



SUBMITTER MERCHANT AGREEMENT PAYMENT PROCESSING INSTRUCTIONS AND GUIDELINES

Paymenttech, L.P. ("Paymenttech" or "we", us" or "our" and the like) and _____ ("_____") are excited about the opportunity to provide you with state-of-the-art payment card processing services. For ease of reference, we will refer to the entity signing these instructions and guidelines below as ("you", "yours" and the like). The following information is designed to inform and assist you as we begin our relationship.

Important Definitions

To help you understand these instructions and guidelines, you will need to understand these defined terms.

- *Authorization* is the authorization of all entries to a consumer's account given by the consumer to you. The authorization must be obtained in a manner and form consistent with the regulations pertaining to consumer authorizations as consistent with NACHA rules and regulations and Regulation E, and, where required thereby, must be in writing. Authorization is required for all ACH transactions both recurring and non-recurring.
- *ACH* is an electronic debit or credit to or from your or your designated agent's bank account; or an electronic debit or credit to a consumer's bank account as authorized by an agreement between you and the consumer which represents a sale of Products to the consumer.
- *Association* is a group of Card issuer banks or debit networks that facilitate the use of payment cards, such as the systems operated by MasterCard International, Inc. and Visa, Inc., NYCE, Pulse, Star, and Interlink debit networks.
- *Association Rules* are the bylaws, rules, and regulations, as they exist from time to time, of the Associations.
- *Card* is both the plastic card or other evidence of the account and the account number, issued by a Card issuer or a debit network to the Cardholder, either of which you accept from your customers as payment for their purchases from you, and for which Paymenttech agrees to process.
- *Cardholder* is the person to whom the Card is issued and who is entitled to use the Card.
- *Chargeback* is a reversal of a Card sale you previously presented to Paymenttech pursuant to Association Rules.
- *ECP* is electronic check processing which are ACH or Facsimile Draft transactions sent by you to us for the purposes of debiting or crediting consumer demand deposit or savings accounts.
- *ECP Return* is the reversal of charge that you have previously presented for ECP, or the receipt of a Notification of Change. It is generally initiated by the consumer's bank at the request of the consumer or may be caused due to invalid account data, insufficient funds at the receiving institution or any reason allowed by Federal Reserve Regulations pertaining to the ACH system.
- *Facsimile Draft* means a non-electronic document representing Sales Data created by Paymenttech upon your request.
- *NACHA* means the National Automated Clearing House Association, which is an organization that establishes and controls the rules and regulations under which financial institutions may process ACH transactions.
- *Notification of Change* is a non-dollar transaction sent to us by the receiving institution which advises that the data contained in the original transaction is either incorrect or has been changed. The Notice of Change provides the correct data allowing for the processing of the Transaction.
- *Prenote* means a non-dollar transaction sent through the ACH network by us at your request to a consumer's bank for the purpose of verifying the accuracy of the account data. It has the same information (with the exception of the dollar amount and transaction code) that will be carried on subsequent entries. Prenotes are optional.

- *Products* mean those goods and services that are sold or rendered by you in connection with your usual business.
- *Retrieval Request* is a request for information by a Cardholder or Card issuer relating to a claim or complaint concerning a Card sale you have made.
- *Sales Data* is the evidence and electronic record of a sale or lease transaction representing payment by use of a Card or of a refund/credit to a Cardholder.
- *T&E Card* is a travel and entertainment Card issued by American Express, Novus/Discover, Carte Blanche, Diner's Club, or such other T&E Card for which we may agree to accept submissions in the future.
- *Validation* is the process by which we determine if the Sales Data or Prenote presented are capable of being processed through the Federal Reserve System.
- *Verification* means the system of electronically matching Sales Data information against a negative file account database for the purpose of identifying accounts which have unpaid checks outstanding or have been closed for cause. There is no financial recourse or payment provided for any checks that are later returned regardless of the verification response.

Your Acceptance of Cards

- Each sale you make involving a Card must be evidenced by a single Sales Data record completed with the sale date and the sale amount, and other information as required by the Associations or by us. You are not allowed to set a dollar amount above or below which you refuse to honor otherwise valid Cards.
- You agree to comply with all Association Rules, as may be applicable to you and in effect from time to time and of which you have been informed. You understand that we may be required to modify these instructions and guidelines in order to comply with requirements imposed by the Association Rules.
- The Association Rules require that each Sales Data you tender to us for processing comply with the following conditions: (1) The Sales Data represents payment or refund of payment, for the bona fide sale or lease of the goods, services or both, which you have provided in the ordinary course of your business; (2) The Sales Data does not involve any element of credit for any purpose other than payment for a current transaction (including payment of a previously-dishonored check) and, except in the case of approved installment or pre-payment plans, the goods have been shipped or services actually rendered to the Cardholder; (3) To your knowledge, the Sales Data is free from any material alteration not authorized by the Cardholder; and (4) You have not advanced any cash to the Cardholder or to yourself in connection with the Card transaction, nor have you accepted payment for effecting credits to a Cardholder's account.
- In offering payment options to your customers, you may elect any one of the following options: (1) Accept all types of Visa and MasterCard Cards, including consumer credit and debit/check cards, and commercial credit and debit/check cards; (2) Accept only Visa and MasterCard credit cards and commercial cards (If you select this option, you must accept all consumer credit cards (but not consumer debit/check cards) and all commercial card products, including business debit/check cards); (3) Accept only Visa and MasterCard consumer debit/check cards (If you select this option, you must accept all consumer debit/check card products (but not business debit/check cards) and refuse to accept any kind of credit cards). The acceptance options above apply only to domestic transactions and, as such, they do not apply to Visa or MasterCard Cards issued by non-U.S. banks. In other words, if your customer presents a Visa or MasterCard Card issued from a European or Asian bank, for example, Association Rules require you to accept that card just as you would any other card (provided you receive a valid authorization and confirm the identity of the cardholder with a signature or otherwise, etc.), regardless of the acceptance option choice you have made and even if you have elected not to accept that type of Card from U.S. issuers.
- If you choose to limit the types of Cards you accept, the following rules apply to you: (1) You must display appropriate signage to indicate acceptance of the limited acceptance category you have selected (that is, accept only debit/check card products or only credit and commercial products); and (2) Any Sales Data submitted into interchange outside of the selected product category will be assessed the standard interchange fee applicable to that Card product and may also have additional fees/surcharges assessed.
- All available information about the sale, including handling and shipping charges, if applicable must be accurately recorded. You are responsible for determining that the purchaser is the person whose name appears as the Cardholder. If an account number is transposed into an invalid or inappropriate account number, the sale will result in a Chargeback.

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

Authorizations

- The Card Associations require you to obtain authorization codes for all Card transactions. We will designate an authorization center for you to contact. Under certain circumstances, we will make authorization/approval code requests on your behalf, if you have not otherwise provided an authorization/approval code. Please understand that receiving an authorization code for a Card transaction indicates only that credit is available for the Card transaction at the time the authorization is given, and it does not constitute a representation from us or from the Cardholder's issuing bank that a particular Card transaction is in fact a valid or undisputed transaction entered into by the actual Cardholder or an authorized user of the Card.

Refunds and Adjustments

- The Card Associations require you to maintain a fair policy with regard to the return/cancellation of merchandise or services and adjustment of Card sales. You must also disclose your return/cancellation policy to your customers.
- If you allow a price adjustment, return of merchandise or cancellation of services in connection with a Card sale, you must prepare and deliver to us Sales Data reflecting such refund or adjustment within 3 days of receiving the customer's request for such refund/adjustment. The amount of the refund/adjustment cannot exceed the amount shown as the total on the original Sales Data except by the exact amount required to reimburse the Cardholder for postage that the Cardholder paid to return merchandise. You are not allowed to accept cash or any other payment or consideration from a customer in return for preparing a refund to be deposited to the Cardholder's account nor to give cash refunds to a Cardholder in connection with a Card sale, unless required by law.
- Paperwork is not necessary for an even exchange. For an uneven exchange, complete a credit for the total amount of the merchandise being returned and complete a new sales transaction for any new merchandise purchased.
- Please be aware, if your refund policy prohibits returns under certain circumstances, you may still receive a Chargeback relating to such sales pursuant to the Association rules.

Settlement

- We will settle all proceeds from your Card transactions in accordance with the *Funding Schedule* that is attached to these instructions and guidelines.
- If you want us to process T&E Card transactions for you, you must have in effect, directly or through your designated agent, a valid agreement with the respective T&E Card company. Upon transmission of such Sales Data by you, we will forward the Sales Data to the appropriate T&E Card company. Payment of the proceeds due you will be governed by whatever agreement you or your designated agent have with that T&E Card company, and we do not bear any responsibility for their performance. If your or your designated agent's agreement with a T&E Card company requires the T&E Card company's consent for us to perform the services you want us to perform, you are responsible for obtaining that consent.
- Upon our receipt of your Sales Data for Card transactions, we will process your Sales Data to facilitate the funds transfer between the various Associations and you for Card sales. After we receive credit for such Sales Data, we will provide provisional credit to you as you designate in the *Funding Schedule*.
- You must not submit Sales Data for payment until the goods are delivered, shipped, or the services are performed. If the Cardholder disputes being charged for merchandise or services before receiving them, the result may be a chargeback to you. We may from time to time contact customers to verify that they have received goods or services for which Sales Data has been submitted.

Retrieval Requests

- The Associations require you to store original documentation of each transaction for at least six months from the date of the respective transaction, and to retain copies of all such data for at least 18 months from the date of

the respective transaction. The Associations do not allow you to charge a fee for the creation or storage of such copies.

- We will send you any Retrieval Request that we cannot satisfy with the information we have on file concerning any Card sale. In response, you must provide us in writing by certified or overnight mail or by confirmed fax the resolution of your investigation of such Retrieval Request and include legible copies of any documentation required by the Retrieval Request within seven business days after we send it to you. Once we receive your response, we will take the appropriate steps in a timely manner to reduce the probability of the Cardholder's bank sending an unjustified Chargeback to you. Remember, your failure to fulfill a Retrieval Request in accordance with Association Rules may result in an irreversible Chargeback to you.

Chargebacks

- You may receive a Chargeback from a Cardholder or Card issuer for a number of reasons under the Association Rules. The following are some of the most common reasons for Chargebacks: (1) You do not issue a refund to a Cardholder upon the return or non-delivery of goods or services; (2) An authorization/approval code was required and not obtained; (3) The Sales Data is prepared incorrectly or fraudulently; (4) We did not receive your response to a Retrieval Request within seven business days as required by the Association Rules; (5) The Cardholder disputes the Card sale or the signature on the sale documentation, or claims that the sale is subject to a set-off, defense or counterclaim; (6) The Cardholder refuses to make payment for a Card sale because in the Cardholder's good faith opinion, a claim or complaint has not been resolved, or has been resolved by you but in an unsatisfactory manner; or (7) The Card was not actually presented at the time of the sale or you did not obtain an electronic record or a physical imprint of the Card, and the Cardholder denies making the purchase.

- If you have reason to dispute or respond to a Chargeback, then you must do so by the date provided by us on our report to you. We are not required to investigate, reverse or make any adjustment to any chargeback when thirty (30) calendar days have elapsed from the date of the Chargeback. All responses to Chargebacks must be in writing, and must contain the following information: (1) Date of debit/credit advice; (2) your case number; (3) the total amount of the Chargeback; (4) the date and dollar amount in which the sale/credit was originally submitted; (5) If known, the date and authorization code; and (6) Any supporting documentation to substantiate your claim. You should include a dated cover letter detailing the reasons for requesting a review of the Chargeback.

Data Security and Privacy

- We will exercise reasonable care to prevent disclosure or use of Card information, other than as permitted under the Association Rules. You must exercise reasonable care to prevent disclosure of Card information, other than to your agents and contractors for the purpose of assisting you in completing a Card transaction, or to the applicable Association, or as specifically required by law. Each party will store all media containing Card numbers in an area limited to selected personnel and prior to either party discarding any material containing Cardholder information, the party will destroy it in a manner rendering the Card account numbers unreadable. If at any time either party determines that Card account number information has been compromised, such party will notify the other party immediately and assist in providing notification to the proper parties as we deem necessary. Association Rules require you to comply with all security standards and guidelines that may be published from time to time by Visa, MasterCard or any other Association, including, without limitation, the Visa U.S.A. Cardholder Information Security Program (collectively, the "Security Guidelines"). Pursuant to CISP, you must: (1) Install and maintain a working network firewall to protect data accessible via the Internet; (2) Keep security patches up-to-date; (3) Encrypt stored data and data sent over open networks; (4) Use and update anti-virus software; (5) Restrict access to data by business "need-to-know"; (6) assign a unique ID to each person with computer access to data; (7) Not use vendor-supplied defaults for system passwords and other security parameters; (8) Track access to data by unique ID; (9) Regularly test security systems and processes; (10) Maintain a policy that addresses information security for employees and contractors; (11) Restrict physical access to cardholder information; and (12) When outsourcing administration of information assets, networks, or data, retain legal control of proprietary information and use limited "need-to-know" access to such assets, networks or data. Please note that failure to comply with the CISP requirements and other Security Guidelines may result in fines and/or penalties being levied against you or against us because of your actions by the Associations. If this occurs you agree to reimburse us immediately for any fine or penalty imposed due to your violation of the Security Guidelines.

- The Associations require you to post and maintain on all your applicable web sites both your consumer data privacy policy and your method of transaction security.

- The Associations prohibit you from retaining or storing CVV2/CVC2 data subsequent to the authorization.

- The Association Rules provide that Cardholder information and transaction data is owned by the Associations, the Card issuer and the Cardholder.

- You may not use any Card or Cardholder information other than for the sole purpose of completing the transaction authorized by the customer for which the information was provided to you, or as specifically allowed by Association Rules, or required by law. Any Association or its designee may inspect your premises and computers, and the premises and computers of any company you have contracted with, for the purposes of verifying that Cardholder information is securely stored and processed, and is not used for any purpose other than processing the transactions to which it relates.

Electronic Check Processing

- You are not required utilize us for electronic check processing. If you choose to send us ECP transaction, you must present Sales Data to us in the same manner you submit other Sales Data to us. All Sales Data must be supported by a previously obtained Authorization, if required, from the consumer.
- We will deliver to a participant in the Federal Reserve System data representing such Sales Data that pass the Validation process in a timely manner allowing for the initiation of an ECP transaction to the consumer's bank account. We will report to you those transactions which fail the Validation process.
- The delivery to us of such Sales Data shall constitute an assignment to us by you, conditional upon your compliance with these instructions, of each item of Sales Data and the indebtedness thereunder.
- You must obtain the consumer's Authorization prior to the initiation of any ECP transaction and you must maintain a file containing such Authorizations.
- You cannot reinitiate ECP transactions once they have received a "Payment Stopped" as a reason for return, unless an Authorization from the customer overriding the stop payment has been received.
- You are responsible for complying with the laws and regulations governing the initiation of preauthorized electronic debit entries, including but not limited to the Electronic Fund Transfer Act of 1978 and Federal Reserve Regulation E, as it may be amended from time to time, and all applicable NACHA rules and regulations.

Debit Bill Payment

- Upon your request, we will provide you with the ability to accept customers' debit cards or ATM cards for payment with the debit network logos for NYCE, STAR and PULSE, without use of personal identification numbers ("PINs") (the "Services"). These debit networks allow merchants to accept debit card or ATM card payments under the rules and regulations they have established for debit bill payment.
- You will allow transactions without a PIN for bill payments to be processed through your customer-facing payment platforms, which are solely controlled and operated by you and not included within the services we provide to you. Paymentech will immediately provide and continually update a bank identification number ("BIN") file for you to determine whether the card presented by each customer can be processed over the debit networks, i.e., whether it is a debit card that can be processed, or credit card that cannot be processed. You agrees to provide all bill payment data in accordance with the pre-existing and independently-developed Paymentech data processing formats that are used for generic payment processing. If the Card's BIN range is found on the BIN table, you may format the transaction as a debit bill payment and process the transaction through the debit networks, provided you have made all the required disclosures to, and given the consumer/cardholder the required payment choice language and the option to cancel the payment before it's completed if they choose to do so.
- We will settle with you on any submitted debit bill payment transaction that you have processed and sent to us through the network correctly and that has not been rejected in the network for any other reason in accordance with our pre-existing and independently-developed data processing systems.
- We will report to you both authorized but unsettled and settled debit bill payment transactions on a daily basis via a secured and password protected Internet connection in accordance with our pre-existing and independently-developed reporting systems. The debit bill payment transactions successfully deposited will be categorized by network, i.e., method of payment (e.g., Star, Pulse or NYCE).

Please acknowledge your receipt of these instructions and guidelines and your agreement to comply therewith.

Name of Entity

By: _____

Printed Name: _____

Title: _____

Paymentech, L.P.

By: PTI General Partner, LLC
Its general partner

By: _____

Printed Name: _____

Title: _____

By: _____

Printed Name: _____

Title: _____

FUNDING SCHEDULE

In order to receive funds from Paymentech, you must maintain a bank account at a bank that is a member of the Automated Clearing House ("ACH") system and the Federal Reserve wire system. You are solely liable for all fees and costs associated with your bank account and for all overdrafts. You authorize Paymentech to initiate electronic credit and debit entries and adjustments to your bank account in accordance with this funding schedule. We will not be liable for any delays in receipt of funds or errors in bank account entries caused by third parties, including but not limited to delays or errors by the Associations or your bank.

The proceeds payable to you shall be equal to the amounts received by us in respect of your Sales Data less all Chargebacks and Cardholder refunds. Such amounts will be paid to you promptly following our receipt of the funds. If the Sales Data does not represent sufficient credits or the bank account does not have a sufficient balance to pay amounts due from you under this funding schedule, we may pursue one or more of the following options: (i) demand and receive immediate payment for such amounts; (ii) debit your bank account for the amount of the negative balance; (iii) withhold your settlement payments until all amounts are paid, (iv) delay presentation of your refunds until you make a payment to us of a sufficient amount to cover the negative balance; and (v) pursue any remedies we may have at law or in equity.

Unless and until we receive written instructions from you to the contrary, all amounts payable by Paymentech to you will be deposited in the bank account designated and authorized by you. You hereby irrevocably designate that all amounts payable by Paymentech to you will be deposited in a bank account managed and designated by Blackbaud, Inc. ("Blackbaud"). These irrevocable instructions may not be changed without the written approval of both Blackbaud and you.