively "Visa"), Mastercard International Incorporated ("Mastercard") and DFS Services LLC ("Discover"), any applicable Debit Networks and any other similar entities.

Payment Network Fees. The fees and any other amounts (including new fees, fines, penalties, Assessments and interchange) set or imposed by the Payment Networks, which we pass through to you and which you are liable for.

Payment Network Rules. The rules, regulations, releases, policies and procedures, interpretations and other requirements imposed or adopted by the Payment Networks.

Person. A third-Party individual or entity, other than the Merchant or the Servicer.

PCI-DSS. The Payment Card Industry - Data Security Standard as amended from time to time and any successor standard adopted by the payment Card industry establishing security standards for payment Cards.

PCI-SSC. Those standards of the PCI Security Standards Council (or any successor entity) as in force from time to time, including PCI-DSS and the PIN transaction security standard, as updated from time to time.

Personal Data. Means: (i) any "non-public personal information" as such term is defined under Title V of the U.S. Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 *et seq.* and the rules and regulations issued thereunder; (ii) any "personal data" or any equivalent or similar concept of personal data or personal information under any Applicable Law; or (iii) any other information that can specifically identify an individual, such as name, residential and office address and social security number, together, in each case, with any other information that relates to an individual who has been so identified.

PFI. Certified PCI Forensic Investigator.

PIN. The Personal Identification Number used by a Cardholder to complete a Transaction.

PIN Entry Device. Any hardware used by the Cardholder to enter a PIN to make a purchase.

Reason Code. A code or category used by a Payment Network to classify a specific act or omission.

Regulatory Authority. A financial services regulator or similar statutory body that has jurisdiction over us.

Refund. A Transaction to reverse in whole or in part a payment from a Cardholder.

Representment. A Transaction to reverse a Chargeback by the re-submission of the original Transaction after you have successfully challenged a Chargeback.

Reserve Account. A deposit account in the name of Bank or Servicer (at our discretion), established in accordance with the terms and conditions set out in Section 7.

Retro-Charge. A Transaction to reverse a Refund that the Cardholder was not entitled to.

Sanctions. Any sanctions administered or enforced by the United States Government (including the U.S. Department of the Treasury's Office of Foreign Assets Control), the Canadian Government, the United Nations Security Council, the EU, Her Majesty's Treasury of the UK or any other relevant sanctions authority.

Sensitive Authentication Data. Card data used for Authorization of a Transaction, such as magnetic strip data, CVV, CVC, PINs, PIN blocks, the three- or four-digit digit security code on the back of a Card.

Servicer. Bank or certain of its branch offices or its Affiliates that provides the relevant Merchant Services and/or Ancillary Service in a Territory as identified in the applicable Territory Addendum.

Settlement or Settle. The initiation of the transfer of funds to you for payment in respect of Transactions submitted to us by you, all in accordance with the terms of the Merchant Agreement

Settlement Account. An account or account(s) designated by Merchant to be debited and credited by us for Settlement, Fees, Chargebacks and any other amounts due in connection to the Merchant Services.

Settlement Funds. Funds received in respect of a Transaction from a Payment Network.

Software. Any and all software, computer programs, related documentation, technology, know-how and processes embodied in or provided in connection with Card authorization, clearing, completing, settling, transmitting or other related processing, whether equipment, PC, server or Internet-based.

Standard Day Funding Cut-Off Time. The latest time by which Transactions are required to be received by us to carry out Standard Day Funding, as may be described from time to time in the Payments Acceptance Procedures.

Statement. Any statements and reports in respect of Transactions we provide or make available to you.

Subsidiary. Any entity which is under Control of another entity.

Surcharge. An additional charge or payment for use of a particular Card.

Supplement. Any and all concurrent and subsequent addenda, appendices, exhibits, supplements, or schedules to a Merchant Agreement.

System Enhancements. Any system enhancements, custom reports, special files, Terminal applications, related service enhancements or new services.

Terminal. A device placed in a Location that is connected to the BoA Systems via a data connection and is designed to authorize, record and transmit settlement information via electronic means for Transactions.

Territory. Each geographical region where the Merchant Services are to be provided to you as set out in the Merchant Agreement and more fully set forth in the applicable Territory Addendum, which includes the United States of America.

Territory Addendum. The terms and conditions that govern the provision of Merchant Services in a Territory.

Third-Party-Based Fees. Fees set by the Payment Networks or other Persons for services related to the Merchant Services.

Third-Party Provider. Any Person engaged by you to provide services to you involving or relating to (i) access to Cardholder data, Transaction data or information related to either Cardholder data or Transaction data or (ii) PIN encryption, including, Encryption Service Organizations. "Third-Party Provider" also includes any corporate entity, franchisor or other Person that provides or controls a centralized or hosted network environment irrespective of whether Cardholder data is being stored, transmitted or processed through it.

Transaction. A purchase by the Cardholder of goods or services from the Merchant using a Card.

Transaction Data. Data, including any Personal Data, in relation to a specific Transaction.

UK. The United Kingdom of Great Britain and Northern Ireland.

Website. Any internet website, internet address, and/or online access channel.

APPENDIX 1**UNITED STATES TERRITORY ADDENDUM**

This United States Territory Addendum together with the Fee Schedule and Supplements hereto (collectively, “**U.S. Territory Addendum**”) sets forth the terms and conditions on which Bank of America, N.A. will provide Merchant Services in the U.S. Territory, as defined below. The Servicer for the U.S. Territory is Bank of America, N.A. The U.S. Territory is a Territory (as defined in the General Terms).

This U.S. Territory Addendum is a Territory Addendum (as defined in the General Terms) and is incorporated into each Merchant Agreement applicable to each Merchant in the U.S. Territory, only. Where used in this U.S. Territory Addendum, the terms “**we**”, “**us**” and “**our**” refer to Servicer whereas the terms “**you**” and “**your**” refer to each Merchant in the US Territory.

- 1. DEFINITIONS AND INTERPRETATION.** Capitalized terms used but not defined in this U.S. Territory Addendum are defined in the General Terms. For purposes of this U.S. Territory Addendum, the following defined terms also apply:

“**Business Day**” means Monday through Friday, excluding Servicer holidays.

“**Debit Card**” means a Card that is tied to, and that authorizes the Cardholder to purchase goods and services using funds from, the Cardholder’s bank account or prepaid account. A Transaction made using a Debit Card is considered either a Debit Network Transaction or a Non-Debit Network Transaction.

“**Debit Network**” means the telecommunications and processing system of a shared electronic funds transfer network (such as Interlink®, NYCE®, or Star®) for processing and settling Debit Network Transactions.

“**Debit Network Transaction**” means a Transaction made with a Debit Card that is routed through a Debit Network. A Debit Network Transaction made with use of a PIN may be referred to as a “Debit Network PIN Transaction” or as “PIN Debit”. A Debit Network Transaction made without use of a PIN, as permitted under the rules and requirements of the applicable Debit Network, may be referred to as a “Debit Network PINless Transaction” or as “PINless Debit.”

“**Discount Rate**” means a percentage rate and/or amount charged to a Merchant for processing its qualifying daily credit card and Non-PIN Debit Card Transactions, as further described in the Fee Schedule.

“**Non-PIN Debit Card**” means a device with a Visa, Mastercard or other Payment Network Mark that is tied to a Cardholder’s bank account or a prepaid account and which is processed without the use of a PIN.

“**PINless Debit Transaction**” means a Transaction made with a Debit Card at a merchant location (physical or Internet web site) without a PIN that is eligible for processing without a PIN and is processed through a participating Debit Network that does not require Cardholders to enter their PINs.

“**U.S. Territory**” means the fifty states of the United States of America or a territory of United States.

- 2. ADDITIONAL REPRESENTATIONS AND WARRANTIES.** You represent and warrant the following, which are in addition to the representations and warranties contained in the General Terms:

2.1 During the term of the Merchant Agreement, your place of operations and all your Locations are within the U.S. Territory.

- 3. ADDITIONAL TERMS AND CONDITIONS FOR THE U.S. TERRITORY.** The following terms and conditions apply in addition to those set forth in the General Terms:

3.1 The Initial Term for the Merchant Agreement applicable to the U.S. Territory is five (5) years from the Effective Date set out on the first page of the General Terms.

3.2 You are deemed to be the merchant of record for all Transactions processed by Servicer on your behalf under the Merchant Agreement.

3.3 Merchant Services Fees and certain Payment Network Fees applicable to the Merchant Services provided in the U.S. Territory as of the Effective Date are set forth in the Fee Schedule attached hereto as Schedule A to U.S. Territory Addendum and you hereby agree to pay us all such amounts subject to the terms and conditions set forth therein and in accordance with the provisions the Merchant Agreement.

3.4 You may change or add Locations at any time upon prior written notice to us and in accordance with the General Terms, provided that (i) any new Location must be within the U.S. Territory, and (ii) you may be required to complete documentation, provide additional information, and/or be subject to additional due diligence by us in connection with such change or addition.

4. ADA REQUIREMENTS

4.1 You shall be solely responsible for locating, positioning, maintaining, and operating all Merchant Equipment in compliance with all applicable provisions of the Americans with Disabilities Act of 1990, 42 USC § 12101, *et seq.* (as amended) (the “ADA”), similar state and local laws, and the Americans with Disabilities Act Accessibility Guidelines (the “ADAAG”), including, without limitation, provisions of the ADAAG relating to clear floor space and height and reach ranges. You shall also be solely responsible for providing any description of how you accept Card Transactions for payment of goods and/or services provided

by you as may be necessary to your customers in compliance with all applicable provisions of the ADA, similar state and local laws, and the ADAAG, including, without limitation, providing appropriate auxiliary aids and/or services and making appropriate reasonable modifications to policies, practices, and procedures relating to such services.

5. DEBIT TERMS AND CONDITIONS

- 5.1 **Scope.** This Section 5 applies only to Debit Network Transactions, including PINless Debit Transactions if you have been approved to accept PINless Debit Transactions. This Section 4 does not apply to Non-Debit Network Transactions.
 - 5.2 **Accepting Debit Cards.** When a Debit Card is presented you must read the account number electronically from the magnetic stripe or chip for Debit Network Transactions made via use of a PIN, and if the magnetic stripe or chip is unreadable you must request a different form of payment.
 - 5.3 **Advanced Smart Routing Required for PINless Debit Transactions.** You acknowledge that in order to enable the ability to accept PINless Debit Transactions, you must also enable the Advanced Smart Routing service, which is subject to additional terms, conditions, fees, and Payment Network Rules as set out in the Advanced Smart Routing Addendum. You further acknowledge that you cannot accept PINless Debit Transactions hereunder unless and until the services contemplated under the Advanced Smart Routing Addendum have commenced. You further acknowledge that if the Advanced Smart Routing Addendum is terminated for any reason, your ability to accept PINless Debit Transactions will cease immediately without notice.
 - 5.4 **Routing Debit Network Transactions.** The Debit Network used to process your Debit Network Transactions will depend upon a variety of factors, including the availability of Debit Networks at the time of a Transaction and whether a particular Debit Card is enabled for a particular Debit Network. Subject to Applicable Law, we may choose any available Debit Network, including a Debit Network affiliated with either of them or their Affiliates, when routing your Debit Network Transactions.
 - 5.5 **Returns.** You must not prompt Cardholders to enter a PIN for Debit Network Transactions that are returns. If you allow refunds or returns on Debit Network Transactions, you must refund amounts to Cardholders in cash. You are responsible for securing its Terminals and instituting appropriate controls to prevent employees or others from submitting credits and voids that do not reflect bona fide returns or reimbursements of prior Debit Network Transactions.
 - 5.6 **Settlement.** Debit Network Transactions will be settled in accordance with the settlement provisions and other provisions of the Merchant Agreement.
 - 5.7 **Adjustments.** An adjustment is a Transaction that is initiated to correct a Debit Network Transaction that was made in error. You are responsible for all adjustments, adjustment fees, and other Third-Party-Based Fees charged by a Debit Network. Adjustments and related time frames are regulated by Payment Network Rules and under Applicable Law (such as the Electronic Funds Transfer Act, or Regulation E).
 - 5.8 **Fees.** You agree to pay the fees for Debit Network Transactions and Non-Debit Network Transactions set forth on Schedule A (Fee Schedule) attached to this U.S. Territory Addendum. Such fees are in addition to all other applicable Third-Party-Based Fees and Merchant Services Fees, which will be payable by you as set forth in the Merchant Agreement.
6. **NOTICE TO SERVICER.** All notices and other communications to Servicer as required or permitted under the General Terms or this U.S. Territory Addendum shall be sent to: Bank of America, N.A., 9200 Shelbyville Road, Suite 200, KY6-225-0202, Louisville, KY 40222, Attention: Contract Management, with a copy to Bank of America, N.A., Legal – Global Transaction Services, Mail Code NC1-027-20-05, Hearst Tower, 214 N. Tryon Street, Charlotte, NC, 28255 Attn: Legal – Merchant Services, Associate General Counsel.
 7. **CONFLICTS.** In the event of a direct conflict between the terms and conditions of the General Terms and this U.S. Territory Addendum, the terms of this U.S. Territory Addendum will control.
 8. **SURVIVAL.** In addition to the provisions indicated in the General Terms as surviving termination, any terms and provisions of this U.S. Territory Addendum which by their terms or nature survive termination will survive any termination of the U.S. Territory Addendum or the Merchant Agreement.

SCHEDULE A TO U.S. TERRITORY ADDENDUM

Fee Schedule

Merchant Name:	City of Hollywood	Average Ticket:	\$54.11
Contract Term (Years):	5	Annual Volume:	\$32,123,914
Transmission Method:	3rd Pty EComm	Fee Collection Frequency	Monthly
Pricing Method:	Interchange Plus		
Processing Fees:			
	*Authorization Fee- Per Authorization Attempt		
	**Per Item Fee- Per Settled Sale and Credit Transactions		
	***The discount rate is charged as a % of total gross dollar volume		
Card Type	Auth Fee*	Per Item Fee**	Discount Rate***
Visa	\$0.0000	\$0.0300	0.0000%
MasterCard	\$0.0000	\$0.0300	0.0000%
American Express	\$0.0000	\$0.0300	0.0000%
Discover Full Service	\$0.0000	\$0.0300	0.0000%
PIN Debit	\$0.0000	\$0.0300	0.0000%
Per Occurrence Fees:	Amount	Description	
Chargeback Fee	\$10.00	Per Chargeback	
ACH Reject Fee	\$25.00	Per ACH Returned Item	
ACH Deposit Fee	\$0.00	Per ACH Deposit	
Voice Auth/ARU Fee	\$0.95	Per Voice Auth/ARU Item	
All telecommunications costs/Third Party Fees will be passed through to CUSTOMER.			
Interchange Schedule and Qualification Attachments (Interchange Schedules)			
Visa and MasterCard Interchange	BANA.MVD.S23.1.IC_Net MSA		
Discover Interchange	BANA.MVD.S23.1.IC_Net MSA		
PIN Debit Switch and Interchange Fees	2023 BANA Debit Network Standard Fees FD		

1. Sales plus interchange and Assessments will be collected on the frequency set forth in the above Fee Schedule.
2. The Merchant Services Fees set forth above are based on the average ticket and bankcard volume set forth in the above Fee Schedule.

Important Information About Your Fees

A significant amount of the fees that we charge you for processing your Transactions consists of charges that we must pay to issuing banks (or that are otherwise charged to us by the Payment Networks) under the Payment Network Rules. These charges are often referred to as "Interchange fees" or simply "interchange". Interchange fees are set by the Payment Networks based upon a series of Interchange programs that they establish and modify from time to time.

For this reason, the Interchange fee charged for a given Transaction depends on the Interchange program applicable to that Transaction; and that interchange program depends on a number of factors established by the Payment Networks, such as the type of Card Transaction presented, specific information contained in the Transaction, how and when the Transaction is processed, your industry and other factors. For a Transaction to qualify at any specific interchange program, the applicable qualification criteria must be met. If a Card Transaction does not qualify for the lowest interchange rate for which it is eligible, then that Card Transaction will be downgraded and processed at a more costly interchange rate for which it qualifies.

You will pay retroactive increased interchange fees for any Card Transactions that a Payment Network determines did not qualify for the rates originally used. Furthermore, if you inadvertently or intentionally accept a Card Transaction other than the type anticipated for its account (including a different Card type), then, as applicable, you will be charged a higher interchange, Discount Rate or non-qualified Interchange fee, as well as any applicable surcharge for that Transaction, all as set forth in this Fee Schedule.

Note that the Payment Networks regularly add new interchange programs, and change the interchange rates and qualification criteria for existing interchange programs.

Fees will be charged for all authorization requests, whether or not approved, all Transactions submitted for processing and all Chargebacks.

3. Agreed Upon Card Types

Your account will be enabled to accept the Card types checked below, subject to all other terms and provisions of the Agreement.

- VISA Mastercard Discover® (Full Service) JCB***
 American Express* Diners Club*** Discover® (Conveyed Transactions)*

Fleet*

Voyager**

Wright Express*

*Card processing services for these Transactions may be subject to a separate agreement.

**Servicer will settle Voyager transactions directly to Merchant. All other Card types will be settled by the Issuer.

***These are Discover Card types and will be processed via Discover systems and subject to Discover Card Rules. Servicer will settle Transactions for all Discover Cards, unless Merchant is classified by Discover Network as having a Discover Direct Strategic Relationship.

4. **Equipment Costs:** Any equipment costs set forth in the Fee Schedule: are guaranteed only for ninety (90) days from the Effective Date, after which they are subject to change. Further, unless expressly stated to the contrary, the equipment costs set forth on the Fee Schedule: (a) do not include the cost of cables, accessories, or other supplies, all of which must be ordered and purchased separately; (b) do not include shipping, handling, or taxes, all of which you are responsible for paying; (c) do not include services, such as programming, re-programming, testing, re-stocking/call-tag fees, base loads, injections, app loads, TransArmor loads, or other equipment-related services; and (d) are not valid if you order fewer units than the quantity (if any) indicated in the Fee Schedule or if you order a make or model of equipment different than the make and model indicated in the Fee Schedule.

5. **Payment Gateway Fees. [If Applicable]**

- a. Fees charged in connection with payment gateway are set forth in a payment gateway Supplement applicable to all Merchants in the United States Territory.
- b. You acknowledge that all fees for payment gateway transactions are incremental to other fees set forth in this Schedule A that may be charged on the same transactions.

6. **Payment Network Pass Through Fees.** Payment Network Fees include the following:

VISA FEES: The following fees result from charges assessed to Servicer from Visa and are subject to increases, decreases and additional new fees imposed by Visa.	
<u>Fee/Name</u>	<u>Fee/Description</u>
VISA ASSESSMENT – Debit & Prepaid	0.13% Fee assessed on the gross dollar amount of all Visa signature Debit and prepaid card transactions.
VISA ASSESSMENT – Credit	0.14% Fee assessed on the gross dollar amount of all Visa Credit card transactions.
VISA BASE II SYSTEM FILE TRANSMISSION FEE	\$0.0018 Fee assessed on all Visa transactions transmitted through the Visa BASE II settlement system, including sales / purchases, sales returns / refunds, sales reversals, chargebacks, and chargeback reversals.
VISA ESTIMATED AUTHORIZATION FEE	0.02% Fee assessed on the gross dollar amount of approved Visa estimated authorizations including refund/return authorizations. An estimated authorization, also known as a pre-authorization, is an authorization that occurs before the final transaction amount is known and allows merchants to secure approved funds based on the estimated value of the goods or services the cardholder will purchase.
VISA INCREMENTAL AUTHORIZATION FEE	0.02% Fee assessed on the gross dollar amount of approved Visa incremental authorizations including refund/return authorizations. An incremental authorization is used to increase the amount of funds when the estimated amount is insufficient. Incremental authorizations may only be used if the purchase transaction was initiated with an estimated authorization.
VISA CARD VERIFICATION VALUE 2 (CVV2) FEE	\$0.0025 Fee assessed on authorizations that include Card Verification Value 2 (CVV2) validation and result in a usable match or no-match result. CVV2 is an optional service from Visa used primarily in card not present authorizations to confirm that both the cardholder has the card in their possession and the card is genuine. Does not apply to CVV2 validation requests that are part of an Account Verification Request submitted for \$0 or authorizations that are verified through Visa 3-D Secure authentication.
VISA ACCOUNT NAME INQUIRY FEE	\$0.05 Fee assessed on all Visa Account Name Inquiry (ANI) Service requests where a usable result (a minimum last name match) is returned. An ANI Service match request is used to validate an account owner name and is part of an Account Verification Request submitted for \$0. Fee will increase to \$0.10 on April 1, 2024.
VISA ADDRESS VERIFICATION SERVICE (AVS) FEE	\$0.001 Fee assessed on all Visa authorizations that are submitted for more than \$0 that receive one of the following Address Verification Service (AVS) response codes: Y (address and zip code matches), A (address matches but zip code does not match), Z (zip code matches but address does not match), or N (no match on either the address or zip code).
VISA ZERO DOLLAR VERIFICATION FEE – Domestic/U.S. Credit	\$0.035 Fee assessed on all Account Verification messages, including both approved and declined, AVS, and SMS account verification transactions on domestic (U.S. issued) credit cards. Account Verification Requests must be submitted for \$0 and are used to validate cardholder account numbers and other elements, such as CVV2 and AVS, prior to obtaining an actual Authorization.

VISA ZERO DOLLAR VERIFICATION FEE – Domestic/U.S. Debit & Prepaid	\$0.03 Fee assessed on all Account Verification messages, including both approved and declined, AVS, and SMS account verification transactions on domestic (U.S. issued) debit and prepaid cards. Account Verification Requests must be submitted for \$0 and are used to validate cardholder account numbers and other elements, such as CVV2 and AVS, prior to obtaining an actual Authorization.
VISA ZERO DOLLAR VERIFICATION FEE – International	\$0.07 Fee assessed on all Account Verification messages, including both approved and declined, AVS, and SMS account verification transactions on international (non-U.S. issued) cards. Account Verification Requests must be submitted for \$0 and are used to validate cardholder account numbers and other elements, such as CVV2 and AVS, prior to obtaining an actual Authorization.
VISA DIGITAL CREDENTIAL UPDATER (VDCU) FEE	\$0.12 Fee assessed on each digital credential and status update provided by the Visa Digital Credential Updater (VDCU) Service to a merchant that stores Visa EMV® Payment Tokens. VDCU Service provides updated digital credentials, such as the card number and expiry date, to participating credential-on-file (COF) merchants – this minimizes the risk of authorization declines due to out-of-date credentials. Fee applies to the first use of an updated digital credential or token obtained from VDCU. Fee will be effective July 1, 2023.
VISA NETWORK ACQUIRER PROCESSING FEE (NAPF) – Domestic/U.S. Credit	\$0.0195 Fee assessed on all Visa Credit card Authorization attempts on Credit cards issued in the U.S. Does not apply to \$0 Account Verification messages, Real Time Clearing pre-Authorization requests, authorization of purchase return or refund transactions, chargeback responses, and other administrative messages.
VISA NETWORK ACQUIRER PROCESSING FEE (NAPF) – Domestic/U.S. Debit & Prepaid	\$0.0155 Fee assessed on all Visa signature Debit and prepaid card Authorization attempts on Debit and prepaid cards issued in the U.S. Does not apply to \$0 Account Verification messages, Real Time Clearing pre-Authorization requests, authorization of purchase return or refund transactions, chargeback responses, and other administrative messages.
VISA NETWORK ACQUIRER PROCESSING FEE (NAPF) – International Credit	\$0.0395 Fee assessed on all Visa Credit card Authorization attempts on Credit cards issued outside of the U.S. Does not apply to \$0 Account Verification messages, Real Time Clearing pre-Authorization requests, authorization of purchase return or refund transactions, chargeback responses, and other administrative messages.
VISA NETWORK ACQUIRER PROCESSING FEE (NAPF) – International Debit & Prepaid	\$0.0355 Fee assessed on all Visa signature Debit and prepaid card Authorization attempts on Debit and prepaid cards issued outside of the U.S. Does not apply to \$0 Account Verification messages, Real Time Clearing pre-Authorization requests, authorization of purchase return or refund transactions, chargeback responses, and other administrative messages.
VISA BASE II CREDIT VOUCHER FEE – Domestic/U.S. Credit	\$0.0195 Fee assessed on all Visa credit voucher (sales return / refund) transactions for Credit cards issued in the U.S.
VISA BASE II CREDIT VOUCHER FEE – Domestic/U.S. Debit & Prepaid	\$0.0155 Fee assessed on all Visa credit voucher (sales return / refund) transactions for signature Debit and prepaid cards issued in the U.S.
VISA BASE II CREDIT VOUCHER FEE – International Credit	\$0.0395 Fee assessed on all Visa credit voucher (sales return / refund) transactions for Credit cards issued outside of the U.S.
VISA BASE II CREDIT VOUCHER FEE – International Debit & Prepaid	\$0.0355 Fee assessed on all Visa credit voucher (sales return / refund) transactions for signature Debit and prepaid cards issued outside of the U.S.
VISA AUTHORIZATION SYSTEM MISUSE FEE	\$0.09 Per Authorization (including a cardholder return/refund authorization) that is not followed by a matching Visa clearing transaction (or is not properly reversed in the case of a cancelled/voided transaction) as shown by a matching transaction ID. Billed on a one-month lag.
VISA ZERO FLOOR LIMIT FEE	\$0.20 Fee assessed on all clearing transactions (including cardholder returns/refunds) that are not authorized based on matching the Transaction ID on the Authorization to the Transaction ID on the Clearing transaction. Fee also applies if the Transaction ID is missing.
VISA INTERNATIONAL SERVICE FEES – BASE (FOR PURCHASE TRANSACTIONS)	1.00% of the source amount on U.S. Acquired Original Purchase transactions when the Issuer Country is different from the Merchant Country and the transaction is settled in U.S. dollars.
VISA INTERNATIONAL SERVICE FEES – ENHANCED (FOR PURCHASE TRANSACTIONS)	1.40% of the source amount on U.S. Acquired Original Purchase transactions when the Issuer Country is different from the Merchant Country and the transaction is not settled in U.S. dollars.
VISA INTERNATIONAL SERVICE FEES (FOR CASH ADVANCE TRANSACTIONS)	0.40% of the source amount on U.S. Acquired Cash Disbursement transactions when the Issuer Country is different from the Merchant Country.
VISA INTERNATIONAL ACQUIRER FEE (IAF)	0.45% Assessed on all transactions at a U.S. merchant location with a non-U.S. issued card.
VISA INTERNATIONAL ACQUIRER FEE (IAF) – HIGH RISK	0.45% Fee assessed on all transactions conducted at U.S. merchant locations with a non-U.S. issued card; applicable to high-risk merchants in MCCs 5962 (Direct Marketing – Travel-Related Arrangement Services), 5966 (Direct Marketing – Outbound Telemarketing Merchants), and 5967 (Direct Marketing – Inbound Telemarketing Merchants). This fee is assessed to high-risk merchants in addition to the Visa International Acquirer Fee.

VISA TRANSACTION INTEGRITY FEE	\$0.10 charged on each signature Debit Card and Non-PIN Debit Card transaction (including Visa Consumer and Business debit cards and Visa Consumer and Commercial Prepaid Cards) and each Credit Card transaction (including Consumer Credit, Corporate, Purchasing, and Business cards) that does not meet the qualification criteria defined under the Visa U.S. Custom Payment Service (CPS) program. Fee also applies to International Airline Program (IAP) transactions on U.S. issued cards at U.S. merchant locations.
VISA FIXED ACQUIRER NETWORK FEE	See Visa Fixed Acquirer Network Fee section of rate schedule for Visa/Mastercard/Discover Interchange referenced in Interchange Schedules section above. Billed on a one-month lag.
VISA PARTIAL AUTHORIZATION NON PARTICIPATION FEE (PANPF) FOR AFD MERCHANTS	\$0.01 Fee assessed on Automated Fuel Dispenser (MCC 5542) transactions that do not support partial Authorization.
VISA STAGED DIGITAL WALLET FEE	\$0.10 Fee assessed on all Visa Staged Digital Wallet purchase transactions that use a separate, non-Visa account number to initiate purchases for Visa cardholders.
VISA GLOBAL BUSINESS-TO-BUSINESS VIRTUAL PAYMENTS PROGRAM FEE – Domestic/U.S.	0.60% Fee assessed on transactions that qualify for the Visa Global Business-to-Business Virtual Payments Program for domestic (U.S. issued) virtual card transactions between online travel agencies (OTAs), travel service providers and other travel payment providers (both domestic and international) and travel suppliers (merchants in MCCs 3000-3999, 7011, 7512, 7513, 4511, 4111, 4112, 4121, 4411, 4131, 4582, 4722, 4789, 5812, 5813, 5814, 5962, 5992, 6513, 7012, 7032, 7033, 7298, 7519, 7832, 7922, 7991, 7992, 7996, 7997, 7999, or 9399).
VISA GLOBAL BUSINESS-TO-BUSINESS VIRTUAL PAYMENTS PROGRAM FEE – International	1.55% Fee assessed on transactions that qualify for the Visa Global Business-to-Business Virtual Payments Program for international (non-U.S. issued) virtual card transactions between online travel agencies (OTAs), travel service providers and other travel payment providers (both domestic and international) and travel suppliers (merchants in MCCs 3000-3999, 7011, 7512, 7513, 4511, 4111, 4112, 4121, 4411, 4131, 4582, 4722, 4789, 5812, 5813, 5814, 5962, 6513, 7012, 7032, 7033, 7298, 7519, 7832, 7922, 7991, 7992, 7996, 7997, 7999, or 9399).
VISA CONSUMER BILL PAYMENT SERVICE FEE	\$0.20 Fee applies to transactions that qualify for the Visa Consumer Bill Payment Service (CBPS) Program, an optional service for third party consumer bill pay providers that gives consumers the ability to pay all bill payments with a card through a single channel, usually in the form of an eCommerce website or a mobile application. Transactions must be submitted with a Business Application Identifier (BAI) of CB for Consumer Bill Payment. Eligible Merchants: Utilities (4900), Financial Institutions - Merchandise & Services (6012), Non-Financial Institutions - Foreign Currency, Money Orders - Not Wire Transfer, and Travelers Checks (6051), Real Estate (6513), Medical Services (8011, 8050, 8062, 8099), Education (8211, 8220, 8241, 8244, 8249, 8299) and Tax Payments (9311).
VISA MAGNETIC-STRIPE DATA (MSD) CONTACTLESS FEE	\$0.10 Fee assessed on all approved Visa contactless authorizations processed using Magnetic-Stripe Data (MSD) technology. As of October 2019, Visa requires all point-of-sale (POS) devices accepting contactless payments in the U.S. to support EMV-based technology. Service Stations (5541) and Automated Fuel Dispensers (5542) exempt from this fee until January 1, 2024.
VISA DATA CONSISTENCY FEE – Domestic/U.S.	\$0.10 Fee assessed per authorization on a domestic (U.S. issued) card that is re-submitted with changed data elements following a decline in an attempt to get an approval. These elements include, but are not limited to, merchant country, merchant category code, Point-of-Sale (POS) condition code, POS environment field, POS entry mode and electronic commerce indicator (ECI). Billed on a one-month lag. Implementation of this fee has been delayed to a future date.
VISA DATA CONSISTENCY FEE – International	\$0.15 Fee assessed per authorization on an international (non-U.S. issued) card that is re-submitted with changed data elements following a decline in an attempt to get an approval. These elements include, but are not limited to, merchant country, merchant category code, Point-of-Sale (POS) condition code, POS environment field, POS entry mode and electronic commerce indicator (ECI). Billed on a one-month lag. Implementation of this fee has been delayed to a future date.
VISA DECLINED TRANSACTION RESUBMISSION FEE – Domestic/U.S.	\$0.10 Fee assessed on the 16th and subsequent re-attempted authorizations on a domestic (U.S. issued) card after 15 previously declined attempts have been made on the same card number at the same merchant location in a 30-day period. Billed on a one-month lag.
VISA DECLINED TRANSACTION RESUBMISSION FEE – International	\$0.15 Fee assessed on the 16th and subsequent re-attempted authorizations on an international (non-U.S. issued) card after 15 previously declined attempts have been made on the same card number at the same merchant location in a 30-day period. Billed on a one-month lag.
VISA CATEGORY 1 (ISSUER WILL NEVER APPROVE) DECLINE FEE – Domestic/U.S.	\$0.10 Fee assessed on each re-attempted Authorization on a U.S. issued card after previously receiving a Category 1 decline on the same card number at the same merchant location. Category 1 is a sub-set of decline codes that indicates the card is blocked for use or never existed, which means there is no circumstance in which the issuer will grant approval. Category 1 decline code categories are defined by Visa and are subject to change. Current Category 1 decline codes are defined as 04 (Pickup card no fraud), 07 (Pickup card, special

	condition fraud account), 12 (Invalid transaction), 14 (Invalid account number), 15 (No such issuer), 41 (Lost card, pick up), 43 (Stolen card, pick up), 46 (Account closed), 57 (Transaction not permitted to cardholder), R0 (Stop payment order), R1 (Revocation of authorizations order), and R3 (Revocation of all authorizations order). Fee appears on your Merchant Statement as "VI NEVER APPROVE REATTEMPT FEE". Billed on a one-month lag.
VISA CATEGORY 1 (ISSUER WILL NEVER APPROVE) DECLINE FEE – International	\$0.15 Fee assessed on each re-attempted Authorization on a non-U.S. issued card after previously receiving a Category 1 decline on the same card number at the same merchant location. Category 1 is a sub-set of decline codes that indicates the card is blocked for use or never existed, which means there is no circumstance in which the issuer will grant approval. Category 1 decline code categories are defined by Visa and are subject to change. Current Category 1 decline codes are defined as 04 (Pickup card no fraud), 07 (Pickup card, special condition fraud account), 12 (Invalid transaction), 14 (Invalid account number), 15 (No such issuer), 41 (Lost card, pick up), 43 (Stolen card, pick up), 46 (Account closed), 57 (Transaction not permitted to cardholder), R0 (Stop payment order), R1 (Revocation of authorizations order), and R3 (Revocation of all authorizations order). Fee appears on your Merchant Statement as "VI NEVER APPROVE REATT XBORFEE". Billed on a one-month lag.
VISA EMV HIGH FALLBACK FEE	\$0.10 Fee assessed on each fallback Authorization occurring at a merchant location whose fallback rate is 10% or higher for the month. Fallback occurs when a chip-card terminal is unable to read the chip data on a chip-enabled card and, therefore, has to prompt the cardholder to swipe the card to process the payment using magnetic stripe data. The fallback rate is defined as the number of Visa magnetic-stripe fallback Authorizations divided by the total number of Visa electronically read Authorizations. Merchants with less than 10% Visa fallback Authorizations for the month are not subject to this fee for the month. For merchants with 10% or more Visa fallback Authorizations for the month, all fallback authorizations processed for the month are subject to this fee. Fee appears as "VI-EXCESSIVE CHIP FALLBACK FEE" on your merchant statement or reporting. Billed on a one-month lag.
VISA STOP PAYMENT SERVICE (VSPS) REPEAT AUTHORIZATION DECLINE FEE	\$1.00 Fee assessed on the 4th and subsequent Authorization attempt after receiving three previous Visa Stop Payment Service (VSPS) Authorization declines from the same stop payment request. VSPS allows issuers to place a stop payment to prevent future unwanted, recurring payments from being charged to a cardholder. VSPS authorization decline codes are R0 (Stop payment order), R1 (Revocation of authorization order), and R3 (Revocation of all authorization orders). Fee appears as "VISA STOP PAYMENT SERVICE FEE" on your merchant statement or reporting. Billed on a one-month lag.
VISA STOP PAYMENT SERVICE (VSPS) RETURNED ITEM FEE	\$5.00 Fee assessed on every cleared transaction that Visa subsequently matches to a stop payment request and returns back to the merchant. Visa Stop Payment Service (VSPS) allows issuers to place a stop payment to prevent future unwanted, recurring payments from being charged to a cardholder. Billed on a one-month lag.
VISA SYSTEM INTEGRITY DETAIL REPORT FEE	\$0.002 Fee assessed on all Visa authorizations that are subject to the System Integrity fees for Declined Transaction Resubmission, Category 1 (Issuer Will Never Approve) Decline, VSPS Repeat Authorization Decline, or EMV High Fallback (Excessive Chip Fallback). Billed on a one-month lag.
VISA IMAGES ADDED OR UPLOADED FEE	\$1.50 Fee assessed on each Visa dispute case where an image package is supplied to Visa (for all dispute types). Fee appears as "DISPUTE IMAGE FEE VISA DMS" or "DSPT IMAGE FEE VISA DMS" on your merchant statement or reporting.
VISA PRE-COMPLIANCE IMAGE FEE	\$0.45 Fee assessed on each pre-compliance request and response image package sent to Visa. Fee appears as "NW PRECOMP IMAGE FEE DM" or "VS-PRECOMP IMAGE FEE DMS" on your merchant statement or reporting.
VISA RETRIEVAL FULFILLMENT FEE	\$0.45 Fee assessed on each Visa retrieval request that has been fulfilled by the acquirer (on behalf of the merchant) with documentation. Fee appears as "NW RETRIEVAL VISA DMS" or "VS-RETRIEVAL FUL DMS" on your merchant statement or reporting.
VISA RETRIEVAL NON-FULFILLMENT FEE	\$0.45 Fee assessed on each Visa retrieval request that has not been fulfilled by the acquirer (because documentation was not provided by the merchant) and, the timeframe has now expired. Fee appears as "NW RETR NONFULFILL VISA DMS" or "VS-RETRIEVAL N/F DMS" on your merchant statement or reporting.
VISA PRE-ARBITRATION WITH QUALIFIED REMEDY FEE	\$5.00 Fee assessed on each filed Compelling Evidence pre-arbitration case where Visa performs historical lookups and field validation. Fee appears as "NW VISA PREARB CNP REMEDY DMS" or "VS-PREARB CNP REM DMS" on your merchant statement or reporting.
VISA CASE FILING FEE	\$12.50 Fee assessed on each filed Arbitration or filed Compliance case initiated through Visa. Fee appears as "NW CASE FILING FEE VISA DMS" or "VS-CASE FILING FEE DMS" on your merchant statement or reporting.
VISA CASE RULING FEE	\$500.00 Fee assessed on each filed Arbitration or filed Compliance case where Visa has ruled in favor of the Issuer. Fee appears as "NW CASE RULING FEE VISA DMS" or "VS-CASE RULING FEE DMS" on your merchant statement or reporting.

<p>VISA RESPONSE TO DISPUTE TIME FRAME FEE (21-25 days)</p>	<p>\$1.75 Fee assessed on each Visa chargeback where you provide documentation to represent the chargeback 21 to 25 days after the date from which Visa initiates the chargeback with Servicer. The Response Time Frame begins from when Visa initiates the chargeback with Servicer. This date on which Visa initiates the chargeback with Servicer should not be confused with, and may be earlier than, the date on which you receive notice of the chargeback. Responses received after 30 days will be assessed the Expired Response to Dispute Time Frame Fee. As a best practice, merchants should respond to all chargebacks by the due date provided on the chargeback notification to help minimize these fees. Fee appears as "MERCH RSP DAY 21-25 VISA DMS" or "VS-MER RESP 21-25 DMS" on your merchant statement or reporting.</p>
<p>VISA RESPONSE TO DISPUTE TIME FRAME FEE (26-30 days)</p>	<p>\$2.15 Fee assessed on each Visa chargeback where you provide documentation to represent the chargeback 26 to 30 days after the date from which Visa initiates the chargeback with Servicer. The Response Time Frame begins from when Visa initiates the chargeback with Servicer. This date on which Visa initiates the chargeback with Servicer should not be confused with, and may be earlier than, the date on which you receive notice of the chargeback. Responses received after 30 days will be assessed the Expired Response to Dispute Time Frame Fee. As a best practice, merchants should respond to all chargebacks by the due date provided on the chargeback notification to help minimize these fees. Fee appears as "MERCH RSP DAY 26-30 VISA DMS" or "VS-MER RESP 26-30 DMS" on your merchant statement or reporting.</p>
<p>VISA ACCEPT DISPUTE TIME FRAME FEE (21-25 days)</p>	<p>\$0.50 Fee assessed on each Visa chargeback where you reply back with acceptance of the financial liability 21 to 25 days after the date from which Visa initiates the chargeback with Servicer. The Accept Time Frame begins from when Visa initiates the chargeback with Servicer. This date on which Visa initiates the chargeback with Servicer should not be confused with, and may be earlier than, the date on which you receive notice of the chargeback. Responses received after 30 days will be assessed the Expired Response to Dispute Time Frame Fee. As a best practice, merchants should respond to all chargebacks by the due date provided on the chargeback notification to help minimize these fees. Fee appears as "LATE ACCEPT DAY 21-25 VISA DMS" or "VS-LATE-ACPT 21-25 DMS" on your merchant statement or reporting.</p>
<p>VISA ACCEPT DISPUTE TIME FRAME FEE (26-30 days)</p>	<p>\$0.75 Fee assessed on each Visa chargeback where you reply back with acceptance of the financial liability 26 to 30 days after the date from which Visa initiates the chargeback with Servicer. The Accept Time Frame begins from when Visa initiates the chargeback with Servicer. This date on which Visa initiates the chargeback with Servicer should not be confused with, and may be earlier than, the date on which you receive notice of the chargeback. Responses received after 30 days will be assessed the Expired Response to Dispute Time Frame Fee. As a best practice, merchants should respond to all chargebacks by the due date provided on the chargeback notification to help minimize these fees. Fee appears as "LATE ACCEPT DAY 26-30 VISA DMS" or "VS-LATE-ACPT 26-30 DMS" on your merchant statement or reporting.</p>
<p>VISA EXPIRED RESPONSE TO DISPUTE TIME FRAME FEE</p>	<p>\$1.00 Fee assessed on each Visa chargeback for which either no response is received or a response is received 30 days after the date from which Visa initiates the chargeback with Servicer. This date on which Visa initiates the chargeback with Servicer should not be confused with, and may be earlier than, the date on which you receive notice of the chargeback. As a best practice, merchants should respond to all chargebacks by the due date provided on the chargeback notification to help minimize this fee. Fee appears as "NO ACCEPTANCE VISA DMS" or "VS-NO ACPT DMS" on your merchant statement or reporting.</p>
<p>VISA NON-COMPLIANT DYNAMIC CURRENCY CONVERSION (DCC) TRANSACTION FEE</p>	<p>1.00% Fee assessed on non-compliant DCC transactions that are processed in an incorrect cardholder billing currency or with a DCC-ineligible card product. This is defined as either 1) the transaction is conducted in a different currency than the cardholder's billing currency, 2) the transaction is conducted with a Visa consumer debit or prepaid card that is enabled with the Visa Multi-Currency Solution, or 3) the transaction is conducted with a Visa consumer travel prepaid card (including Visa TravelMoney).</p>
<p>VISA NON-DOMESTIC SETTLEMENT CURRENCY FEE</p>	<p>0.10% Fee assessed on Dynamic Currency Conversion (DCC) and Multi-Currency purchase and return/refund transactions that are settled in one of the following currencies: Australian Dollar (AUD), Canadian Dollar (CAD), Danish Krone (DKK), Euro (EUR), Hong Kong Dollar (HKD), Japanese Yen (JPY), New Zealand Dollar (NZD), Norwegian Krone (NOK), Singapore Dollar (SGD), South African Rand (ZAR), Swedish Krone (SEK), Swiss Franc (CHF), or United Kingdom Pound Sterling (GBP).</p>
<p>VISA MARKETPLACE PROGRAM FEE</p>	<p>0.30% Fee assessed on Foreign Retailer Volume. Fee applies to domestic (U.S. issued card) marketplace transactions where the marketplace and the issuer are both in the U.S. but the retailer is outside of the U.S. Merchant must be registered with Visa as a marketplace. An additional fee of 0.10% applies to any foreign retailer marketplace transaction volume that is not identified with the Foreign Retailer Indicator.</p>
<p>MASTERCARD FEES: The following fees result from charges assessed to SERVICER from Mastercard and are subject to increases, decreases and additional new fees imposed by Mastercard.</p>	

<u>Fee/Name</u>	<u>Fee/Description</u>
MASTERCARD ASSESSMENT FEE	0.13% Fee assessed on the gross dollar amount of all Mastercard transactions.
MASTERCARD ASSESSMENT FEE (>=\$1,000)	0.01% Fee assessed on the gross dollar amount of Mastercard Consumer and Commercial credit transactions that are \$1,000 or greater.
MASTERCARD CLEARING CONNECTIVITY FEE	\$0.002294 Fee assessed per kilobyte on all settled transactions for the transmission of clearing data.
MASTERCARD AUTHORIZATION CONNECTIVITY FEE	\$0.002294 Fee assessed per kilobyte on all authorizations for the transmission of authorization data.
MASTERCARD DECLINE REASON CODE SERVICE FEE	\$0.02 Fee assessed on each Card Not Present authorization that is declined with a Mastercard reason code of 79 (Life Cycle), 82 (Policy) or 83 (Security) and receives a Merchant Advice Code (MAC) value of 01 (Updated / additional information needed) or 03 (Do not try again). The Mastercard Decline Reason Code Service, also known as the Mastercard Authorization Optimizer Service, provides additional information on card not present authorization declines to determine when and if a re-attempt should be tried.
MASTERCARD AUTHORIZATION OPTIMIZER FEE	\$0.02 Fee assessed on each card not present authorization attempt that is declined with a Mastercard reason code of 51 (Insufficient Funds) and receives a Merchant Advice Code (MAC) value between 24 and 30 (24 = Retry after 1 hour, 25 = Retry after 24 hours, 26 = Retry after 2 days, 27 = Retry after 4 days, 28 = Retry after 6 days, 29 = Retry after 8 days, 30 = Retry after 10 days). The Mastercard Authorization Optimizer Service, also known as the Mastercard Decline Reason Code Service, provides additional information on card not present authorization declines to determine when and if a re-attempt should be tried. Fee will be effective beginning October 9, 2023.
MASTERCARD CROSS BORDER FEE (U.S.)	0.60% Fee assessed on all Consumer, Commercial, Credit and Debit transactions that are processed with the country code of the merchant different from the country code of the cardholder, where the transaction is settled in U.S. dollars.
MASTERCARD CROSS BORDER FEE (Non U.S.)	1.00% Fee assessed on all Consumer, Commercial, Credit and Debit transactions that are processed with the country code of the merchant different from the country code of the cardholder where the transaction is not settled in U.S. dollars.
MASTERCARD NETWORK ACCESS AND BRAND USAGE (NABU) FEE	\$0.0195 Fee assessed on all Mastercard Authorization attempts and credit (sales return) transactions that are processed with a U.S. issued card at a U.S. merchant location. Does not apply to Authorization reversals and \$0 Account Status Inquiry transactions.
MASTERCARD ADDRESS VERIFICATION SERVICE (AVS) CARD PRESENT FEE	\$0.01 Fee assessed on all Mastercard Card Present Authorizations that use the Address Verification Service (AVS) that are submitted for more than \$0.
MASTERCARD ACCOUNT STATUS INQUIRY FEE – INTERREGIONAL	\$0.03 Fee assessed on all Card Present Account Status Inquiry Service messages where the country code of the merchant is different from the country code of the cardholder. Account Status Inquiry Service transactions must be submitted for \$0 and are used to validate cardholder account numbers and other elements, such as CVC 2 and AVS, prior to obtaining an actual Authorization.
MASTERCARD ACCOUNT STATUS INQUIRY FEE – INTRAREGIONAL	\$0.025 Fee assessed on all Card Present Account Status Inquiry Service messages where the country code of the merchant is the same as the country code of the cardholder. Account Status Inquiry Service transactions must be submitted for \$0 and are used to validate cardholder account numbers and other elements, such as CVC 2 and AVS, prior to obtaining an actual Authorization.
MASTERCARD PROCESSING INTEGRITY FEE – PRE-AUTHORIZATIONS	\$0.045 Fee assessed to each pre-Authorization if all of the following conditions are met: (i) Authorization request is fully approved by the Issuer, (ii) Authorization is identified within the Authorization request message as a pre-Authorization and (iii) the Authorization is not followed by either a clearing transaction or Authorization reversal within 30 calendar days. Fee does not apply to (i) Automated Fuel Dispensers (MCC 5542), (ii) transit aggregated or transit debt recovery transactions, (iii) offline approved transactions and (iv) private label transactions. Billed on a one-month lag.
MASTERCARD PROCESSING INTEGRITY FEE – UNDEFINED AUTHORIZATIONS	\$0.045 Fee assessed to each undefined Authorization if all of the following conditions are met: (i) Authorization request is fully approved by the Issuer, (ii) Authorization is identified within the Authorization request message as an undefined Authorization and (iii) the Authorization is not followed by either a clearing transaction or Authorization reversal within 7 calendar days. Fee does not apply to (i) Automated Fuel Dispensers (MCC 5542), (ii) transit aggregated or transit debt recovery transactions, (iii) offline approved transactions and (iv) private label transactions. Billed on a one-month lag.

MASTERCARD PROCESSING INTEGRITY FEE – FINAL AUTHORIZATIONS	0.25% with a minimum of \$0.04 Fee assessed to each final Authorization if all of the following conditions are met: (i) Authorization request is fully approved by the Issuer, (ii) Authorization is identified as a final Authorization in the Authorization request message, and (iii) the Authorization is not followed by either a clearing transaction or Authorization reversal within 7 calendar days or the final clearing amount is submitted for an amount different from the approved Authorization amount or submitted in a different currency than the Authorization amount. Billed on a one-month lag.
MASTERCARD TRANSACTION PROCESSING EXCELLENCE FEE – EXCESSIVE AUTHORIZATION ATTEMPTS	\$0.15 Fee assessed on each declined authorization after 10 previously declined attempts have been made on the same card number at the same merchant location in a 24-hour period. Each excessive authorization attempt is also assessed the Mastercard Processing Integrity Report Fee. Billed on a one-month lag. Fee will increase to \$0.30 effective January 1, 2024, and will increase again to \$0.50 effective January 1, 2025.
MASTERCARD TRANSACTION PROCESSING EXCELLENCE FEE – NOMINAL AMOUNT AUTHORIZATIONS	\$0.045 Fee assessed on each approved, card not present authorization that is submitted for \$1 or less and then subsequently reversed in an effort to validate card status. Each nominal amount authorization is also assessed the Mastercard Processing Integrity Report Fee. Note: If nominal amount authorizations are being used as a method to check card status, this fee can be avoided by using Mastercard Account Status Inquiry transactions instead. Billed on a one-month lag.
MASTERCARD TRANSACTION PROCESSING EXCELLENCE FEE – MERCHANT ADVICE CODE (MAC)	\$0.03 Fee assessed on each card not present Authorization that was previously declined with a Merchant Advice Code (MAC) value of 03 or 21 on the same card at the same merchant location for the same transaction amount within the previous 30 days. A value of 03 indicates that the card is closed or fraudulent, and a value of 21 is returned by the Mastercard Payment Cancellation Service (PCS) to indicate a cardholder cancelled the agreement. Each Authorization re-attempt subject to this fee will also be assessed the Mastercard Processing Integrity Report Fee. Billed on a one-month lag.
MASTERCARD PROCESSING INTEGRITY FEE – DETAIL REPORT	\$0.02 Fee applies to each Authorization that is subject to the Mastercard Processing Integrity Fee for pre-Authorizations, undefined Authorizations or final Authorizations or to the Transaction Processing Excellence Fees for Excessive Authorization Attempts, Nominal Amount Authorizations, and Merchant Advice Code (MAC). Billed on a one-month lag.
MASTERCARD CREDENTIAL CONTINUITY PROGRAM FEE	\$0.03 Fee assessed on each recurring payment Authorization submitted with outdated cardholder account credentials if the card number has updates in Mastercard Account Billing Updater at least 10 days before the attempted Authorization. Merchants must use the latest account information for recurring payment Authorizations either through use of an account updater product or by proactively contacting the cardholder before processing a recurring payment transaction. Fee does not apply to Account Status Inquiry messages submitted for \$0. Fee applies to each recurring payment authorization that exceeds minimum monthly threshold of 100 authorizations per aggregated merchant name (based on the location name submitted on the authorization).
MASTERCARD LICENSE VOLUME FEE	0.007% Fee assessed on the gross dollar amount of all Mastercard transactions. Fee based on a good faith effort to recover and allocate among our customers Mastercard's annual fees for licensing and third party processing and calculated by multiplying your settled Mastercard dollar volume by the percentage rate (which rate may be adjusted to reflect changes in those Mastercard fees and/or our allocation).
MASTERCARD eCOMMERCE SUSPECT FRAUD INDICATOR REBATE	\$0.015 Rebate for every eCommerce/Card Not Present Authorization reversal that includes the suspect fraud indicator. The suspect fraud indicator is used in the eCommerce/Card Not Present environment when an Authorization reversal is processed for an approved Mastercard Authorization where the merchant suspects fraud.
MASTERCARD ACQUIRER PROGRAM SUPPORT FEE	0.85% Fee assessed on all U.S. region acquired Mastercard Consumer Credit, Consumer Debit, and Commercial Card transactions for cards issued outside the U.S. region.
MASTERCARD CARD VALIDATION CODE 2 (CVC 2) FEE	\$0.0025 Fee assessed on all Card Present Authorizations that include Card Validation Code 2 (CVC 2) validation. CVC 2 is an optional service from Mastercard that was implemented to help reduce the risk of fraud and is part of the screening tools used by merchants to ensure that the person placing the order has the card. Fee does not apply to Account Status Inquiry transactions.
MASTERCARD SECURECODE™ (IDENTITY CHECK™) FEE	\$0.05 Fee assessed on all Mastercard Identity Check (formerly known as Mastercard SecureCode) verification requests that use the 3D Secure 1.0 protocol. Mastercard Identity Check is an optional service for eCommerce merchants that allows for an additional level of shopping security by requiring cardholders to enter additional log-in credentials that are verified by the issuer when completing an online sale (if the issuer participates in the service). The existing 3D Secure 1.0 protocol only supports providing limited authentication data to issuers and is only supported when the transaction takes place via a web browser (i.e., not in-app purchases).
MASTERCARD DIGITAL ENABLEMENT FEE	0.02% Fee assessed on the gross dollar amount of all Mastercard Card Not Present authorizations (both approvals and declines). Does not apply to Financial Declines that

	receive decline response code 51 (insufficient funds or over credit limit). Minimum fee amount of \$0.02 per authorization. Cap of \$0.20 per authorization.
MASTERCARD GLOBAL WHOLESALE TRAVEL BUSINESS-TO-BUSINESS FEE	1.57% Fee applies to transactions that qualify for the Mastercard Business-to-Business Global Wholesale Travel Transaction program for virtual card transactions between travel agents and travel suppliers. Transactions assessed this fee are not subject to the Mastercard Network Access and Brand Usage (NABU) fee, the Mastercard Cross Border fee, the Mastercard Acquirer Program Support Fee, and the Mastercard Card Present Address Verification Service (AVS) fees.
MASTERCARD ENTERPRISE SOLUTIONS FREIGHT PROGRAM FEE	0.50% Fee applies to transactions that qualify for the Mastercard Enterprise Solutions Freight Program for virtual card transactions between shippers, freight forwarders, consignees, freight handling agents, customs brokers, and other suppliers in the freight ecosystem in MCCs 3000-3350, 4011, 4111, 4112, 4214, 4215, 4511, 4789, 7299, 9311, 9399, and 9402.
MASTERCARD INSTALLMENT PAYMENTS FEE	<p>Purchases: 1.30% (Group A) or 0.10% (Group B) or 0.00% (Group C) Returns: 1.15% (Group A) or 0.00% (Group B or C)</p> <p>Fee applies to purchase and return/refund transactions that qualify for the Mastercard Installment Payments program. Eligible Merchants: Group B - Retail Stores (5300, 5310, 5331, 5411, 5499, 5912), Restaurants/Bars (5813, 5814), Entertainment (7829, 7841, 7994), Transportation (4111, 4121), Parking Lots/Garages (7523), Telecommunications (4814), Cable/Satellite (4899), Fuel (5541, 5542), Electric Vehicle Charging (5552), Insurance (5960, 6300), Real Estate (6513), Financial Institutions (6012, 6050, 6051, 6540), Lottery/Gambling (7800, 7801, 7802, 7995), Government (9211, 9222, 9223, 9311, 9399, 9402); Group C – Utilities (4900). Group A rate applies to all other MCCs.</p> <p>All merchants are automatically opted into acceptance of the Mastercard Installment Payments product by Mastercard; however, merchants have the option to opt out of acceptance. For merchants who choose to opt-out, these transactions will be declined at the point-of-sale and be subject to applicable fees for declined authorizations. To opt-out at any time, please call your merchant portfolio officer or usual customer service phone number.</p>
MASTERCARD MERCHANT LOCATION FEE	\$1.25 Fee assessed monthly per active merchant location. An active location is defined as a merchant location that processed at least one Mastercard transaction during the month. Merchant locations that have less than \$200 in Mastercard gross sales for the month are not subject to the fee for that month. Merchant locations in MCCs 8398 (Charitable Organizations) and 8661 (Religious Organizations) are not subject to this fee. Billed on a one-month lag.
MASTERCARD HUMANITARIAN PROGRAM CLEARING FEE	0.25% Fee assessed on the gross dollar volume of Humanitarian prepaid card transactions that are used to help humanitarian aid organizations deliver aid more effectively and more efficiently.
MASTERCARD INTERCHANGE COMPLIANCE DOWNGRADE FEE	\$0.15 Fee assessed on every transaction that is adjusted back by the Mastercard Interchange Compliance process for having an inappropriate interchange program assigned. The Mastercard Interchange Compliance process matches clearing transactions with data from the corresponding authorization messages to verify the data for accuracy and consistency. If the process determines that an incorrect interchange program has been assigned to the transaction, the process adjusts the transaction back and provides a reason for why the interchange rate was not appropriate for the transaction.
MASTERCARD IMAGE INTERFACE TIER FEE	\$0.65 Fee assessed on each Mastercard dispute case where an image package is supplied to Mastercard (for all dispute types). Fee appears as “DISPUTE IMAGE FEE MC DMS” or “DSPT IMAGE FEE MC DMS” on your merchant statement or reporting.
MASTERCARD DISPUTE IMAGE EXCESSIVE PAGE FEE	\$1.00 Fee assessed for image packages sent to Mastercard where the page count is greater than 20 pages (fee charged per page for the 21st page and later). Fee appears as “NW DISPUTE EXCESSIVE PAGE MC DMS” or “MC-DSPT EXC PAGE DMS” on your merchant statement or reporting.
MASTERCARD INCOMING PRE-ARBITRATION ACCEPTANCE FEE	\$15.00 Fee assessed on all incoming pre-arbitrations where the merchant accepts the liability of the dispute. Fee appears as “NW MC PRE ARBITRATION ACPT FEE” or “MC PREARB ACCEPT FEE” on your merchant statement or reporting.
MASTERCARD CASE FILING FEE	\$20.00 Fee assessed on each Mastercard Pre-Compliance, filed Arbitration or filed Compliance case initiated through Mastercard. Fee appears as “NW CASE FILING FEE MC DMS” or “MC-CASE FILING FEE DMS” on your merchant statement or reporting.
MASTERCARD CASE RULING FEE	\$420.00 Fee assessed for each Mastercard filed Arbitration or filed Compliance case where Mastercard has ruled in favor of the Issuer. Fee appears as “NW CASE RULING FEE MC DMS” or “MC-CASE RULING FEE DMS” on your merchant statement or reporting.

MASTERCARD CASE WITHDRAWAL FEE	\$320.00 Fee assessed on each Mastercard filed Arbitration or filed Compliance case where the acquirer (on behalf of the merchant) has "Withdrawn" the case and accepted the liability of the dispute. Fee appears as "NW CASE FILING WD MC DMS" or "MC-CASE FILING W/D DMS" on your merchant statement or reporting.
MASTERCARD CLAIMS MANAGER FEE	\$1.35 Fee assessed on each Mastercard incoming chargeback. Fee appears as "DISPUTE CASE FEE MC DMS" or "DSPT CASE FEE MC DMS" on your merchant statement or reporting.
MASTERCARD TECHNICAL VIOLATION FEE	\$100.00 Fee assessed on lost Arbitration and Compliance cases when Mastercard determines that the merchant has violated an operating rule. Multiple Technical Violation Fees can apply to the same Arbitration or Compliance case.
MASTERCARD DYNAMIC CURRENCY MATCHING FEE	0.25% Fee assessed on Dynamic Currency Conversion (DCC) and Multi-Currency purchase and return/refund transactions that are settled in one of the following currencies: Australian Dollar (AUD), Canadian Dollar (CAD), Danish Krone (DKK), Euro (EUR), Hong Kong Dollar (HKD), Japanese Yen (JPY), Norwegian Krone (NOK), Singapore Dollar (SGD), South African Rand (ZAR), Swedish Krone (SEK), Swiss Franc (CHF), or United Kingdom Pound Sterling (GBP). Fee also applies to Multi-Currency purchase and return/refund transactions settled in New Zealand Dollar (NZD) and in all of the above currencies except Singapore Dollar (SGD).
DISCOVER NETWORK FEES: The following fees result from charges assessed to SERVICER from Discover Network and are subject to increases, decreases, and additional new fees imposed by Discover Network. Please note that Discover Network fees apply only to Transactions for all Discover Cards, unless Merchant is classified by Discover Network as having a Discover Direct Strategic Relationship.	
Fee/Name	Fee/Description
DISCOVER NETWORK ASSESSMENT	0.14% Fee assessed on the gross dollar amount of all Discover, JCB, UnionPay, Diners Club International, and Korea BCard transactions.
DISCOVER DIGITAL INVESTMENT FEE	0.01% Fee assessed on the gross dollar amount of all Discover card not present transactions. Applicable transaction types include Mail Order/Telephone Order, eCommerce, stored card account (card on file), in-app mobile commerce, and Voice Response Unit (VRU).
DISCOVER NETWORK DATA USAGE FEE	\$0.0025 Fee assessed on all Discover, JCB, UnionPay, Diners Club International, and Korea BCard sales and credit (sales return) transactions.
DISCOVER ACCOUNT VERIFICATION SERVICE FEE	\$0.02 Fee assessed on all Account Verification messages, including both approved and declined, Address Verification Service (AVS), and Card Verification Value (CVV) account verification transactions. Account Verification transactions must be submitted for \$0 and are used to validate cardholder account numbers and other elements, such as CVV and AVS, prior to obtaining an actual authorization.
DISCOVER ADDRESS VERIFICATION SERVICE (AVS) FEE	\$0.005 Fee assessed on all Discover authorizations that are submitted for more than \$0 that receive one of the following Address Verification Service (AVS) response codes: X (address and 9 digit zip code matches), A (address and 5 digit zip code matches), Y (address matches but zip code does not match), T (9 digit zip code matches but address does not match), Z (5 digit zip code matches but address does not match), or N (no match on either the address or zip code).
DISCOVER NETWORK INTERNATIONAL SERVICE FEE	0.80% Fee assessed on all Discover, Diners Club International, JCB, UnionPay, and Korea BCard transactions at a U.S. merchant location with a non-U.S. issued card.
DISCOVER NETWORK INTERNATIONAL PROCESSING FEE	0.50% Fee assessed on all Discover, Diners Club International, JCB, UnionPay, and Korea BCard transactions where the country code of the merchant is different from the country code of the card issuer. Billed with applicable international interchange fees.
DISCOVER NETWORK AUTHORIZATION FEE	\$0.019 Fee Assessed on all Discover, JCB, UnionPay, Diners Club International and Korea BCard Authorizations. Fee does not apply to authorizations of return or refund transactions.
DISCOVER PROGRAM INTEGRITY FEE	\$0.10 Fee assessed on all transactions on U.S. issued cards that downgrade to the Base Submission Level interchange programs.
DISCOVER TICKET RETRIEVAL FEE	\$1.00 Fee assessed for each Discover ticket retrieval request received. Fee appears as "NW TICKET RTR REQUEST DISC DMS" or "DS-TKT RETRIEVAL RQST DMS" on your merchant statement or reporting.

7. General Pricing Information:

- a. **Interchange Schedules.** The fees and assessments and qualifying criteria set forth above and in the rate schedules referenced in Section 4 may be changed from time to time as a result of Payment Network changes and in accordance with the Merchant Agreement. References in those rate schedules to the "Program Guide" and "Application" will mean the Merchant Agreement.

- b. Information regarding certain Fees for the Agreed Upon Card types
 - (i) Billable Transactions include: purchases, returns, declines, reversals, terminal balancing totals and Authorizations.
 - (ii) Authorization fees apply to all attempted authorizations and approved authorizations.
 - (iii) Per item fees include data capture and settlement.
 - (iv) The Discount Rate applies to gross processing volume.
 - (v) The Merchant Services Fees set forth on this Q are in addition to all other Third-Party-Based Fees and all fees due and payable to us and/or any applicable Person and will be collected by us as set forth in the Merchant Agreement.
- c. Information regarding supplies charges
 - (i) Supplies are provided at our then-current costs, plus a fee for shipping and handling, per shipment.
 - (ii) You will be responsible for payment of all import duties and shipping and handling costs associated with any equipment purchased, rented, leased or maintained by Servicer under the Merchant Agreement.
- d. In addition to the other fees specified in the Merchant Agreement, you agree to pay Servicer for any other fees and charges applicable to any Ancillary Services or other services you request or require which are not covered in the Merchant Agreement.

**EXHIBIT 1 TO U.S. TERRITORY ADDENDUM
FORM OF PARTICIPATION AGREEMENT**

This PARTICIPATION AGREEMENT (“**Participation Agreement**”) is entered into as of _____ by and among Bank of America, N.A. (“**Servicer**”) and _____ (“**Participant**”) which is a government entity or political subdivision located within the jurisdictional limits of the City. Capitalized terms used but not defined in this Participation Agreement are defined in the Merchant Agreement.

WHEREAS, Servicer and City of Hollywood (“**City**”) entered into a Merchant Agreement which is comprised of the General Terms together with the U.S. Territory Addendum appended thereto dated _____ (as having been amended and supplemented from time to time, all collectively the “**Merchant Agreement**”), for the provision of Merchant Services and/or Ancillary Services, including certain debit and credit card acceptance, processing, settlement and support services as further described therein;

WHEREAS, the Merchant Agreement provides that the Merchant Services and any Ancillary Services may be provided to qualified governmental entities or political subdivisions located within the City, each with independent authority, or delegated authority from the City, to enter into a Participation Agreement with Servicer and agree to become a party to the Merchant Agreement; and

WHEREAS, Participant desires to become a party to the Merchant Agreement and receive the Merchant Services and certain Ancillary Services as provided in and subject to the Merchant Agreement, as further specified in this Participation Agreement. However, Servicer is not required to provide Merchant Services and/or Ancillary Services under the Merchant Agreement to Participant until Participant has satisfied any conditions or requirements of Servicer, including those set forth in Section 2.1 of the General Terms;

NOW THEREFORE, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Participation Terms and Conditions.

- A. Participant acknowledges that it has received and retained a true and correct copy of the Merchant Agreement.
- B. By executing this Participation Agreement, Participant hereby: (i) agrees to the terms of the Merchant Agreement with the same effect as if it had physically signed the Merchant Agreement and entered into a separate version of the Merchant Agreement with Servicer, provided, however, that any monetary caps on Servicer’s limitation of liability set forth in the Merchant Agreement shall apply in the aggregate to the City, any Agencies, and all Participants; and (ii) the terms and conditions of this Participation Agreement. Participant further agrees that it shall be deemed to be a Merchant under the Merchant Agreement and all references in the Merchant Agreement to “Merchant”, “you” or “your” shall mean Participant.
- C. Participant further agrees to abide by any decisions made by the City on all matters involving the Merchant Agreement, and acknowledges that amendments to the Merchant Agreement made in accordance with its terms will constitute amendments to this Participation Agreement.
- D. Servicer is not obligated to notify Participant of any amendments to or termination of the Merchant Agreement; such notices will be the responsibility of the City.
- E. Participant agrees to pay in accordance with the terms of the Merchant Agreement, all Fees and/or Other Payments charged by Servicer under the Merchant Agreement for the Merchant Services and any Ancillary Services received by Participant. Participant will verify that it has established a Settlement Account separate from the Settlement Accounts of the State, other Agencies and other Participants.
- F. Participant agrees that Servicer may share certain information with the City, on an as-needed basis, regarding the Merchant Services and Ancillary Services provided to Participant in order for Servicer to carry out the program established by the City and Servicer with respect to the provision of Merchant Services and Ancillary Services to Participant.
- G. This Participation Agreement will remain in effect unless and until it is terminated in accordance with its terms. However, if the Merchant Agreement is terminated, this Participation Agreement will automatically terminate as of the effective date of termination of the Merchant Agreement.
- H. Servicer may terminate this Participation Agreement or the provision of Merchant Services and/or any Ancillary Services, or withdraw or suspend the provision of Merchant Services and/or any Ancillary Services, to Participant upon one hundred and twenty (120) calendar days’ written notice to Participant, or such longer period as prescribed by Applicable Law.
- I. The City may terminate this Participation Agreement upon notice to Participant and Servicer if: (i) Participant does not comply with the terms of the Merchant Agreement; or (ii) City determines that termination of this Participation Agreement is in the best interests of the City. Servicer and Participant may terminate this Participation Agreement for the same reasons such Parties have to terminate the Merchant Agreement.

2. Notices.

A. All notices and other communications to Participant required or permitted under this Participation Agreement or the Merchant Agreement shall be sent to Participant at the following address in accordance with the notice procedures specified in the Merchant Agreement:

Participant Name: _____
 Street Address: _____
 City, State, Zip: _____
 Recipient/Title for Notices: _____
 Email: _____
 Taxpayer ID Number: _____

B. All notices and other communications to any party other than Participant required or permitted under this Participation Agreement or the Merchant Agreement shall be sent to such party in accordance with the notice procedures specified in the Merchant Agreement.

3. General.

- A. This Participation Agreement and the Merchant Agreement contain the entire understanding of the parties and supersedes any and all previous discussions, proposals or agreements, if any, by and among the parties with respect to the subject matter hereof.
- B. This Participation Agreement may be amended for the same reasons and in the same manner as the Merchant Agreement, provided however, that no amendment to this Participation Agreement may be signed by Participant unless also approved in writing by the City.
- C. This Participation Agreement is binding on Servicer and Participant and their respective successors and assigns. Participant may not assign or transfer this Participation Agreement, in whole or in part, without the written consent of Servicer and the City.
- D. This Participation Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Participation Agreement. Receipt of an executed signature page to the Participation Agreement by telecopy, or other electronic transmission shall constitute effective delivery thereof.
- E. To the extent the terms of the Merchant Agreement directly conflict with the terms of this Participation Agreement, the terms of the Merchant Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed by their authorized officers, as of the date first written above.

[_____]
 ("PARTICIPANT")

BANK OF AMERICA, N.A.
 ("SERVICER")

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED:

City of Hollywood
 ("CITY")

APPROVED AS TO FORM:

By: _____

BY: _____

Name: _____

NAME: _____

Title: _____

TITLE: _____

Date: _____