

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
AUGUST 25, 2009 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Resolutions to Authorize Acceptance of Credit Card Payments and Processing Services with Payment Processing Inc. (PPI)	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

Resolutions have been prepared for the following items:

- Authorize the Village to collect credit card payments for fines, fees and other charges in accordance with the Local Government Acceptance of Credit Cards Act.
- Authorize an agreement with Payment Processing Inc. (PPI) to replace the Village's current credit card processing provider (PayPal).

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2008-2013 identified *Exceptional Municipal Organization*. A supporting objective of this goal is *Financially Sustainable Village Government*.

FISCAL IMPACT

The FY09 Budget includes \$15,000 in the General Fund for credit card processing fees.

UPDATE & RECOMMENDATION

These items were discussed at the August 11, 2009 workshop. Action regarding the proposed resolutions was deferred until the August 25, 2009 workshop in accordance with legal notice requirements set forth in the Local Government Acceptance of Credit Cards Act. Additionally, a public hearing was required prior to authorizing the Village to collect payments via credit card in accordance with the Local Government Acceptance of Credit Cards Act. The public hearing was noticed and will be held during the August 25, 2009 workshop. Staff requests that formal action for both items be taken by the Village Council during the August 25, 2009 workshop to avoid a gap in the Village's ability to collect payments via credit card.

Staff recommends approval on the August 25, 2009 Attorney's Report pending the results of the public hearing.

BACKGROUND

Two resolutions are being proposed for Village Council consideration. The first item would authorize the Village to collect credit card payments in accordance with the Local Government Acceptance of Credit Cards Act (50 ILCS 345/1 et seq.). This act was passed by the Illinois legislature in 1997 and authorizes municipal governments to collect payments for various fines, fees and other charges via credit card. Approval of the proposed resolution is required per the Local Government Acceptance of Credit Cards Act and would authorize the Village to continue to collect payments by credit card.

The second resolution would authorize an agreement with PPI for credit card processing services. The Village currently uses PayPal for these services. PayPal is making a software change effective

September 1, 2009. While Eden is working collaboratively with PayPal to complete this update, it will not be ready by September 1, 2009.

There are currently only two credit card processing providers that are currently compatible with the Village's financial software, PayPal (the Village's current provider) and PPI. The PPI software is already fully compliant with Eden and no update is required. Both PayPal and PPI charge the same fee for credit card processing services, so staff evaluated the providers based on their compatibility with the Village's financial software. With processing fees equal to the Village's current provider and better compatibility and support from Eden, staff recommends a change of provider from PayPal to PPI for credit card processing services.

Action regarding the proposed resolutions must be deferred until the August 25, 2009 workshop in accordance with legal notice requirements set forth in the Local Government Acceptance of Credit Cards Act. Additionally, a public hearing is required prior to authorizing the Village to collect payments via credit card in accordance with the Local Government Acceptance of Credit Cards Act. The public hearing has been noticed and will be held during the August 25, 2009 workshop. Staff requests that formal action for both items be taken by the Village Council during the August 25, 2009 workshop to avoid a gap in the Village's ability to collect payments via credit card.

ATTACHMENTS

Resolutions

Agreement

Council Action Summaries

RESOLUTION NO. ____

**A RESOLUTION AUTHORIZING THE ACCEPTANCE OF
CREDIT CARD PAYMENTS BY THE VILLAGE OF DOWNERS GROVE**

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution authorizes the Village of Downers Grove to contract with individuals, associations and corporations in any manner not prohibited by law or by ordinance; and

WHEREAS, the Local Government Acceptance of Credit Cards Act (50 ILCS 345/1, et seq.) authorizes municipalities to accept payment by credit card for fines, fees, charges, taxes, costs or other bills owing to, collected by or imposed by a unit of local government; and

WHEREAS, the acceptance of credit cards for payment of the above-referenced bills is common practice for local governmental bodies; and

WHEREAS, it is in the best interest of the Village to continue to accept payment by credit card for fines, fees, charges, taxes, costs or other bills owing to, collected by or imposed by the Village of Downers Grove by credit card; and

WHEREAS, a public hearing was held by the Village of Downers Grove on August 25, 2009 which date was not less than 10 days nor later than 30 days from the date of publication of the notice, as required by law.

NOW, THEREFORE, BE IT RESOLVED, by the Village Council of the Village of Downers Grove, DuPage County, Illinois, in the exercise of its home rule powers, as follows:

SECTION 1. That the recitals set forth above are incorporated herein.

SECTION 2. That the Village Council hereby authorizes the Village Treasurer to continue to accept payment by credit card of fines, fees, charges, taxes, costs, or bills owing to, collected by or imposed by the Village of Downers Grove and to enter into such agreements with one or more financial institutions or service providers as may be necessary to facilitate acceptance and process of credit card payments subject to Council approval as necessary.

SECTION 3. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

SECTION 4. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF AN
AGREEMENT AND ADDENDA BETWEEN THE VILLAGE OF DOWNERS GROVE
AND PAYMENT PROCESSING, INC.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement and Addenda thereto (the "Agreement"), between the Village of Downers Grove (the "Village") and Payment Processing, Inc. ("PPI"), for credit card payment processing services, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____
Village Clerk



Payment Processing, Inc.

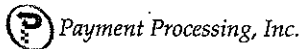
Application Package Checklist and Instructions

Thank you for your interest in our services. To process your application quickly, the following documents must be filled out completely and accurately. If you have questions after reading the instructions or if you have a problem providing some of the required documents please contact Michelle Greenfield, your Account Manager, at 1-800-774-6462 x4934. Important: as you complete the application, any cross-outs or changes must be initialed by you.

Following the checklist below, fax your completed application package to **1-888-647-3820**. It will take 5-7 days to process your application. Once your application has been approved, a technical representative from PPI will contact you to complete the installation.

CHECKLIST – Return all items listed below

- Merchant Application and Agreement** – For your convenience, the application fields may be filled out on your computer, and then printed for your signature and date. Return the top two pages of the application; the legal agreement is for your file. Detailed instructions on filling out this form can be found on the following page.
- Schedule A - Billing Information** – Complete, sign and date at the bottom right of this form
- Voided Check Form** – Funds will be deposited to, and fees debited from the account shown on the voided business check you provide. If checks are not available, a simple letter from your bank (on bank letterhead and signed by a bank representative) with your dba, account number and routing number is acceptable. Temporary checks and deposit slips are not acceptable.
- Last 3 Months of Credit Card Statements (*required only if you've ever accepted credit cards)**
- Site Photos (*required if your business is less than 1 year old)** – A representative from a 3rd party site inspection company contracted by PPI will contact you to coordinate a time to take pictures of your facility and signage at no cost to you. In most cases, your application cannot move forward without the completion of this inspection. If you have any questions or concerns regarding this inspection, please contact Michelle Greenfield at 1-800-774-6462 x4934.
- Business Verification (*required if your business is more than 1 year old)** – Submit one item from two of the categories below (total 2 items submitted). All items submitted must show merchant name/dba and location address.
 - Advertisements** – Yellow Page ad (copy entire page), magazine ad, coupon, direct mailer, brochure, flyer, menu, or similar material
 - Municipal Certificates** – business license, building permit, health dept. inspection approval, or similar document
 - Invoices** – from a vendor, supplier, or contractor with whom you do business. Utility bills are also acceptable.



Application Package Checklist and Instructions (cont.)

APPLICATION INSTRUCTIONS

MERCHANT INFORMATION

The left side of this section is for your corporate information; the right side is for additional information or any information that differs from the corporate information.

OWNERS/OFFICERS

For security purposes, banks require complete personal information concerning individuals whose cumulative ownership totals at least 50% of the business.

CREDIT INFORMATION

Annual or Projected Credit Card Volume / Average Ticket / Total or Projected Sales

Please estimate your total annual credit card volume. This is only an estimate and you will not be held to this number. Also estimate your average ticket, which is the average transaction amount including product, taxes, shipping, etc. If you prefer, total sales may be left blank.

Mail/Fax Chargeback/Retrievals to – for receiving notification of disputed charges

American Express® Merchant # / Discover® Merchant #

If you previously held or currently hold a merchant account with AMEX® or Discover under this business name, you do not need to reapply; simply fill in the merchant number(s).

Software or Equipment Type -- Enter the credit card terminal or software type you will use.

MAIL OR TELEPHONE ORDER SALES

Complete only if you process primarily mail or phone orders. Otherwise, put "NA" in each field.

SALES DEPOSIT POLICY

Most businesses do not require deposits.

MASTERCARD®/VISA® REFUND POLICY

If you do not accept refunds, that in itself constitutes a "refund policy." To allow you to process refunds if you choose, we recommend you check the following boxes: YES, MC/VISA Credit, 0-3 Days.

BANK AND BUSINESS TRADE REFERENCES

A trade reference is any company that you pay for goods or services, including suppliers and utility firms.

PREVIOUSLY ACCEPTED CREDIT CARDS

Faxed statements are not always readable; please enter the information here as well.

Signature Lines (These MUST be accurate)

Corporate Name – the corporate name must match the "Name of Corporation" on page one.

Signatures – the owners/officers listed on page one must sign here; titles must match page one.

Date – Enter date at time of signing.

Guarantors - Sign directly above the "individual signature" line, then print the name and add the date on the line immediately below.



PAYMENT PROCESSING USE ONLY					
MERCHANT #		MCC		CARD ACCEPTANCE REQUESTED: <input type="checkbox"/> CREDIT ONLY <input type="checkbox"/> DEBIT ONLY <input type="checkbox"/> CREDIT and DEBIT	
MERCHANT INFORMATION*					
LEGAL NAME OF CORPORATION OR PARTNERSHIP <i>The Village of Downers Grove</i>			MERCHANT "DOING BUSINESS AS" NAME		
CORPORATION ADDRESS <i>801 Burlington Ave.</i>			LOCATION ADDRESS (NO PO BOX)		
CORPORATION CITY, STATE, ZIP <i>Downers Grove, IL 60515</i>			LOCATION CITY, STATE, ZIP		
CORPORATE TELEPHONE NUMBER <i>(630) 434-5500</i>		CORPORATE FAX NUMBER** <i>(630) 434-5571</i>		LOCATION TELEPHONE NUMBER	LOCATION FAX NUMBER**
CORPORATE CONTACT			LOCATION CONTACT		
EMAIL ADDRESS**			EMAIL ADDRESS**		
EIN/FEDERAL TAX ID # <i>36-6005857</i>		IS YOUR BUSINESS CLOSED PART OF THE YEAR? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		HOW LONG AT THIS LOCATION?	BUSINESS START DATE (MM/YY)
DESCRIBE THE MERCHANDISE SOLD OR SERVICE PROVIDED					
OWNERS/OFFICERS*					
(List the two owners with the largest share of ownership. Information on the individual(s) signing the application is needed below)					
NAME OF OWNER/OFFICER #1 (FIRST NAME, MIDDLE INITIAL, LAST NAME)			NAME OF OWNER/OFFICER #2 (FIRST NAME, MIDDLE INITIAL, LAST NAME)		
TITLE #1		PERCENT OF OWNERSHIP %		TITLE #2	
RESIDENCE ADDRESS #1				RESIDENCE ADDRESS #2	
RESIDENCE CITY, STATE, ZIP #1				RESIDENCE CITY, STATE, ZIP #2	
HOME TELEPHONE #1		SOCIAL SECURITY #1		HOME TELEPHONE #2	
DATE OF BIRTH		DRIVER'S LICENSE #		STATE	
COMPANY PRESIDENT			COMPANY CFO		
HAVE ANY OF THE PRINCIPALS EVER FILED FOR BANKRUPTCY? <input type="checkbox"/> YES <input type="checkbox"/> NO IF YES, NAME: _____ DATE: _____			HAVE ANY OF THE PRINCIPALS EVER MANAGED OR OWNED ANOTHER BUSINESS THAT ACCEPTED CREDIT CARDS? <input type="checkbox"/> YES <input type="checkbox"/> NO IF YES, PROVIDE BUSINESS NAME AND CITY/STATE: _____		
CREDIT INFORMATION					
ANNUAL OR PROJECTED ANNUAL VISA/MASTERCARD VOLUME:		AVERAGE OR PROJECTED AVERAGE CREDIT CARD TICKET:		TOTAL OR PROJECTED SALES:	
TYPE OF OWNERSHIP: <input type="checkbox"/> SOLE OWNERSHIP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> LLC <input type="checkbox"/> PUBLIC CORP <input type="checkbox"/> PRIVATE CORP <input type="checkbox"/> GOVT. CORP <input type="checkbox"/> NON-PROFIT <input type="checkbox"/> OTHER _____		TYPE OF BUSINESS: <input type="checkbox"/> RETAIL <input type="checkbox"/> WHOLESALE <input type="checkbox"/> RESTAURANT <input type="checkbox"/> LODGING <input type="checkbox"/> MAIL ORDER <input type="checkbox"/> TELEPHONE ORDER <input type="checkbox"/> CONVENIENCE STORE <input type="checkbox"/> INTERNET <input type="checkbox"/> CONVENIENCE STORE WITH GAS <input type="checkbox"/> HOME-BASED <input type="checkbox"/> BUSINESS TO BUSINESS <input type="checkbox"/> OTHER _____ IF INTERNET BUSINESS, LIST WEBSITE ADDRESS: _____		CHECK METHOD OF ADVERTISING AND INCLUDE ANY MATERIALS: <input type="checkbox"/> YELLOW PAGES AD <input type="checkbox"/> CATALOG <input type="checkbox"/> TV/RADIO <input type="checkbox"/> DIRECT MAIL — LETTER/BROCHURE <input type="checkbox"/> TELEPHONE/TELEMARKETING <input type="checkbox"/> NEWSPAPER/MAGAZINE ADVERTISEMENT <input type="checkbox"/> REFERRAL <input type="checkbox"/> INTERNET/E-MAIL	
MAIL/FAX CHARGEBACK/RETRIEVALS TO: <input type="checkbox"/> LOCATION ADDRESS <input type="checkbox"/> CORPORATE ADDRESS		DISCOVER MERCHANT #		NUMBER OF DAYS TO PREPARE SHIPMENTS FOR DELIVERY TO CUSTOMER FROM DATE OF ORDER:	
DELIVER STATEMENTS TO: <input type="checkbox"/> LOCATION ADDRESS <input type="checkbox"/> CORPORATE ADDRESS		AMERICAN EXPRESS MERCHANT #		MC/VISA SALES ARE DEPOSITED (CHECK ONE): <input type="checkbox"/> AT DATE OF ORDER <input type="checkbox"/> AT DATE OF DELIVERY <input type="checkbox"/> AT DATE OF SHIPMENT <input type="checkbox"/> OTHER	
% ANNUAL CREDIT CARD SALES GENERATED BY: MAIL/PHONE % INTERNET % CARD SWIPE % BUSINESS TO BUSINESS % HAND-KEYED ITEMS FACE-TO-FACE % TOTAL = 100%		% OF CUSTOMER ORDERS DELIVERED IN: 0-7 DAYS % 8-14 DAYS % 15-30 DAYS % MORE THAN 30 DAYS % TOTAL = 100%			
THIRD PARTY CARDHOLDER DATA STORAGE COMPLIANCE					
IS CARDHOLDER DATA STORED? <input type="checkbox"/> YES <input type="checkbox"/> NO		IF YES, WHERE IS CARDHOLDER DATA STORED? <input type="checkbox"/> MERCHANT <input type="checkbox"/> CAP ONLY <input type="checkbox"/> FDMS EXPORT ONLY <input type="checkbox"/> BOTH MERCHANT AND MERCHANT CAP/VAR <input type="checkbox"/> UNKNOWN		NAME OF PRIMARY CAP/VAR: PPI Paymover	
				NAME OF SECONDARY CAP/VAR:	
MAIL OR TELEPHONE ORDER SALES: (Complete if you are using a fulfillment house)					
NAME OF FULFILLMENT HOUSE (IF ANY) n/a		DELIVERY TIME FRAME n/a		NAME OF SHIPPING SERVICE USED	
FULFILLMENT HOUSE — STREET ADDRESS n/a				DELIVERY TIME FRAME	
CITY n/a		STATE		SHIPPING SERVICE — STREET ADDRESS	
CITY n/a		STATE		CITY	
CITY n/a		STATE		STATE	
CITY n/a		STATE		ZIP	
CITY n/a		STATE		ZIP	
IF USING A FULFILLMENT HOUSE, WHO OWNS THE MAJORITY OF THE INVENTORY? <input type="checkbox"/> MERCHANT <input type="checkbox"/> FULFILLMENT HOUSE					
					X Merchant Initials:

SALES DEPOSIT POLICY

ARE CONSUMERS REQUIRED TO PROVIDE A DEPOSIT? YES NO IF A DEPOSIT IS REQUIRED, WHAT PERCENT OF THE TOTAL SALE IS REQUIRED? _____ %

MASTERCARD/VISA REFUND POLICY

DO YOU HAVE A REFUND POLICY FOR YOUR MASTERCARD/VISA SALES? YES NO
 CHECK THE APPLICABLE REFUND POLICY: EXCHANGE STORE CREDIT MCVISA CREDIT OTHER
 IF MCVISA CREDIT, WITHIN HOW MANY DAYS DO YOU DEPOSIT CREDIT TRANSACTIONS? 0-3 DAYS 4-7 DAYS 8-14 DAYS

BANK AND BUSINESS TRADE REFERENCES

BANK REFERENCE NAME <i>US Bank</i>		BUSINESS TRADE REFERENCE NAME <i>Clayco Hurley Co.</i>	
BANK ADDRESS <i>5100 Main Street</i>		TRADE REFERENCE ADDRESS <i>175 West First St.</i>	
BANK CITY, STATE, ZIP <i>Dowpers Grove, IL 60515</i>		TRADE CITY, STATE, ZIP <i>Elmhurst, IL 60126</i>	
BANK CONTACT <i>Barb Gawlik</i>		TRADE CONTACT <i>Rick McGee</i>	
BANK PHONE <i>(630) 515-4922</i>	BANK FAX <i>(630) 810-1985</i>	TRADE REFERENCE PHONE <i>(630) 279-7762</i>	TRADE REFERENCE FAX <i>(630) 279-7785</i>
BANK ACCOUNT NUMBER <i>1993800006098</i>		TRADE REFERENCE ACCOUNT NUMBER	

IF THE MERCHANT HAS PREVIOUSLY ACCEPTED CREDIT CARDS, THE LAST 3 MONTHS' MERCHANT STATEMENTS MUST BE PROVIDED

CURRENT CREDIT CARD PROCESSING BANK, IF APPLICABLE		REASON FOR LEAVING CURRENT PROCESSOR (IF APPLICABLE)	
BANK OR PROCESSOR NAME:			
CITY	STATE	ZIP	CONTACT
			PHONE

Signatures

Merchant certifies that all information set forth in this completed Merchant Application is true and correct and that Merchant has received a copy of Schedule A, the Terms and Conditions, Operating Procedures and Confirmation Page, all of which constitute the Agreement, and by this reference are incorporated herein. Merchant further agrees that Merchant will not accept more than 20% of its card transactions via mail, telephone or Internet order. However, if your Merchant Application is approved based upon contrary information stated in the Merchant Application, you are authorized to accept transactions in accordance with the percentages indicated in the appropriate section. Merchant authorizes Payment Processing, Inc. ("PPI") and Wells Fargo Bank, N.A. ("Bank") and their agents to investigate the references, statements and other data contained herein and to obtain additional information from credit bureaus and other lawful sources, including persons and companies names in this Merchant Application. Merchant authorizes PPI, and Bank and their agents (a) to procure information from any consumer reporting agency bearing his/her personal credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, and (b) to contact all previous employers, personal references and educational institutions. It is our policy to obtain certain information in order to verify your identity while processing your Merchant Application.

The individual who signs this Merchant Application has authority to do so and to bind its establishment to the terms and conditions of the Agreement.

Merchant agrees to all the terms of the Agreement. The Agreement shall not take effect until Merchant has been approved and this Agreement has been accepted by PPI and Bank.

X Business Legal Name: _____

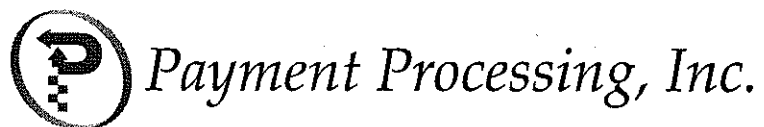
Merchant's Business Principal/Officer

Signature X _____	Title _____
Print Name of Signer _____	Date _____
Signature X _____	Title _____
Print Name of Signer _____	Date _____

Personal Guarantee: The undersigned guarantees to PPI and Bank the performance of this Agreement, and any addendum thereto by Merchant, and in the event of default, hereby waives Notice of Default and agrees to indemnify the other parties, including payment of all sums due and owing and costs associated with enforcement of the terms thereof. PPI and Bank shall not be required to first proceed against Merchant or enforce any other remedy before proceeding against the undersigned individual. This is a continuing guarantee and shall not be discharged or affected by the death of the undersigned and shall bind the heirs, administrators, representatives and assigns and be enforced by or for the benefit of any successor of PPI and Bank. The term of this guarantee shall be for the duration of the Agreement and any addendum thereto and shall guarantee all obligations which may arise or occur in connection with my activities during the term thereof through enforcement shall be sought subsequent to any termination.

Personal Guarantee

Signature X _____	Print Name _____	Date _____
Personal Guarantee		
Signature X _____	Print Name _____	Date _____
Accepted By Payment Processing, Inc.	Wells Fargo Bank, N.A., 1200 Montego Way, Walnut Creek, CA 94598	
Signature X _____	Signature X _____	
Title _____	Title _____	Date _____



Voided Check Form

Attach Voided Check Here

Please attach a voided check from your business checking account to this sheet.
Your application cannot be processed without an imprinted voided check or a letter on your bank's stationary that is signed by a bank employee and includes the DBA or Corporate name, account number and routing number.



PAYMENT PROCESSING USE ONLY		
MERCHANT #	MCC	CARD ACCEPTANCE REQUESTED: <input type="checkbox"/> CREDIT ONLY <input type="checkbox"/> DEBIT ONLY <input type="checkbox"/> CREDIT and DEBIT

MERCHANT INFORMATION*			
LEGAL NAME OF CORPORATION OR PARTNERSHIP <i>The Village of Downers Grove</i>		MERCHANT "DOING BUSINESS AS" NAME	
CORPORATION ADDRESS <i>801 Burlington Ave.</i>		LOCATION ADDRESS (NO PO BOX)	
CORPORATION CITY, STATE, ZIP <i>Downers Grove, IL 60515</i>		LOCATION CITY, STATE, ZIP	
CORPORATE TELEPHONE NUMBER <i>(630) 434-5500</i>	CORPORATE FAX NUMBER** <i>(630) 434-5571</i>	LOCATION TELEPHONE NUMBER	LOCATION FAX NUMBER**
CORPORATE CONTACT		LOCATION CONTACT	
EMAIL ADDRESS**		EMAIL ADDRESS**	
EIN/FEDERAL TAX ID # <i>36-6005857</i>	IS YOUR BUSINESS CLOSED PART OF THE YEAR? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	HOW LONG AT THIS LOCATION?	BUSINESS START DATE (MM/YY)
DESCRIBE THE MERCHANDISE SOLD OR SERVICE PROVIDED			

OWNERS/OFFICERS*			
(List the two owners with the largest share of ownership. Information on the individual(s) signing the application is needed below)			
NAME OF OWNER/OFFICER #1 (FIRST NAME, MIDDLE INITIAL, LAST NAME)		NAME OF OWNER/OFFICER #2 (FIRST NAME, MIDDLE INITIAL, LAST NAME)	
TITLE #1	PERCENT OF OWNERSHIP %	TITLE #2	PERCENT OF OWNERSHIP %
RESIDENCE ADDRESS #1		RESIDENCE ADDRESS #2	
RESIDENCE CITY, STATE, ZIP #1		RESIDENCE CITY, STATE, ZIP #2	
HOME TELEPHONE #1	SOCIAL SECURITY #1	HOME TELEPHONE #2	SOCIAL SECURITY #2
DATE OF BIRTH	DRIVER'S LICENSE #	STATE	DATE OF BIRTH
			DRIVER'S LICENSE #
			STATE
COMPANY PRESIDENT		COMPANY CFO	
HAVE ANY OF THE PRINCIPALS EVER FILED FOR BANKRUPTCY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		HAVE ANY OF THE PRINCIPALS EVER MANAGED OR OWNED ANOTHER BUSINESS THAT ACCEPTED CREDIT CARDS? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
IF YES, NAME: _____ DATE: _____		IF YES, PROVIDE BUSINESS NAME AND CITY/STATE: _____	

CREDIT INFORMATION		
ANNUAL OR PROJECTED ANNUAL VISA/MASTERCARD VOLUME:	AVERAGE OR PROJECTED AVERAGE CREDIT CARD TICKET:	TOTAL OR PROJECTED SALES:
TYPE OF OWNERSHIP: <input type="checkbox"/> SOLE OWNERSHIP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> LLC <input type="checkbox"/> PUBLIC CORP <input type="checkbox"/> PRIVATE CORP <input type="checkbox"/> GOVT. CORP <input type="checkbox"/> NON-PROFIT <input type="checkbox"/> OTHER _____	TYPE OF BUSINESS: <input type="checkbox"/> RETAIL <input type="checkbox"/> WHOLESALE <input type="checkbox"/> RESTAURANT <input type="checkbox"/> LODGING <input type="checkbox"/> MAIL ORDER <input type="checkbox"/> TELEPHONE ORDER <input type="checkbox"/> CONVENIENCE STORE <input type="checkbox"/> INTERNET <input type="checkbox"/> CONVENIENCE STORE WITH GAS <input type="checkbox"/> HOME-BASED <input type="checkbox"/> BUSINESS TO BUSINESS <input type="checkbox"/> OTHER _____ IF INTERNET BUSINESS, LIST WEBSITE ADDRESS: _____	CHECK METHOD OF ADVERTISING AND INCLUDE ANY MATERIALS: <input type="checkbox"/> YELLOW PAGES AD <input type="checkbox"/> CATALOG <input type="checkbox"/> TV/RADIO <input type="checkbox"/> DIRECT MAIL — LETTER/BROCHURE <input type="checkbox"/> TELEPHONE/TELEMARKETING <input type="checkbox"/> NEWSPAPER/MAGAZINE ADVERTISEMENT <input type="checkbox"/> REFERRAL <input type="checkbox"/> INTERNET/E-MAIL
MAIL/FAX CHARGEBACK/RETRIEVALS TO: <input type="checkbox"/> LOCATION ADDRESS <input type="checkbox"/> CORPORATE ADDRESS	DELIVER STATEMENTS TO: <input type="checkbox"/> LOCATION ADDRESS <input type="checkbox"/> CORPORATE ADDRESS	
AMERICAN EXPRESS MERCHANT #	DISCOVER MERCHANT #	NUMBER OF DAYS TO PREPARE SHIPMENTS FOR DELIVERY TO CUSTOMER FROM DATE OF ORDER:
% ANNUAL CREDIT CARD SALES GENERATED BY: MAIL/PHONE % INTERNET % CARD SWIPE % BUSINESS TO BUSINESS % HAND-KEYED ITEMS FACE-TO-FACE % TOTAL = 100%	% OF CUSTOMER ORDERS DELIVERED IN: 0-7 DAYS % 8-14 DAYS % 15-30 DAYS % MORE THAN 30 DAYS % TOTAL = 100%	MC/VISA SALES ARE DEPOSITED (CHECK ONE): <input type="checkbox"/> AT DATE OF ORDER <input type="checkbox"/> AT DATE OF DELIVERY <input type="checkbox"/> AT DATE OF SHIPMENT <input type="checkbox"/> OTHER

THIRD PARTY CARDHOLDER DATA STORAGE COMPLIANCE		
IS CARDHOLDER DATA STORED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	IF YES, WHERE IS CARDHOLDER DATA STORED? <input type="checkbox"/> MERCHANT <input type="checkbox"/> CAP ONLY <input type="checkbox"/> FDMS EXPORT ONLY <input type="checkbox"/> BOTH MERCHANT AND MERCHANT CAP/VAR <input type="checkbox"/> UNKNOWN	NAME OF PRIMARY CAP/VAR: PPI Paymover NAME OF SECONDARY CAP/VAR:

MAIL OR TELEPHONE ORDER SALES: (Complete if you are using a fulfillment house)			
NAME OF FULFILLMENT HOUSE (IF ANY) n/a	DELIVERY TIME FRAME n/a	NAME OF SHIPPING SERVICE USED	DELIVERY TIME FRAME
FULFILLMENT HOUSE — STREET ADDRESS n/a		SHIPPING SERVICE — STREET ADDRESS	
CITY n/a	STATE	ZIP	CITY
			STATE
			ZIP
IF USING A FULFILLMENT HOUSE, WHO OWNS THE MAJORITY OF THE INVENTORY? <input type="checkbox"/> MERCHANT <input checked="" type="checkbox"/> FULFILLMENT HOUSE			

X Merchant Initials:

SALES DEPOSIT POLICY

ARE CONSUMERS REQUIRED TO PROVIDE A DEPOSIT? YES NO IF A DEPOSIT IS REQUIRED, WHAT PERCENT OF THE TOTAL SALE IS REQUIRED? _____ %

MASTERCARD/VISA REFUND POLICY

DO YOU HAVE A REFUND POLICY FOR YOUR MASTERCARD/VISA SALES? YES NO

CHECK THE APPLICABLE REFUND POLICY: EXCHANGE STORE CREDIT MC/VISA CREDIT OTHER

IF MC/VISA CREDIT, WITHIN HOW MANY DAYS DO YOU DEPOSIT CREDIT TRANSACTIONS? 0-3 DAYS 4-7 DAYS 8-14 DAYS

BANK AND BUSINESS TRADE REFERENCES

BANK REFERENCE NAME <i>US Bank</i>		BUSINESS TRADE REFERENCE NAME <i>Claude Hurley Co.</i>	
BANK ADDRESS <i>5100 Main Street</i>		TRADE REFERENCE ADDRESS <i>175 West First St.</i>	
BANK CITY, STATE, ZIP <i>Downers Grove, IL 60515</i>		TRADE CITY, STATE, ZIP <i>Elmhurst, IL 60126</i>	
BANK CONTACT <i>Barb Rawlik</i>		TRADE CONTACT <i>Rick McGee</i>	
BANK PHONE <i>(630) 515-4922</i>	BANK FAX <i>(630) 810-1985</i>	TRADE REFERENCE PHONE <i>(630) 279-7762</i>	TRADE REFERENCE FAX <i>(630) 279-7795</i>
BANK ACCOUNT NUMBER <i>193800006098</i>		TRADE REFERENCE ACCOUNT NUMBER	
IF THE MERCHANT HAS PREVIOUSLY ACCEPTED CREDIT CARDS, THE LAST 3 MONTHS' MERCHANT STATEMENTS MUST BE PROVIDED			
CURRENT CREDIT CARD PROCESSING BANK, IF APPLICABLE		REASON FOR LEAVING CURRENT PROCESSOR (IF APPLICABLE)	
BANK OR PROCESSOR NAME:			
CITY	STATE	ZIP	PHONE

Signatures

Merchant certifies that all information set forth in this completed Merchant Application is true and correct and that Merchant has received a copy of Schedule A, the Terms and Conditions, Operating Procedures and Confirmation Page, all of which constitute the Agreement, and by this reference are incorporated herein. Merchant further agrees that Merchant will not accept more than 20% of its card transactions via mail, telephone or Internet order. However, if your Merchant Application is approved based upon contrary information stated in the Merchant Application, you are authorized to accept transactions in accordance with the percentages indicated in the appropriate section. Merchant authorizes Payment Processing, Inc. ("PPI") and Wells Fargo Bank, N.A. ("Bank") and their agents to investigate the references, statements and other data contained herein and to obtain additional information from credit bureaus and other lawful sources, including persons and companies names in this Merchant Application. Merchant authorizes PPI, and Bank and their agents (a) to procure information from any consumer reporting agency bearing his/her personal credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living; and (b) to contact all previous employers, personal references and educational institutions. It is our policy to obtain certain information in order to verify your identity while processing your Merchant Application.

The individual who signs this Merchant Application has authority to do so and to bind its establishment to the terms and conditions of the Agreement.

Merchant agrees to all the terms of the Agreement. The Agreement shall not take effect until Merchant has been approved and this Agreement has been accepted by PPI and Bank.

X Business Legal Name: _____

Merchant's Business Principal/Officer

Signature **X** _____

Title _____

Print Name of Signer _____

Date _____

Signature **X** _____

Title _____

Print Name of Signer _____

Date _____

Personal Guarantee: The undersigned guarantees to PPI and Bank the performance of this Agreement, and any addendum thereto by Merchant, and in the event of default, hereby waives Notice of Default and agrees to indemnify the other parties, including payment of all sums due and owing and costs associated with enforcement of the terms thereof. PPI and Bank shall not be required to first proceed against Merchant or enforce any other remedy before proceeding against the undersigned individual. This is a continuing guarantee and shall not be discharged or affected by the death of the undersigned and shall bind the heirs, administrators, representatives and assigns and be enforced by or for the benefit of any successor of PPI and Bank. The term of this guarantee shall be for the duration of the Agreement and any addendum thereto and shall guarantee all obligations which may arise or occur in connection with my activities during the term thereof through enforcement shall be sought subsequent to any termination.

Personal Guarantee

Signature **X** _____

Print Name _____ Date _____

Personal Guarantee

Signature **X** _____

Print Name _____ Date _____

Accepted By Payment Processing, Inc.

Wells Fargo Bank, N.A., 1200 Montego Way, Walnut Creek, CA 94598

Signature **X** _____

Signature **X** _____

Title _____ Date _____

Title _____ Date _____

Terms and Conditions

1 Acceptance of Card Transactions

1.1 The following requirements apply to all Card transactions: a) you cannot establish minimum or maximum amounts as a condition for accepting a Card, with the exception that for Discover Network transactions, you may limit the maximum amount a Discover Network Cardholder may spend if, and only if, you have not received a positive Authorization from the Card Issuer; b) you cannot impose a surcharge or fee for accepting a Card; c) you cannot establish any special conditions for accepting a Card; d) you cannot establish procedures that discourage, favor or discriminate against the use of any particular Card; however, you may choose not to accept either U.S. issued Debit Cards or U.S. issued Credit Cards under the terms described in section 1.3; e) you cannot require the Cardholder to supply any personal information (e.g., home or business phone number, home or business address; or driver's license number) unless instructed by us, except for a mail order/telephone order or delivery required transaction, and ZIP code for a Card-present key-entered transaction in order to obtain an Address Verification (AVS); f) Any tax required to be collected must be included in the total transaction amount and not collected in cash; g) you cannot submit any transaction representing the refinancing or transfer of an existing Cardholder obligation deemed uncollectible; h) you cannot submit a transaction or sale that has been previously charged back; i) you must deliver at least one copy of the Sales Draft or Credit Draft to the Cardholder; j) you cannot submit a transaction or sale to cover a dishonored check. Failure to comply with any of the Association Rules may result in fines or penalties.

1.2 **Prohibited Transactions.** a) you are prohibited from depositing transactions originating from Cards of owners, partners or officers of your business establishment except for transactions that are routine in type, size and frequency for your business and that represent actual sales of goods or services. Submission of sales transactions on Cards in order to obtain a cash advance is strictly prohibited and may result in immediate cancellation of your account; b) cash payments by and cash disbursements to Cardholders are also prohibited. You must not accept any direct payments from Cardholders for charges of merchandise or services which have been included on a Sales Draft; it is the right of the Card Issuer to receive such payments. You may not make any cash disbursements to a Cardholder as part of a Card transaction except to the extent expressly authorized by the Merchant Agreement or the Association Rules.

1.3 **Card Acceptance.** If you have indicated either in the Application or by registering with us at least thirty (30) days in advance that, as between Non-PIN Debit Card transactions and Credit Card transactions, you will limit your acceptance to either (i) only accept Non-PIN Debit transactions; or (ii) only accept Credit Card transactions, then the following terms in this section 1.3 will apply:

1.3.1 You will be authorized to refuse to accept for payment either Non-PIN Debit Cards or Credit Cards that are issued within the United States. You will, however, continue to be obligated to accept all foreign issued Credit or Debit Cards issued by MasterCard, Visa or Discover Network so long as you accept any type of MasterCard, Visa or Discover Network branded Card.

1.3.2 While many Debit Cards include markings indicating debit (such as "Visa Checkcard, Visa Buxx, Gift Card, DEBIT, or Mastermoney), many Debit Cards do not include any such markings and will not have such markings until January 2007. It will be your responsibility to determine at the point of sale whether a Card is of a type that you have indicated that you will accept. You agree to institute appropriate systems and controls to limit your acceptance to the Card types indicated. You may purchase a table of ranges of numbers currently associated with Debit Card transactions upon execution of confidentiality/non-disclosure agreements required by the Associations. You will be responsible for updating your systems to utilize such tables and to obtain updated tables.

1.3.3 To the extent that you inadvertently or intentionally accept a transaction that you are not registered to accept, such transaction will downgrade to a Non-Qualified Credit transaction and the Discount Rate that will be applied to the transaction will be your Non-Qualified Rate.

1.3.4 Based upon your choice to accept only the Card types indicated in the Application, you must remove from your premises any existing signage indicating that you accept all Visa, MasterCard or Discover

Network Cards and use approved specific signage reflecting your policy of accepting only Non-PIN Debit or Credit Cards.

1.3.5 Even if you elect not to accept Non-PIN Debit Card transactions as provided above, you may still accept PIN Debit Card transactions if you have signed up for PIN Debit Card Services.

1.4 If your Merchant Application and Agreement is approved by Processor, you will be provided Operating Procedures, which contain the Operating Procedures, instructions and other directives relating to Card transactions. You agree that if you process Card transactions, you will comply with the Operating Procedures for all transactions you process. The current Operating Procedures are also available online at www.paypros.com/fdmsdocs/ppiopguide0408.pdf.

2 Authorization

2.1 You must obtain an Authorization for all sales that you submit to us.

2.2 An Authorization only indicates the availability of credit on an account at the time the Authorization is requested. It does not warrant that the person presenting the Card is the rightful Cardholder, nor is it a promise or guarantee that you will not be subject to a Chargeback. If you fail to obtain an Authorization or if you submit a Card transaction after receiving a decline (even if a subsequent Authorization attempt provides an approval), your transaction may be assessed fines or fees by the Card Associations for which you will be responsible. These fines or fees currently range from \$50 per transaction to \$150. To avoid these costs, always obtain an Authorization directly from your terminal before submitting a transaction for settlement.

2.3 Do not attempt to obtain an Authorization provided by someone other than us, except as described in section 2.6. If a Cardholder or another service provider provides you with either an Authorization number or with a telephone number for obtaining Authorizations, the Authorization you receive may not be valid. Even if the transaction is initially processed and funded, it may be subject to a Chargeback at a later date. Also, if you receive an Authorization from someone other than us, we will not have a record of it and will be unable to verify that you received the Authorization if it is later questioned in a Chargeback.

2.4 You may not attempt to obtain multiple Authorizations for a single transaction. If a sale is declined, do not take alternative measures with the same Card to obtain an approval of the sale from other Authorization sources. Instead, request another form of payment. If you accept and process a transaction that was declined, or attempt to submit multiple transactions and/or multiple Authorizations, you are subject to a Chargeback, Association fines and/or cancellation of this Merchant Agreement.

2.5 If you utilize AVS, you must review the response from the Authorization separately from the response from the AVS. A transaction can receive an Authorization from the Card Issuer even if AVS is unavailable or reflects that the address provided to you does not match the billing address on file at the Issuer. If the authorized Cardholder disputes such a transaction, you will be responsible for the resulting Chargeback.

2.6 **Third Party Authorization System.** If you have contracted with another Authorization network to obtain Credit Card Authorization, i.e., your terminal can Split Dial, liability resulting from discrepancies with that network must be resolved between you and that network. We will not research Chargebacks resulting from Authorization Approval Codes obtained from another authorization service organization. Such Chargebacks will be passed through to you for resolution. If an Authorization provided by a third party authorization system is challenged in a Chargeback, you must obtain proof (e.g., third party authorization logs) from the authorization source and submit it to us within the time frame specified on the Chargeback documentation.

IF YOU CONTRACTED TO USE ONE OF OUR AUTHORIZATION SERVICES, DO NOT USE ANOTHER THIRD PARTY SYSTEM WITHOUT NOTIFYING CUSTOMER SERVICE. OTHERWISE, WE WILL BE UNABLE TO SUCCESSFULLY RESEARCH AND DEFEND ANY AUTHORIZATION RELATED CHARGEBACKS ON YOUR BEHALF. THIS DELAY WILL SIGNIFICANTLY DECREASE YOUR TIME TO RESEARCH AND PROVIDE PROOF OF AUTHORIZATION, THUS REDUCING YOUR OPPORTUNITY TO REVERSE A CHARGEBACK.

If you utilize another authorization network, you will be responsible for the downgrade of any transactions to a higher cost interchange that result from a mismatch of information to our systems and those of third party authorization networks.

If you use a third party authorization network, you must also comply with section 4.7 of your Operating Procedures.

3 Payment Card Industry (PCI) Data Security. You are required to comply with the Payment Card Industry (PCI) Data Security Standards. These standards are contained in section 4 of your Operating Procedures. Failure to comply with these standards can result in substantial fines.

4 Sales Drafts

4.1 Each transaction that you submit must be supported by a single Sales Draft containing all of the following: a) a clear imprint of the Card showing account number and expiration date; b) the signature of the Cardholder; c) a short description of the goods or services sold; d) the total amount charged; and e) your business name and Merchant number.

4.2 Instead of an imprint of the Card on the Sales Draft, you may rely on the terminal printout of the Card account number on the Sales Draft only in cases where the terminal is able to successfully read the magnetic stripe from the Card (i.e., the Card number is not keyed in) and the transaction is authorized by the terminal without any referral or voice authorization.

4.3 You may not combine different papers to create a single Sales Draft. All the requirements of the Sales Draft must be met by a single page document.

4.4 You must timely provide us with copies of any Sales Drafts that we request. Failure to provide us with a valid Sales Draft may result in a Chargeback.

4.5 If you accept a transaction where you do not obtain a Sales Draft meeting all of the requirements of section 4.1, you do so at your own risk.

5 Mail Order; Telephone Order; Internet Transactions and Other Card Not Present Sales. You may only engage in mail/telephone/Internet orders provided they do not exceed the percentage of your total payment Card volume reflected on your Merchant Application and Agreement. Failure to adhere to this requirement may result in cancellation of this Merchant Agreement, or we may hold your funds and/or interrupt or terminate your Services. Mail/Telephone/Internet and other Card Not Present transactions have a substantially higher risk of Chargeback. Since you will not have an imprinted or magnetically swiped transaction and you will not have the Cardholder's signature on the Sales Draft as you would in a face-to-face transaction, you will assume all risk associated with accepting a mail/telephone/Internet or other Card Not Present transaction.

6 Settlement of Card Transactions

6.1 We will only be required to settle Card transactions for Card types specified in your Application. Promptly after presentment of Sales Drafts pursuant to the Operating Procedures, we will initiate a transfer of the applicable settlement funds to you.

All settlements for Visa, MasterCard and Discover Network Card transactions will be net of Credits/refunds, adjustments, applicable discount fees when due, Chargebacks and any other amounts then due from you. We may also set off from any payments otherwise due, any amounts owed to our affiliates (and/or affiliates of Bank) whether or not arising out of or related to this Agreement.

All Credits to your Settlement Account or other payments to you are provisional and are subject to, among other things, our final audit, Chargebacks (including our related losses), fees and fines imposed by the Associations. You agree that we may debit or credit your Settlement Account for any deficiencies, overages, fees and pending Chargebacks, or may deduct such amounts from settlement funds due to you. Alternatively, we may elect to invoice you for any such amounts, net due thirty (30) days after the invoice date or on such earlier date as may be specified.

6.2 We will not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties including but not limited to any Association or your financial institution.

6.3 In addition to any other remedies available to us under this Agreement, you agree that should any Event of Default (see section 19 of this Merchant Agreement) occur, we may, with or without notice, change processing or payment terms and/or suspend Credits or other payments of any and all funds, money and amounts now due or hereafter to become due to you pursuant to the terms of this Agreement, until we have had reasonable opportunity to investigate such event.

6.4 The "Combined Estimated Monthly Volume" and "Estimated Highest Ticket/Sales Amount" appearing on your Merchant Application and Agreement is the maximum monthly transaction volume and maximum Sales Draft amount that you are permitted to submit to us. If you exceed these amounts, we may hold your funds and/or interrupt or terminate

Services. Any request for an increase to these amounts is contingent upon our prior written approval.

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

8 Fees; Adjustments; Collection of Amounts Due

8.1 You shall be charged fees for the Services, which shall be calculated and payable pursuant to this Merchant Agreement and any additional pricing supplements. You agree to pay any fines imposed on us by an Association or Debit Card network resulting from Chargebacks and any other fees or fines imposed by an Association with respect to your acts or omissions.

8.2 Discount Rates are charged on all sales and refunds. All Discount Rates will be deducted daily.

8.3 You acknowledge that for Visa, MasterCard and Discover Network transactions, we will process your Card transactions at the Qualified Discount Rate only when your transactions meet certain criteria set by the applicable Association and us. When your Card transactions fail to meet those qualification criteria, we will process your transactions at the higher Non-Qualified Discount Rate (or, in certain circumstances, at an intermediate Mid-Qualified Discount Rate) indicated in this Merchant Application and Agreement. The current requirements for the Qualified Discount Rate and, if applicable, the Mid- and Non-Qualified Discount Rates will be sent to you upon acceptance of your application and are also available for your review by asking your sales representative, calling customer service, or online at www.MerchantOffice.com (registration required).

8.4 The fees for Services set forth in this Agreement may be adjusted to reflect increases or decreases by Associations in interchange, assessments and other Association fees or to pass through increases charged by third parties for online communications and similar items. All such adjustments shall be your responsibility to pay and shall become effective upon the date any such change is implemented by the applicable Association or third party.

8.5 Subject to section 16.1, we may also increase the rates and/or fees for Services for any other reason by notifying you twenty (20) days prior to the effective date of any such change.

8.6 If you receive settlement funds by wire transfer, we may charge a wire transfer fee per wire.

8.7 All authorization fees will be charged for each transaction that you attempt to authorize. All capture fees will be charged for each transaction that you transmit to us for settlement.

9 Electronic Funding

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

9.2 After you submit sales and Credit Drafts, you will receive settlement funds through ACH Credit. We will initiate a transfer of such applicable settlement funds through ACH to your Settlement Account. Settlement by ACH Credit generally will take place the second banking day after we process the applicable Card transactions. Settlement funds will be net of discount and all other amounts then due from you.

9.3 If you believe any adjustments should be made with respect to your Settlement Account, you must notify us in writing within forty-five (45) days after any debit or credit is or should have been effected. If you notify us after such time period, we may, in our discretion, assist you, at your expense, in investigating whether any adjustments are appropriate and whether any amounts are due to or from other parties, but we shall not have any obligation to investigate or effect any such adjustments. Any

voluntary efforts by us to assist you in investigating such matters shall not create any obligation to continue such investigation or any future investigation.

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

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

10 Other Entitlements

10.1 American Express is subject to separate approval—rates and fees as stated in your Merchant Application and Agreement are based on Merchant type and estimated volume and are subject to change. A Discount Rate will be collected by American Express. A \$5.95 Monthly Fee is mandatory for all American Express mail order, telephone order, home-based and Internet physical delivery Merchants for up to \$5,000.00 in charge volume within any consecutive 12-month period and will be assessed by American Express. This monthly fee applies to online statements. Paper statements may be subject to additional fees. American Express pay frequency is three (3) days.

10.2 JCB is subject to separate approval—rates and fees as stated in your Merchant Application and Agreement are based on Merchant type and estimated volume and are subject to change. By executing this Merchant Application and Agreement, you hereby request that Processor relay JCB Cards for Authorization, data capture and funding.

11 Chargebacks

11.1 You are responsible for reimbursing us for any transaction that is charged back by the Card Issuer and/or the Cardholder and for related fees. See the Operating Procedures for additional information regarding Chargebacks and Chargeback procedures. You shall reimburse us for any Chargebacks, return items, or other losses resulting from your failure to produce a Card transaction record requested by us within the applicable time limits.

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

11.3 You will incur a Chargeback Fee each time a transaction is charged back to you. If we reverse a Chargeback on your behalf and the Card Issuer disputes the reversal (which may occur through a subsequent Chargeback, a pre-arbitration demand or an arbitration demand), the transaction may be charged back again, and you will incur an additional Chargeback Fee. You may also be charged an arbitration fee of up to \$500 and/or incur "good faith" collection fees in connection with a disputed Chargeback.

11.4 You must maintain sufficient funds in your designated Settlement Account to cover all Chargebacks and related fees. Simultaneously, with each transaction processed by you, we have a contingent and unmatured claim against you for any amount we must pay as a result of your processing of transactions, including, but not limited to, any Chargebacks, fees, discounts, customer Credits and adjustments, charges, fines, assessments and penalties. All settlements or Credits given or payment made by us to you in connection with your transactions are provisional, and subject to revocation, Chargeback or refund, subject to the terms and

conditions of this Merchant Agreement, and Association Rules. Your right to receive any amounts due from us is expressly subject and subordinate to our Chargeback, set-off, lien and security interest rights without regard to whether such Chargeback, set-off, lien and security interest rights are applied to claims that are liquidated, unliquidated, fixed, contingent, matured or unmatured. **WE MAY, WITHOUT FURTHER NOTICE, ELECTRONICALLY DEBIT YOUR SETTLEMENT ACCOUNT TO COVER ALL SUMS OWING TO US PURSUANT TO THIS MERCHANT AGREEMENT, INCLUDING, BUT NOT LIMITED TO, AMOUNTS OWING FOR CHARGEBACKS, RELATED FEES AND FINES IMPOSED BY CARD ASSOCIATIONS.**

12 Representations; Warranties

12.1 Without limiting any other warranties hereunder, you represent and warrant as to each Card transaction submitted under our Agreement that: a) the Card transaction represents a bona fide sale/rental of merchandise or services not previously submitted; b) the Card transaction represents an obligation of the Cardholder for the amount of the Card transaction; c) the amount charged for the Card transaction is not subject to any dispute, setoff or counterclaim; d) the Card transaction amount is only for the merchandise or services (including taxes, but without any surcharge e) sold or rented and, except for any delayed delivery or advance deposit Card transactions expressly authorized by this Agreement, the merchandise or service was actually delivered to or performed for the person entering into the Card transaction simultaneously upon your accepting and submitting the Card transaction for processing; e) the Card transaction does not represent the refinancing of an existing obligation of the Cardholder (including any obligation otherwise owed to you by a Cardholder or arising from the dishonor of a personal check); f) you have no knowledge or notice of any fact, circumstances or defense which would indicate that the Card transaction was fraudulent or not authorized by the Cardholder or which would otherwise impair the validity or collectability of the Cardholder's obligation arising from such Card transaction or relieve the Cardholder from liability with respect thereto; g) the Card transaction submitted to us was entered into by you and the Cardholder; h) the Card transaction was made in accordance with this Merchant Agreement, Association Rules and the Operating Procedures; and i) the Card transaction is not a payment for a product or service that violates federal, state or local law in any jurisdiction that may be applicable.

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

13 Limitations on Liability; Exclusion of Consequential Damages

13.1 IN NO EVENT SHALL EITHER PARTY, OR THEIR AFFILIATES OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR SUBCONTRACTORS, BE LIABLE UNDER ANY THEORY OF TORT, 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 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. MERCHANT ACKNOWLEDGES AND AGREES THAT PAYMENT OF ANY EARLY CANCELLATION FEE OR LIQUIDATED DAMAGES AS PROVIDED ELSEWHERE IN THIS AGREEMENT SHALL NOT BE PROHIBITED BY THIS PARAGRAPH.

13.2 NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY (INCLUDING BUT NOT LIMITED TO SECTION 13.3 or 22), OUR CUMULATIVE LIABILITY FOR ALL LOSSES, CLAIMS, SUITS, CONTROVERSIES, BREACHES OR DAMAGES FOR ANY CAUSE WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, THOSE ARISING OUT OF OR RELATED TO THIS AGREEMENT) AND REGARDLESS OF THE FORM OF ACTION OR LEGAL THEORY SHALL NOT EXCEED, (I) \$50,000; OR (II) THE AMOUNT OF FEES RECEIVED BY US PURSUANT TO THE AGREEMENT FOR SERVICES PERFORMED IN THE IMMEDIATELY PRECEDING TWELVE (12) MONTHS, WHICHEVER IS LESS.

13.3 NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY (INCLUDING BUT NOT LIMITED TO SECTION 22), OUR LIABILITY FOR ANY DELAY IN FUNDING TRANSACTIONS TO YOU FOR ANY REASON WILL BE LIMITED TO INTEREST COMPUTED FROM THE DATE THAT YOU SUBMIT THE TRANSACTION TO THE DATE THAT WE FUND THE TRANSACTION AT THE RATE OF THE FEDERAL FUNDS, AS ESTABLISHED BY THE FEDERAL RESERVE BOARD FROM TIME TO TIME, LESS ONE PERCENT (1%).

14 Confidentiality. Unless you obtain consents from us and each applicable Association, Card Issuer and Cardholder, you must not use, disclose, store, sell or disseminate any Cardholder information obtained in connection with a Card transaction (including the names, addresses and Card account numbers of Cardholders) except for purposes of authorizing, completing and settling Card transactions and resolving any Chargebacks, Retrieval Requests or similar issues involving Card transactions, other than pursuant to a court or governmental agency request, subpoena or order. You shall use proper controls for and limit access to, and render unreadable prior to discarding, all records containing Cardholder account numbers and Card imprints. You may not retain or store Magnetic Stripe data or Card Validation Codes after a transaction has been authorized. If you store any electronically captured signature of a Cardholder, you may not reproduce such signature except upon our specific request.

You acknowledge that you will not obtain ownership rights in any information relating to and derived from Card transactions.

15 Assignments

15.1 Any transfer or assignment of this Agreement by you, without our prior written consent, by operation of law or otherwise, is voidable by us. Furthermore, you shall indemnify and hold us harmless from all liabilities, Chargebacks, expenses, costs, fees and fines arising from such transferee's or assignee's Submission of Card transactions to us for processing. For purposes of this section 15, any transfer of voting control shall be considered an assignment or transfer of this Agreement.

Upon notice to you, another Visa and MasterCard member may be substituted for Bank under whose sponsorship this Agreement is performed with respect to Visa and MasterCard transactions. Upon substitution, such other Visa and MasterCard member shall be responsible for all obligations required of Bank for Visa and MasterCard transactions, including without limitation, full responsibility for its bank card program and such other obligations as may be expressly required by applicable Association Rules. Subject to Association Rules, we may assign or transfer this Agreement and our rights and obligations hereunder and/or may delegate our duties hereunder, in whole or in part, to any third party, whether in connection with a change in sponsorship, as set forth in the preceding sentence, or otherwise, without notice to you or your consent.

15.2 The payment services provided by us require access to a single bank account in which we may initiate both credits and debits. Without our written consent, you may not enter into any agreement that would require, in any circumstance or event, the transfer of any payments or proceeds from Credit Card transactions covered by this Agreement to the custody or control of any third party. Without our written consent, you may not assign any rights, including the right of payment under this Agreement, to any other person. In the event that you make an assignment (or provide a security interest) of receivables covered by this Agreement, then we may, at our option, elect to: a) refuse to acknowledge such assignment unless accompanied by an Authorization to both initiate debits or credits to the bank account of the assignee; b) terminate this Agreement immediately; or c) charge for any transfers that we are called upon to make manually to fulfill such an assignment at the rate of \$100 per transfer.

Except as set forth elsewhere in this section and as provided in the following sentence, this Agreement shall be binding upon successors and assigns and shall inure to the benefit of the parties and their respective permitted successors and assigns. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, or other person charged with taking custody of a party's assets or business, shall have any right to continue, assume or assign this Agreement.

16 Term of Agreement

16.1 Term and Termination. This Merchant Agreement shall become effective when accepted by Processor and Bank. The term of this Merchant Agreement shall be for the initial term of three (3) years after it becomes effective and shall continue month to month thereafter. If you elect to terminate this Merchant Agreement, you shall provide us with written notice of termination at least thirty (30) days prior to the expiration of your current term. In the event we provide notice to you of an increase in the fees for

Services pursuant to section 8.5 or 18, you may terminate the Merchant Agreement upon written notice received by Processor from you prior to the effective date of such change, and, if applicable, no Early Cancellation Fee will be charged. However, your continued use of our Services after the effective date of any increase shall be deemed acceptance of the increased fees for Services, throughout the term of this Agreement.

16.2 Neither the expiration nor termination of this Agreement shall terminate the obligations and rights of the parties pursuant to provisions of this Agreement which by their terms are intended to survive or be perpetual or irrevocable. Such provisions shall survive the expiration or termination of this Agreement. All obligations by you to pay or reimburse us for any obligations associated with transactions you have submitted to us are intended to survive termination of this Agreement.

16.3 Notwithstanding any other provision of this Merchant Agreement, we may terminate this Merchant Agreement with or without cause at any time by providing thirty (30) days' advance notice to you.

17 Early Cancellation Fee

17.1 If: a) you elect to cancel this Merchant Agreement prior to the expiration of the initial term, as designated in the Initial Term of Merchant Agreement section of your Merchant Application and Agreement; or b) this Merchant Agreement is terminated by us prior to the expiration of the initial term due to an Event of Default, we will suffer a substantial injury for which it is impracticable or extremely difficult to fix actual damages. In an effort to liquidate in advance the sum that should represent such damages, you agree to pay us as an "Early Cancellation Fee" the amount of three hundred dollars (\$300.00). This sum represents a reasonable pre-estimate of the losses that we will incur as a result of the cancellation of this Merchant Agreement prior to the expiration of the initial term of the Merchant Agreement.

18 Amendments. Subject to section 16.1, we may amend this Merchant Agreement at any time by providing written notice to you of any amendment at least twenty (20) days prior to the effective date of the amendment.

However, for changes in the Association Rules or for security reasons, certain changes in Card procedures may become effective on shorter notice.

19 Events of Default

19.1 If any of the following events shall occur (each an "Event of Default") we may immediately terminate this Merchant Agreement without notice: a) a material adverse change in your business, financial condition, business procedures, prospects, products or services; or b) any assignment or transfer of voting control of you or your parent; or c) a sale of all or a substantial portion of your assets; or d) irregular Card sales by you, Excessive Chargebacks, or any other circumstances which, in our sole discretion, may increase our exposure for your Chargebacks or otherwise present a financial or security risk to us; or e) nonconformance with any applicable data security standards, as determined by Servicers, any Card Association, or any other entity, or an actual or suspected data security breach; or f) any of your representations or warranties in this Agreement are breached in any material respect or are incorrect in any material respect when made or deemed to be made; or g) you shall default in any material respect in the performance or observance of any term, covenant, condition or agreement contained in this Agreement, including, without limitation, the establishment or maintenance of funds in a Reserve Account, as detailed in section 20; or h) you shall default in any material respect in the performance or observance of any term, covenant or condition contained in any agreement with any of our affiliates; or i) you shall default in the payment when due, of any material indebtedness for borrowed money; or j) you shall file a petition or have a petition filed by another party under the Bankruptcy Code or any other laws relating to bankruptcy, insolvency or similar arrangement for adjustment of debts; consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such laws; apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its property; or make a general assignment for the benefit of creditors; or take any corporate action for the purpose of authorizing any of the foregoing; or k) your independent certified accountants shall refuse to deliver an unqualified opinion with respect to your annual financial statements and your consolidated subsidiaries; or l) a violation by you of any applicable law or our reasonable belief that termination of this Agreement or suspension of Services is necessary to comply with any law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the US Department

of the Treasury or your breach, as determined by Servicers, of section 27.6 ("Compliance with Laws").

19.2 After termination of this Agreement for any reason whatsoever, you shall continue to bear total responsibility for all Chargebacks, fees, credits and adjustments resulting from Card transactions processed pursuant to this Agreement and all other amounts then due or which thereafter may become due under this Agreement.

19.3 In the event you file for protection under the Bankruptcy Code or any other laws relating to bankruptcy, insolvency, assignment for the benefit of creditors or similar laws, and you continue to use our services, it is your responsibility to open new accounts to distinguish pre and post filing obligations. You acknowledge that as long as you utilize the accounts you established prior to such filing, we will not be able to systematically segregate your post-filing transactions or prevent set-off of the pre-existing obligations. In that event, you will be responsible for submitting an accounting supporting any adjustments that you may claim.

19.4 The Associations often maintain lists of Merchants who have had their Merchant Agreements or Card Acceptance rights terminated for cause. If this Merchant Agreement is terminated for cause, or if you voluntarily terminate this Agreement and grounds for termination for cause exists, you acknowledge that we may be required to report your business name and the names and other information regarding your principals to the Associations for inclusion on such list(s). You expressly agree and consent to such reporting if you are terminated as a result of the occurrence of an Event of Default or for any reason specified as cause by Visa, MasterCard or Discover Network or if such reasons exist at the time of your voluntary termination. Furthermore, you agree to waive and hold us harmless from and against any and all claims which you may have as a result of such reporting.

20 Reserve Account; Security Interest

20.1 You expressly authorize us to establish a Reserve Account in an amount to be set by us in our sole discretion, based upon, among other things, your processing history and the potential risk of loss to us as we may determine from time to time. If your funds in the Reserve Account are not sufficient to cover the Chargebacks, adjustments, fees and other charges due from you, or if the funds in the Reserve Account have been released, you agree to promptly pay us such sums upon request.

20.2 Such Reserve Account may be funded by all or any combination of the following: (i) one or more debits to your Settlement Account or any other accounts held by Bank or any of its affiliates, or any other account at any financial institution vested in the name of Merchant, any of its principals, or any of its guarantors, or if any of same are authorized signers on such account; (ii) any payments otherwise due to you, including any amount due from TeleCheck; (iii) your delivery to us of a letter of credit; or (iv) if we so agree, your pledge to us of a freely transferable and negotiable certificate of deposit. Any such letter of credit or certificate of deposit shall be issued or established by a financial institution acceptable to us and shall be in a form satisfactory to us. In the event of termination or expiration of this Agreement by any party, an immediate Reserve Account may be established without notice in the manner provided above. Any Reserve Account will be held by us for the greater of ten (10) months after termination or expiration of this Agreement or for such longer period of time as is consistent with our liability for Card transactions and Chargebacks in accordance with Association Rules. Your funds will be held in an account commingled with reserve funds of our other Merchants, without involvement by an independent escrow agent. Unless specifically agreed in writing by us or specifically required by applicable law, funds held by us in a Reserve Account shall not accrue interest. Notwithstanding the foregoing, we shall be entitled to accrued interest on any such held funds.

20.3 To secure your obligations to Servicers and our affiliates under this Agreement and any other agreement for the provision of related equipment or related services (including any obligations for which payments on account of such obligations are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause), you grant to Servicers a first priority lien and security interest in and to: (i) the Reserve Account; and (ii) any of your funds pertaining to the Card transactions contemplated by this Agreement now or hereafter in the possession of Servicers, whether now or hereafter due or to become due to you from Servicers. Any such funds, money or amounts now or hereafter in the possession of Servicers may be commingled with other funds of Servicers, or, in the case of any funds held pursuant to the foregoing paragraphs, with any other funds of other customers of Servicers. In addition to any rights now or hereafter granted

under applicable law and not by way of limitation of any such rights, Servicers are hereby authorized by you at any time and from time to time, without notice or demand to you or to any other person (any such notice and demand being hereby expressly waived), to set off, recoup and to appropriate and to apply any and all such funds against and on account of your obligations to Servicers and their affiliates under this Agreement and any other agreement with Servicers or any of Servicers' affiliates for any related equipment or related services (including any check guarantee and check verification services), whether such obligations are liquidated, unliquidated, fixed, contingent, matured or unmatured. You agree to duly execute and deliver to Servicers such instruments and documents as Servicers may reasonably request to perfect and confirm the lien, security interest, right of set off, recoupment and subordination set forth in this Agreement.

21 Financial and Other Information

21.1 You will provide to us financial statements and other information concerning your business and your compliance with the terms and provisions of this Merchant Agreement as we may reasonably request. You will provide us with written notice of any judgment, writ, warrant of attachment, execution or levy against any of your assets not later than three (3) days after you become aware of same. You authorize us to obtain from third parties financial and credit information relating to you in connection with our determination whether to accept this Merchant Agreement and our continuing evaluation of the financial and credit status of you. We may also access and use information which you have provided to Bank for any other reason. Upon request, you shall provide to us or our representatives reasonable access to your facilities and records for the purpose of performing any inspection and/or copying of your books and/or records deemed appropriate.

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

22 Indemnification

22.1 You agree to indemnify and hold us harmless from and against all losses, liabilities, damages and expenses: a) resulting from any breach of any warranty, covenant or agreement or any misrepresentation by you under this Agreement; b) arising out of your or your employees' or your agents' negligence or willful misconduct, in connection with Card transactions or otherwise arising from your provision of goods and services to Cardholders; c) arising out of your use of our Service; or d) arising out of any third party indemnifications we are obligated to make as a result of your actions (including indemnification of any Association or Card Issuer); provided, however, that attorney's fees are not recoverable as a loss, liability or expense.

22.2 We agree to indemnify and hold you harmless from and against all losses, liabilities, damages and expenses resulting from any breach of any warranty, covenant or agreement or any misrepresentation by us under this Agreement or arising out of our or our employees' gross negligence or willful misconduct in connection with this Agreement; provided, however, that attorney's fees are not recoverable as a loss, liability or expense, except as to attorney's fees incurred by us in defending actions by any third parties against us or any party that we are obligated to indemnify.

23 Special Provisions for PIN Debit Transactions, EBT and Wireless Services. Your acceptance of PIN Debit Transactions and EBT transactions, and your use of any Wireless Services, are governed by specific provisions of the Operating Procedures. In accepting these transactions or using these services, you agree to abide by these provisions, and failure to do so may result in additional fees. Your Wireless Access Fee as indicated in your Merchant Application and Agreement is for payment processing services only. Any use of your wireless product for services other than for payment processing services may result in additional fees.

24 Processing Related Equipment

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

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

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

25 Special Provisions Regarding Merchant Websites and Gateway Services

25.1 A gateway service provides you with an interface between you and your customers so you can accept sales from your customers over the Internet. Your choice of a third party gateway service provider is subject to our approval. Notwithstanding any gateway service provider offered, suggested, or referenced by us or our sales agent, You acknowledge that all issues concerning your gateway service, including, but not limited to, its service and functionality, are solely between you and your gateway service provider. The fees and terms for your gateway service and any services or products offered by your gateway service are set forth in the Merchant Agreement or, if applicable, stated in a separate agreement between you and your chosen gateway service provider.

25.2 Programming of your website, technical support, and its functionality with the gateway service provider you have chosen, are your sole responsibility. We shall not be liable in any manner whatsoever for any errors, disruptions or security breaches related to your Internet business or website. You shall be liable to us for all fees and liabilities incurred under this Merchant Agreement notwithstanding any errors, disruptions or security issues related to your Internet business or website.

26 Waiver of Trial by Jury. ALL PARTIES IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY CLAIM RELATING TO OR ARISING UNDER THIS MERCHANT AGREEMENT OR THE SERVICES PROVIDED BY US.

27 Other Provisions

27.1 No party shall be liable for any default or delay in the performance of its obligations under this Merchant Agreement if and to the extent such default or delay is caused, directly or indirectly, by: (i) fire, flood, earthquake, elements of nature or other acts of God; (ii) any terrorist attacks or outbreak or escalation of hostilities, war, riots or civil disorders in any country; (iii) any act or omission of the other party or any government authority; (iv) any labor disputes (whether or not employees' demands are reasonable or within the party's power to satisfy); or (v) the nonperformance by a third party for any similar cause beyond the reasonable control of such party, including, without limitation, failures or fluctuations in telecommunications or other equipment. In any such event, the nonperforming party shall be excused from any further performance and observance of the obligations so affected only for as long as such circumstances prevail and such party continues to use commercially reasonable efforts to recommence performance or observance as soon as practicable. Notwithstanding anything to the contrary in this paragraph, your failure to receive payment or funds from a third party shall not excuse the performance of your obligations to us under this Merchant Agreement.

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

27.3 If there are any inconsistencies between the Merchant Application and Agreement and the Operating Procedures, the Merchant Application and Agreement will govern. If any part of the Merchant Agreement is not enforceable, the remaining provisions shall remain valid and enforceable. The parties intend every provision of this Agreement to be severable. If any part of this Agreement is not enforceable, the remaining provisions shall remain valid and enforceable.

27.4 Entire Agreement; Waiver. This Agreement constitutes the entire agreement between the parties with respect to the subject matter thereof, and supersedes any previous agreements and understandings. A party's waiver of a breach of any term or condition of this Agreement shall not be deemed a waiver of any subsequent breach of the same or another term or condition.

27.5 Association Rules. The parties acknowledge that the Visa, MasterCard and Discover Network Association Rules give Visa, MasterCard and Discover Network certain rights to require termination or modification of this Agreement with respect to transactions involving Visa, MasterCard and Discover Network Cards and the Visa, MasterCard and Discover Network Card systems and to investigate you. The parties also acknowledge that issuers of other Cards, for which we perform services on your behalf, may have similar rights under their applicable Association Rules with respect to this Agreement's applicability to transactions involving such other Cards.

27.6 Compliance with Laws. In performing its obligations under this Agreement, each party agrees to comply with all laws and regulations applicable to it. You further agree to cooperate and provide information requested by Servicers, as Servicers determine necessary, to facilitate Servicers compliance with any applicable law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the US Department of the Treasury.

27.7 Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the processing of Card transactions) shall be in writing and, if sent by us to you, by mail, courier or facsimile at your address appearing on your Merchant Application and Agreement, or any other address you provide notice to us in a manner consistent with this paragraph, or by any electronic means including without limitation, via Mymerchantoffice.com; and if sent by you to us, by mail or courier at Payment Processing, Inc., 8200 Central Avenue, Newark, CA 94560

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

Acquirer. Banks in the case of MasterCard and Visa transactions or network acquirers in the case of Discover Network transactions that acquire Card sale transactions from merchants such as yourself.

Address Verification. A service provided through which the merchant verifies the Cardholder's address, in whole or in part. Primarily used by Mail/Telephone/Internet order merchants. Address verification is intended to deter fraudulent transactions, however, it is not a guarantee that a transaction is valid.

Agreement. The agreement among Merchant, Processor and Bank, any attachments, addenda, schedules thereto, each as amended from time to time, all of which collectively constitute the agreement among the parties.

Association. Any entity formed to administer and promote Cards, including, without limitation, MasterCard International, Inc.; VISA U.S.A., Inc.; and VISA International, Inc., Discover Financial Services LLC ("Discover Network") and any applicable debit networks.

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

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

Authorization Approval Code. A number issued to a participating merchant by the Authorization Center which confirms the Authorization for a sale or service.

Bank. Member of MasterCard and Visa that clears transactions for these Associations.

Batch. A single Submission to us of a group of transactions (sales and Credits) for settlement. A Batch usually represents a day's worth of transactions.

Card. See either Credit Card or Debit Card.

Card Issuer. The bank or Association that issues a Card to an individual.

Card Not Present Sale/Transaction. A transaction that occurs when the Card is not present at the point-of-sale, including Internet, mail-order and telephone-order Card sales.

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

Cash Over Transaction. Dispensing of cash by a merchant in connection with a Card sale, other than a PIN Debit Card transaction, for the purchase of goods or services.

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

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

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

Credit Card. A valid Card bearing the service mark of Visa, MasterCard or Discover Network or a valid Card issued by any other Association.

Credit Draft. A document evidencing the return of merchandise by a Cardholder to a Merchant, or other refund made by the Merchant to the Cardholder.

Debit Card. A Card used at a Merchant location bearing a MasterCard or Visa logo and/or the marks of ATM networks (such as MAC, NYCE, Star) where the Card Issuer is not extending credit to the Cardholder, but where the Card is connected to either a deposit account, a prepaid account or a prepaid benefit account.

Debit Network Processing Fees. Fees charged by PIN Debit networks for processing PIN Debit Transactions. In addition to any Debit Network Processing Fees, Merchant will also pay the Debit Card/ATM transaction fee as indicated in the Merchant Application and Agreement. Debit Network Processing Fees are subject to change without notice.

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

Discount Rate. An amount charged for processing Credit Card transactions or Non-PIN Debit Transactions. Discount Rates are charged on all sales and refunds. The discount rates for mid-qualifying and non-qualifying transactions are higher as described in section 8.3 and the "Discount Rates" section of the Merchant Application and Agreement.

Early Cancellation Fee. A fee in the amount of three hundred dollars (\$300.00), charged in the event that: a) you elect to cancel this Merchant Agreement prior to the expiration of the initial term of the Merchant Agreement; or b) the Merchant Agreement is terminated prior to the expiration of the initial three (3) year term due to an Event of Default, except as provided in section 16.1.

Electronic Benefit Transfer (EBT). An electronic system that allows a government benefit recipient to authorize the transfer of his/her benefits from a federal, state or local government account to a Merchant account to pay for products and services received.

Electronic Data Capture (EDC). A process which allows a merchant's Dial-Up Terminal to receive Authorization and capture transactions, and electronically transmit them to a Card processor. This eliminates the need to submit paper for processing.

Excessive Chargebacks. a) Chargebacks or Retrieval Requests in excess of MasterCard, Visa or Discover Network rules as they may exist from time to time, b) Chargebacks relating to a Merchant's transactions processed by Bank in excess of one percent (1%) of the average monthly dollar amount of such transactions, c) Chargebacks relating to a Merchant's transactions processed by Bank in excess of one and a half percent (1.5%) of the total number of transactions processed by the Merchant for a particular month or, d) Retrieval Requests in excess of three percent (3%) of the total number of transactions processed.

Factoring. The submission of authorization requests and/or Sales Drafts by a Merchant for Card sales or Cash Advances transacted by another business.

Imprinter. A manual or electric machine used to physically imprint the Merchant's name and ID number as well as the Cardholder's name and Card number on a Sales Draft.

Issuer. The bank or Association which has issued a Card to an individual. MasterCard and Visa only issue Cards through banks ("Issuing Banks") while Discover Network may issue Cards directly or issue Cards through an Issuing Bank.

Magnetic Stripe. A stripe of magnetic information affixed to the back of a plastic Credit or Debit Card. The magnetic stripe contains essential Cardholder and account information.

Media. The documentation of monetary transactions (i.e., Sales Drafts, Credit Drafts, computer printouts, etc.).

Merchant. The party identified as "Merchant" on the Merchant Application and Agreement. The words "you" and "your" refer to Merchant.

Merchant Application. The Application portion of the Merchant Application and Agreement, sometimes referred to as the "Application".

Monthly Account Fee. A recurring monthly fee, as indicated in your Merchant Application and Agreement, for maintaining an account with Processor.

Monthly Customer Service Fee. A recurring monthly fee, as indicated in your Merchant Application and Agreement, for customer service access.

Monthly Minimum Fee for MasterCard/Visa/Discover Network. A fee, as indicated in the Merchant Application and Agreement, less the net Discount Rates, if any, for your MasterCard/Visa/Discover Network transactions during the month.

Non-PIN Debit Transaction. A transaction in which a Debit Card is used at a Merchant location bearing a MasterCard, Visa or Discover Network logo, but where the Cardholder does not enter a PIN.

Operating Procedures. The then-current manual prepared by Processor, containing operating procedures, instructions and other directives relating to Card transactions. If you process Card transactions, you must comply with the Operating Procedures. The current Operating Procedures are available online at www.paypros.com/fdmsdocs/ppiopguide0408.pdf.

PIN. A Personal Identification Number entered by the Cardholder to submit a PIN Debit Card transaction.

PIN Debit Card. A Debit Card used at a merchant location by means of a Cardholder-entered PIN in the merchant PIN Pad. PIN Debit Cards bear the marks of ATM networks (such as NYCE, Star).

PIN Debit Transaction. A transaction in which a Debit Card is used at a Merchant location by means of a Cardholder-entered Personal Identification Number (PIN) in the Merchant PIN Pad. PIN Debit Cards bear the marks of ATM networks (such as MAC, NYCE, STAR).

Processor. Payment Processing, Inc., or any successor, transferee, assignee or delegate thereof.

Recurring Payment Indicator. A value used to identify transactions for which a consumer provides permission to a Merchant to bill the consumer's Card account at either a predetermined interval or as agreed by the Cardholder for recurring goods or services.

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

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

Retrieval Request/Transaction Documentation Request. A request for documentation related to a Card transaction such as a copy of a Sales Draft or other transaction source documents.

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

Servicers. Bank, and Processor collectively. The words "us" and "we" refer to Servicers.

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

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

Split Dial. A process which allows the Authorization terminal to dial directly to different Card processors (e.g., American Express) for Authorization. In this instance, the Merchant cannot be both Electronic Draft Capture (EDC) and Split Dial. Split Dial is also utilized for check guarantee companies.

Submission. The process of sending batch deposits to us for processing. This may be done electronically or by mail.

Summary Adjustment. An adjustment to your Submission and/or Settlement Account in order to correct errors.

Telecommunication Card Sale. Individual local or long-distance telephone calls, for which the telephone service provider is paid directly by use of a Card. These do not include, however, calls paid for with pre-paid telephone service cards. Telecommunication Card Sales are considered Card Not Present sales.

Transaction Fees. Service costs charged to a Merchant on a per transaction basis.

Us. Bank and Processor collectively.

We. Bank and Processor collectively.

You, your. See Merchant.

Agreement.

CONFIRMATION PAGE

Please read the Terms and Conditions and Operating Procedures in their entirety. These documents describes the terms under which we will provide merchant processing services to you.

From time to time you may have questions regarding the contents of your Agreement with us. The following information summarizes portions of your Agreement in order to assist you in answering some of the questions we are most commonly asked:

- 1. **Your discount rates are assessed** on transactions that qualify for certain reduced interchange rates imposed by MasterCard and Visa. Any transactions that fail to qualify for these reduced rates will be charged an additional fee (see Terms and Conditions Section 8).
- 2. **We may debit your bank account** from time to time for amounts owed to us under the Agreement.
- 3. **There are many reasons why** a Chargeback may occur. When they occur we will debit your settlement funds or settlement account. For a more detailed discussion regarding Chargebacks see Terms and Conditions Section 11.
- 4. **If you dispute any charge or funding**, you must notify us within 45 days of the date of the statement where the charge or funding appears, or should have appeared.
- 5. **The Agreement limits our liability to you.** For a detailed description of the limitation of liability see Terms and Conditions Section 13.
- 6. **We have assumed certain risks** by agreeing to provide you with Card processing. Accordingly, we may take certain actions to mitigate our risk, including termination of the Agreement, and/or hold monies otherwise payable to you (see Terms and Conditions Section 16, Term of Agreement; Section 19, Events of Default and Section 20, Reserve Account; Security Interest), under certain circumstances.
- 7. **By executing this Agreement with us** you are authorizing us to obtain financial and credit information regarding your business and the signer and guarantors of the Agreement until all your obligations to us are satisfied.
- 8. **The Agreement contains a provision** that in the event you terminate the Agreement early, you will be responsible for the payment of an early termination fee as set forth in Terms and Conditions Section 17 and Schedule A.

9. Association Disclosure

Member Bank Information: Wells Fargo Bank, N.A.

The Bank's mailing address is Wells Fargo Bank, N.A., 1200 Montego Way, Walnut Creek, CA 94598 and its phone number is 1-800-451-5817.

Important Member Bank Responsibilities:

- (a) The Bank is the only entity approved to extend acceptance of Association products directly to a Merchant.
- (b) The Bank must be a principal (signer) to the Merchant Agreement.
- (c) The Bank is responsible for educating Merchants on pertinent Association Rules with which Merchants must comply.
- (d) The Bank is responsible for and must provide settlement funds to the Merchant.
- (e) The Bank is responsible for all funds held in reserve that are derived from settlement.

Important Merchant Responsibilities:

- (a) Ensure compliance with cardholder data security and storage requirements.
- (b) Maintain fraud and chargebacks below Association thresholds.
- (c) Review and understand the terms of the Merchant Agreement.
- (d) Comply with Association rules.

Print Merchant's Business Legal Name:

By its signature below, Merchant acknowledges that it has received the complete Terms and Conditions and Operating Procedures (consisting of two separate documents. The Terms and Conditions include this confirmation).

Merchant further acknowledges reading and agreeing to all terms in the Terms and Conditions, which shall be incorporated into Merchant's Agreement. Upon receipt of a signed facsimile or original of this Confirmation Page by us, Merchant's Application will be processed. Merchant understands that a copy of the Terms and Conditions and Operating Procedures are also available for downloading from the Internet at:

Merchant's Business Principal:

Signature (Please sign below):

X _____ Title _____ Date _____

Please Print Name of Signer



Schedule A

Billing Information

CorpName _____ DBA Village Of Downers Grove
 Annual Visa/MasterCard/Discover Volume \$250,000.00 Average Ticket \$20.00

Qualified Discount Rates

Visa 0.10 %
 MasterCard 0.10 %
 Discover 0.10 %

Network FirstData PPI PayMover Qualified Category Retail (CPS Retail/Merit III)

Terminal Authorization Fees Visa Authorization \$0.10 MasterCard Authorization \$0.10 Discover Authorization \$0.10 Non-Bankcard Authorization \$0.10 Address Verification \$0.00 Batch Settlement \$0.00	Interchange Pass-through All transactions will be billed at pass-through of interchange and assessments rates as determined by Visa/MasterCard/Discover. The Qualified Discount Rate above will be charged on all transactions.
Additional Services (enter your existing account numbers or mark the services you would like to accept)	
American Express # _____ JCB # _____ <input type="checkbox"/> PIN-Debit* <input checked="" type="checkbox"/> ESA - 3.50% Max <input type="checkbox"/> Bank-Licensed 3.50% <input type="checkbox"/> EBT	
Miscellaneous Fees	
Voice Authorization \$1.50 Monthly Statement \$5.00 Minimum Discount \$25.00 PIN-Debit Per Item \$0.20 + network fees*	Chargeback \$15.00 ACH Reject \$25.00 Application Fee \$0.00 Additional Location Fee \$0.00 Online Reporting \$10.00 <input checked="" type="checkbox"/> Check here to decline online reporting
Assessments Visa 0.0925% Mastercard 0.095% Discover 0.0925% * Additional network fees charged by individual debit networks will be passed through to merchant; PIN-pad equipment required	
Equipment (For PPI Use Only) PPI PayMover	

Note: See Confirmation Page, item 8 for early termination fees.

For PPI to request an American Express Number on behalf of the merchant through the Amex ESA Program:

By signing below, I/we represent that the information I/we have provided on the Application is complete and accurate and I/we authorize American Express Travel Related Services Company, Inc. ("American Express") to verify the information on this Application and to receive and exchange information about me, including, requesting reports from consumer reporting agencies. If I/we ask American Express whether or not a consumer report was requested, American Express will tell me, and if American Express received a report, American Express will give me the name and address of the agency that furnished it. I/we understand that upon American Express' approval of the business entity indicated above to accept the American Express Card, the Terms and Conditions for American Express® Card Acceptance ("Terms and Conditions") will be sent to such business entity along with a Welcome Letter. By accepting the American Express Card for the purchase of goods and/or services, I/we agree to be bound by the Terms and Conditions.

Amex Volume _____ Rate/Monthly Fee _____

Comments

Verifone Vx570DM terminal to be provided by PPI with merchant account. Price for 1 is: \$375.00. Price for 2 Vx570 DM terminals is \$350 each.

PPI Paymover gateway included with merchant account at no charge.

Merchant's Printed Name _____ Merchant Signature _____ Date _____



Payment Processing
INCORPORATED

7/8/2009

Village Of Downers Grove
801 Burlington Ave
Downers Grove, IL 60515

Attn: Beth Clark

To Whom It May Concern:

This letter is to confirm that Payment Processing, Inc. and First Data Merchant Services will not charge you the "Early Cancellation Fee" of \$300.00 set forth in Paragraph 17.1 of the Terms and Conditions of your Merchant Agreement with us and First Data Services/ Wells Fargo. All other parts of section 17 apply.

We appreciate your business and look forward to serving you.

Sincerely,

Cailin Steinbach
Director, Merchant Sales
Payment Processing, Inc.
Direct Line: 800-774-6462 x4931
Fax Number: 800-891-8775
Email: csteinbach@paypros.com

Payment Processing, Inc. | 8200 Central Avenue | Newark, CA 94560 | ph 800-774-6462 | fax 800-900-7487 | www.paypros.com

Payment Processing, Inc. is a registered ISO/MSP of HSBC Bank USA, National Association, Buffalo, NY, National Bank of Canada, Montreal, PQ, Canadian Imperial Bank of Commerce, Toronto, ON and Chase Paymentech, Dallas, TX.



Payment Processing
INCORPORATED

August 4, 2009

Beth Clarke, Esq
c/o Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

RE: Payment Processing, Inc. Merchant Application and Agreement ("Agreement")
Merchant: Village of Downers Grove

Dear Ms. Clarke:

This letter serves as an amendment to the above-referenced Agreement between the above-referenced Merchant, Payment Processing, Inc., First Data Merchant Services ("FDMS"), and Wells Fargo Bank, N.A. ("WF") (collectively referred to herein as "we"). In consideration of Merchant entering into the Agreement and for other good and lawful consideration, which the parties do hereby acknowledge, the following amendments, deletions and additions are made to the Agreement as follows:

1. Unless otherwise specifically defined in this Amendment, all initially capitalized terms shall have the meanings given them in the Agreement.
2. The second sentence of Paragraph 16.1 is deleted and this following sentence inserted in its place:
"The term of this Merchant Agreement shall be for the initial term as designated in the Initial Term of Merchant Agreement section of your Merchant Application and Agreement after it becomes effective and shall terminate after expiration of the Initial Term."
3. Paragraph 17 is deleted in its entirety.
4. The second sentence of Paragraph 21.1 is deleted and the following sentence inserted in its place:
"You will provide us with written notice of any judgment, writ, warrant of attachment, execution or levy against any of your assets not later than thirty (30) days after you become aware of same."
5. Paragraph 21.2 is deleted in its entirety and a new Paragraph 21.2 is added as follows:

Payment Processing, Inc. | 8200 Central Avenue | Newark, CA 94560 | ph 800-774-6462 | fax 800-900-7487 | www.paypros.com

Payment Processing, Inc. is a registered ISO/MSP of HSBC Bank USA, National Association, Buffalo, NY; National Bank of Canada, Montreal, PQ; Canadian Imperial Bank of Commerce, Toronto, ON; Chase Paymentech, Dallas, TX; and Wells Fargo Bank, N.A., Walnut Creek, CA.



Payment Processing
INCORPORATED

"21.2 From time to time, we may determine that an inspection of your business location is necessary. In such event, we shall bear and pay all costs incurred by us for such inspection, including, but not limited to, costs incurred for airfare and hotel accommodations."

6. Paragraph 22.1 is deleted in its entirety and replaced with the following:


"22.1 "You agree to indemnify and hold us harmless from and against all losses, liabilities, damages and expenses resulting from any breach of any warranty, covenant or agreement or any misrepresentation by you under this Agreement or arising out of our or our employees' negligence or willful misconduct in connection with this Agreement; provided, however, that attorney's fees are not recoverable as a loss, liability or expense, except as to attorney's fees incurred by us in defending actions by any third parties against us or any party that we are obligated to indemnify."

7. Paragraph 22.2 is deleted in its entirety and replaced with the following:

"22.2 We agree to indemnify and hold you harmless from and against all losses, liabilities, damages and expenses resulting from any breach of any warranty, covenant or agreement or any misrepresentation by us under this Agreement or arising out of our or our employees' negligence or willful misconduct in connection with this Agreement; provided, however, that attorney's fees are not recoverable as a loss, liability or expense, except as to attorney's fees incurred by us in defending actions by any third parties against us or any party that we are obligated to indemnify."

"PPF"

Payment Processing, Inc.

By: 
Jeffrey Dorman
General Counsel

"Merchant"

By: _____
Print name: _____
Title: _____

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**ADDENDUM A TO AGREEMENT BETWEEN BWSCI AND VILLAGE OF
DOWNERS GROVE**

The following terms shall apply to the agreement dated _____, 2009 between Payment Processing Inc. First Data Merchant Services and Wells Fargo Bank, N.A. (referred to collectively as "Contractor") and the Village of Downers Grove ("Village"):

A. USE OF VILLAGE'S NAME

The Contractor is specifically denied the right of using in any form or medium the name of the Village for public advertising unless express permission is granted by the Village.

B. CAMPAIGN DISCLOSURE

Contractor shall execute the Campaign Disclosure Certificate, attached hereto.

The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

By signing the bid documents, contractor/Contractor/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

C. BILLING & PAYMENT PROCEDURES

Payment will be made upon receipt of an invoice referencing Village purchase order number. Once an invoice and receipt of materials or service have been verified, the invoice will be processed for payment in accordance with the Village payment schedule. The Village will comply with the Local Government Prompt Payment Act, 50 ILCS 505/1 et seq., in that any bill approved for payment must be paid or the payment issued to the Contractor within 60 days of receipt of a proper bill or invoice. If payment is not issued to the Contractor within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60 day period, until final payment is made.

The Village shall review in a timely manner each bill or invoice after its receipt. If the Village determines that the bill or invoice contains a defect making it unable to process the payment request, the Village shall notify the Contractor requesting payment as soon as possible after discovering the defect pursuant to rules promulgated under 50 ILCS 505/1 et seq. The notice shall identify the defect and any additional information necessary to correct the defect.

Please send all invoices to the attention of Village of Downers Grove, Accounts Payable, 801 Burlington, Downers Grove, IL 60515.

D. PATRIOT ACT COMPLIANCE

The Contractor represents and warrants to the Village that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. The Contractor further represents and warrants to the Village that the Contractor and its principals, shareholders, members, partners, or affiliates, as applicable are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person. The Contractor hereby agrees to defend, indemnify and hold harmless the Village, and its elected or appointed officers, employees, agents, representatives, engineers and attorneys, from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable attorney's fees and costs) arising from or related to any breach of the foregoing representations and warranties.

E. NONDISCRIMINATION

Contractor shall, as a party to a public contract:

- (a) Refrain from unlawful discrimination in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;
- (b) By submission of this proposal, the Contractor certifies that he is an "equal opportunity employer" as defined by Section 2000(e) of Chapter 21, Title 42, U.S. Code Annotated and Executive Orders #11246 and #11375, which are incorporated herein by reference. The Equal Opportunity clause, Section 6.1 of the Rules and Regulations of the Department of Human Rights of the State of Illinois, is a material part of any contract awarded on the basis of this proposal.

It is unlawful to discriminate on the basis of race, color, sex, national origin, ancestry, age, marital status, physical or mental handicap or unfavorable discharge for military service. Contractor shall comply with standards set forth in

Title VII of the Civil Rights Act of 1964, 42 U.S.C. Secs. 2000 et seq., The Human Rights Act of the State of Illinois, 775 ILCS 5/1-101 et. seq., and The Americans With Disabilities Act, 42 U.S.C. Secs. 12101 et. seq.

F. SEXUAL HARASSMENT POLICY

The Contractor, as a party to a public contract, shall have a written sexual harassment policy that:

- 14.1.1 Notes the illegality of sexual harassment;
- 14.1.2 Sets forth the State law definition of sexual harassment;
- 14.1.3 Describes sexual harassment utilizing examples;
- 14.1.4 Describes the Contractor's internal complaint process including penalties;
- 14.1.5 Describes the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Human Rights Commission and how to contact these entities; and
- 14.1.6 Describes the protection against retaliation afforded under the Illinois Human Rights Act.

G. EQUAL EMPLOYMENT OPPORTUNITY

In the event of the Contractor's non-compliance with the provisions of this Equal Employment Opportunity Clause, the Illinois Human Rights Act or the Rules and Regulations of the Illinois Department of Human Rights ("Department"), the Contractor may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this contract, the Contractor agrees as follows:

That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, sexual orientation, sexual identity or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

That, if it hires additional employees in order to perform this contract or any portion thereof, it will determine the availability (in accordance with the Department's Rules and Regulations) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.

That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity

without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military services.

That it will send to each labor organization or representative of workers with which it has or is bound by a collective bargaining or other agreement or understanding, a notice advising such labor organization or representative of the Contractor's obligations under the Illinois Human Rights Act and the Department's Rules and Regulations. If any such labor organization or representative fails or refuses to cooperate with the Contractor in its efforts to comply with such Act and Rules and Regulations, the Contractor will promptly so notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations thereunder.

That it will submit reports as required by the Department's Rules and Regulations, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Illinois Human Rights Act and the Department's Rules and Regulations.

That it will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the Department for purpose of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules and Regulations.

That it will include verbatim or by reference the provisions of this clause in every subcontract it awards under which any portion of the contract obligations are undertaken or assumed, so that such provisions will be binding upon such subcontractor. In the same manner as with other provisions of this contract, the Contractor will be liable for compliance with applicable provisions of this clause by such subcontractors; and further it will promptly notify the contracting agency and the Department in the event any subcontractor fails or refuses to comply therewith. In addition, the Contractor will not utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivision or municipal corporations.

H. DRUG FREE WORK PLACE

Contractor, as a party to a public contract, certifies and agrees that it will provide a drug free workplace by:

Publishing a statement: (1) Notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, including cannabis, is prohibited in the Village's or Contractor's workplace. (2) Specifying the actions that will be taken against employees for violations of such prohibition.

(3) Notifying the employee that, as a condition of employment on such contract or grant, the employee will: (A) abide by the terms of the statement; and (B) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.

Establishing a drug free awareness program to inform employee's about: (1) the dangers of drug abuse in the workplace; (2) the Village's or Contractor's policy of maintaining a drug free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; (4) the penalties that may be imposed upon employees for drug violations.

Providing a copy of the statement required above to each employee engaged in the performance of the contract or grant and to post the statement in a prominent place in the workplace.



Notifying the contracting or granting agency within ten (10) days after receiving notice of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction from an employee or otherwise receiving actual notice of such conviction.

Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is so convicted as required by section 5 of the Drug Free Workplace Act.

Assisting employees in selecting a course of action in the event drug counseling, treatment and rehabilitation is required and indicating that a trained referral team is in place.

Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

CONTRACTOR:	
Payment Processing, Inc.	Date: 7/30/09
Company Name	
8200 Central Ave	jdorman@paypros.com
Street Address of Company	Email Address
Newark, CA 94560	Jeffrey Dorman
City, State, Zip	Contact Name (Print)
(800) 774-6462	(800) 774-6462
Business Phone	24-Hour Telephone

(800) 731-5348 Fax	Signature of Officer, Partner or Sole Proprietor
ATTEST: If a Corporation	 Print Name & Title General Counsel Jeffrey Dorman
 Signature of Corporation Secretary	

VILLAGE OF DOWNERS GROVE:

_____ Authorized Signature	ATTEST:
_____ Title	_____ Signature of Village Clerk
_____ Date	_____ Date

CAMPAIGN DISCLOSURE CERTIFICATE

Any contractor, Contractor, bidder or vendor who responds by submitting a bid or proposal to the Village of Downers Grove shall be required to submit with its bid submission, an executed Campaign Disclosure Certificate, attached hereto.

The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

By signing the bid documents, contractor/Contractor/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

Under penalty of perjury, I declare:

Bidder/vendor has not contributed to any elected Village position within the last five (5) years.

Signature _____

Print Name _____

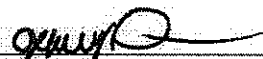
Bidder/vendor has contributed a campaign contribution to a current member of the Village Council within the last five (5) years.

Print the following information:

Name of Contributor: _____
(company or individual)

To whom contribution was made: _____

Year contribution made: _____ Amount: \$ _____


Signature _____

Jeffrey Dorman
Print Name _____

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Finance **DATE:** August 25, 2009
_____ (Name)

RECOMMENDATION FROM: _____ **FILE REF:** _____
(Board or Department)

NATURE OF ACTION:

- Ordinance
- Resolution
- Motion
- Other

STEPS NEEDED TO IMPLEMENT ACTION:

Motion to Adopt "A RESOLUTION AUTHORIZING THE ACCEPTANCE OF CREDIT CARD PAYMENTS BY THE VILLAGE OF DOWNERS GROVE", as presented.

SUMMARY OF ITEM:

Adoption of the attached resolution shall authorize the acceptance of credit card payments by the Village of Downers Grove. This was the subject of a Public Hearing held by the Village Council on August 25, 2009

RECORD OF ACTION TAKEN:

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Finance **DATE:** August 25, 2009
_____ (Name)

RECOMMENDATION FROM: _____ **FILE REF:** _____
(Board or Department)

NATURE OF ACTION:

STEPS NEEDED TO IMPLEMENT ACTION:

- Ordinance
- Resolution
- Motion
- Other

Motion to Adopt "A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT AND ADDENDA BETWEEN THE VILLAGE OF DOWNERS GROVE AND PAYMENT PROCESSING, INC.", as presented.

SUMMARY OF ITEM:

Adoption of the attached resolution shall authorize the execution of an agreement and addenda between the Village of Downers Grove and Payment Processing, Inc. This was the subject of a Public Hearing held by the Village Council on August 25, 2009

RECORD OF ACTION TAKEN:
