Merchant Processing Agreement

For All Inquiries Merchant May Call or Write:

NPC
5100 Interchange Way, Louisville, KY 40229
888-208-7231

TERMS AND CONDITIONS

This Agreement by and among the business entity indicated on the Merchant Application and its accompanying documentation, which documents are incorporated herein and constitute a part of this Agreement as if fully set forth herein ("Merchant" or "you"), National Processing Company, a Nebraska corporation ("NPC" or "us" or "we"), and the financial institution indicated on the Merchant Application ("Member Bank") is binding on you as of the earlier of the date signed by NPC, the date of the first electronic transaction processed under this Agreement, or the date we approve your Merchant Application. If NPC has approved your Merchant Application in accordance with the preceding sentence, the date on which the Agreement is signed will be the date that you signed the Merchant Application (the "Effective Date"). Merchant desires to accept Cards (defined below) validly issued by Visa, Inc. ("Visa"), MasterCard International Incorporated ("MasterCard") and DFS Services Luxembourg S.A. / S.C. / S.E. / S.A.R.L. / S.R.L. (d/b/a Discover® Network, ("Discover Network") and/or their members. NPC and Member Bank desire to provide Card processing services to Merchant. By either your signature on the Merchant Application or your processing a transaction with NPC or any of its affiliates, you confirm acceptance of this Agreement. Your signature, a facsimile copy of your signature, a digitally stored image of your signature, or a unique digital signature on or captured within (as applicable) the Merchant Application serves as the signature for this Agreement. The parties expressly acknowledge and agree that the parties may choose to contract via electronic means and that such contracts shall have the same force and effect as if conducted via conventional form. Notwithstanding anything to the contrary elsewhere in this Agreement or in other agreements you may have with NPC, it is expressly acknowledged and agreed that all such electronic contracting is and shall be conducted pursuant to the provisions of Kentucky Revised Statutes §369.101 et seq. The parties also expressly acknowledge and agree that any duplicate original (whether digital, photographic, or otherwise) or electronic record of this Agreement shall have the same force and effect as the original form of this Agreement. Therefore, Merchant, NPC and Member Bank agree as follows:

1. Definitions. In addition to the terms defined above and throughout the Agreement, the following terms shall have the meaning set forth below:

   "Agreement" means this Merchant Processing Agreement, including the attached Exhibits, Schedules, and Addenda.

   "Association" means the Card Organizations, Debit Networks, EBT networks, issuers and processors of Non-Bank Card and any other issuer of credit or debit cards supported by NPC.

   "Card Organization" means a card organization such as MasterCard, Visa, and Discover Network (including any card issuer of payment cards processed and settled through the Discover Network, which may include Japanese Credit Bureau ("JCB"), China Union Pay ("CUP") and Diners Club International ("Diners Club Int.")) that promulgates operating rules and operates an interchange system for exchanging charges and credit vouchers among you, Card issuers, NPC and Member Bank.

   "Cardholder" means a person presenting a Card and purporting to be a person authorized to use the Card.

   "Operating Rules" means the NPC Operating Rules attached as Exhibit A.

   "Processor" means NPC's designated processor for the settlement of Discover Network Card transactions.

   "Rules" means any and all relevant portions of the regulations, rules, policies and procedures, as amended from time to time, of the Associations, Third Party Service Providers, Member Bank and NPC, including but not limited to the Operating Rules. Some Card Organization Rules are available to you on the Internet (see Section 2.F).

   "Third Party Service Provider" means equipment lessors, rental vendors, check service vendors, fleet card vendors, including Voyager, gift and loyalty card vendors, including TenderCard, issuers and processors of Non-Bank Card, debit networks, software vendors, internet vendors, and other companies with whom you may do business, to the extent the cooperation or service is for the benefit of Merchant.


   A. Card Election. Subject to this Agreement, we will process transactions for the Credit Cards, Debit Cards, Other Cards, or PIN-Debit Cards you have indicated on the Merchant Application. Merchant, NPC and Member Bank classify you as a retained Discover Network Merchant, NPC and Member Bank will not process or settle your Discover Network cards, and NPC and Member Bank will have no liability to you for the processing and settlement of Discover Network cards, and Discover Network cards will not be included in the definition of Credit Cards. "PIN-Debit Card" means a Merchant setup and its pricing is via the entry of a personal identification number ("PIN"). "Debit Networks" means those debit card networks accepted by NPC. "Non-Bank Card" refers to any form of electronic payment, including, but not limited to, American Express or any other issuer of credit/debit/check cards, except for electronic payment involves Visa, MasterCard or Discover Network (including Discover Network cards). "Cards" mean Credit Cards, PIN-Debit Cards and/or Non-Bank Cards that you have requested to accept as indicated on the Merchant Application and accept subject to the terms and policies of the applicable Issuer, if any. You may selectively reject or delete transaction requests for Visa or MasterCard card account numbers that are within a product category not accepted by you. Should you submit a transaction outside of the Visa or MasterCard Card or product category regularly accepted by you, there is no requirement for PCI or Member Bank to reject the transaction. If you elect limited Card acceptance as set forth on the Merchant Application, any transaction submitted into interchange outside of the selected Visa or MasterCard Card or product category will be assessed the standard interchange reimbursement fee applicable to that product or any other applicable fee set forth on the Merchant Application. Your initial election will be made in your Merchant Application. If you wish to modify your election and NPC agrees to said modification, then you will provide additional instructions to your processor. You or NPC may change said election of, in writing, and you will be responsible for any Visa or MasterCard charges assessed as a result of your limited acceptance and any and all costs incurred by NPC or Member Bank as a result of your election. These acceptance options apply only to U.S. issued Cards. The Visa and MasterCard Rules require merchants accepting any Card product bearing a Visa or MasterCard symbol to continue to accept both debit and credit card products issued by non-U.S. members.

   B. Processing. You will be responsible for the quality and accuracy of all data provided to us. You also acknowledge that you need an Imprinter to get imprints of cards that will not swipe. Subject to this Agreement, Member Bank will deposit to the Merchant Account (defined below) the net settlement funds resulting from a transaction evidenced by a Credit Card or Discover Network Card transactions, and Member Bank is at all times entirely entitled to the right to settle the transaction. If you elect limited Card acceptance as set forth on the Merchant Application, any transaction submitted into interchange outside of the selected Visa or MasterCard Card or product category will be assessed the standard interchange reimbursement fee applicable to that product or any other applicable fee set forth on the Merchant Application. Your initial election will be made in your Merchant Application. If you wish to modify your election and NPC agrees to said modification, then you will provide additional instructions to your processor. You or NPC may change said election of, in writing, and you will be responsible for any Visa or MasterCard charges assessed as a result of your limited acceptance and any and all costs incurred by NPC or Member Bank as a result of your election. These acceptance options apply only to U.S. issued Cards. The Visa and MasterCard Rules require merchants accepting any Card product bearing a Visa or MasterCard symbol to continue to accept both debit and credit card products issued by non-U.S. members.

   C. Provisional Credit. Notwithstanding the above, under no circumstance will Member Bank or NPC be responsible for processing credits or adjustments related to Sales Drafts not originally processed by Member Bank and NPC. All Sales Drafts and deposits subject to audit and final checking by Member Bank and NPC, and may be withheld and adjusted for inaccuracies. NPC and/or Member Bank, upon receipt of verbal or written instructions, from any Association to which NPC and Member Bank are providing access hereunder, immediately cease to provide to you, including your clients, access to such Association. NPC and/or Member Bank shall use reasonable efforts to promptly notify you of such interruption in Association access.

   D. Control. NPC is an agent of Member Bank in connection with Visa and MasterCard transactions, and Member Bank is at all times entirely responsible for and in control of NPC's performance in connection therewith. You acknowledge that NPC may use an independent sales organization/member service provider ("ISO/MSP") operating under applicable Card Organization Rules. ISO/MSP is an independent contractor that is authorized to execute the Merchant Agreement on NPC's or Member Bank's behalf or to alter the terms hereof without NPC and Member Bank's prior written approval.

   E. Transactions. For all Card transactions submitted to us: (a) the transactions represent obligations of the person to whom the Card has been issued and/or the authorized Cardholder for the amounts in the transaction (including tax, but without any surcharge) and only for merchandise actually sold or rented or services actually rendered by you (except for any delayed delivery or advance deposit authorized by the Rules).
and this Agreement) and must not involve any element of credit for any other purpose; (b) the transaction must represent a bona fide sale/rental of merchandise or services; (c) the transaction must not provide for any discount or with a refinancing of any prior obligation; (c) the price charged for the transaction must not be subject to any dispute, scoff or counterclaim; (d) you must have no knowledge or notice of any fact, circumstances or defense which would indicate that the transaction is invalid; (e) the transaction must not involve any element of credit for any Cardholder or which would otherwise impair the validity or collectability of the Cardholder’s obligation or relieve the Cardholder from liability for the transaction; (e) except as otherwise provided in the Rules, the transaction does not represent the refinancing of an existing obligation of the Cardholder, or for the purchase of goods or services from a supplier who is not a participant in such Debit Networks. Debit Networks may be added or removed from time to time. Neither NPC nor Member Bank warrants the availability of any Debit Network or EBT network to which you are being provided access as prescribed in the Operating Rules and/or Manuals/Instructions, the terms of this Agreement will govern, except to the extent the Operating Rules and/or Manuals/Instructions specifically provides that a particular provision in it overrides any conflicting provision made in this Agreement. Additional information is available at the Visa web site (download the “Card Acceptance & Chargeback Cycle Management Guide” under “Marketing & Management Resources” at http://www.usa.visa.com/business/accepting_visa) and the MasterCard web site (download the “Merchant Rules” under the “Accept MasterCard” section at http://www.mastercardmerchandiser.com).

3. Debit & EBT Card Processing Services, Availability of Terminals. If so indicated in your Merchant Application, NPC will process PIN-Debit Card transactions and EBT Card transactions. If you accept EBT Cards, the terms set forth on Schedule IV will apply. NPC, Member Bank or third party banks with which NPC or Member Bank have a relationship are members of certain Debit Networks and are willing to sponsor you as a participant in such Debit Networks as the Network, or Networks, to which you desire to be added after the effective date of this Agreement. You hereby delegate to NPC and/or Member Bank the authority to decide to which Debit Network a given PIN-Debit Card transaction will be routed. You will take all reasonable steps necessary to ensure that all point-of-sale devices and PIN pads will be available for use by the Cardholders of each Card Organization. You also irrevocably authorize Member Bank to debit the Merchant Account for charges in accordance with the Rules and this Agreement, and for fees and any other penalties or payments due under this Agreement related to the Card Organizations. You also irrevocably authorize Member Bank or NPC to debit the Merchant Account for fees and any other penalties or payments due in accordance with this Agreement (other than related to the Card Organizations) and any other agreement between you and the Associations. You agree to follow the procedures in the Operating Rules and the Manuals/Instructions in connection with each Card transaction and to comply with all requirements of the Rules. Unless the context clearly requires otherwise, references to this Agreement include the Operating Rules, Manuals/Instructions and the Rule provisions. If there is any conflict between the terms of this Agreement, the Operating Rules and the Manuals/Instructions, the terms of this Agreement will govern, except to the extent the Operating Rules and/or Manuals/Instructions specifically provides that a particular provision in it overrides any conflicting provision made in this Agreement. Additional information is available at the Visa web site (download the “Card Acceptance & Chargeback Cycle Management Guide” under “Marketing & Management Resources” at http://www.usa.visa.com/business/accepting_visa) and the MasterCard web site (download the “Merchant Rules” under the “Accept MasterCard” section at http://www.mastercardmerchandiser.com).

4. Merchant Account. A. Establishment and Authority. You will establish and maintain with an Automated Clearing House (“ACH”) receiving depository institution acceptable to Member Bank one or more commercial checking account(s) (collectively, the “Merchant Account”) to facilitate payment for Credit Card and PIN-Debit Card transactions. You will maintain sufficient funds in the Merchant Account to cover all transactions and any fees and charges assessed to provide for the collection of funds due you, subject to the terms of this Agreement, to the limited to fees, fines and chargebacks. You irrevocably authorize Member Bank to debit the Merchant Account for chargebacks in accordance with the Rules and this Agreement, and for fees and any other penalties or payments due under this Agreement related to the Card Organizations. You also irrevocably authorize Member Bank or NPC to debit the Merchant Account for fees and any other penalties or payments due in accordance with this Agreement (other than related to the Card Organizations) and any other agreement between you and the Associations. You hereby agree to be bound by the terms of the operating rules of the Card Organizations, as amended from time to time. This authorization extends to payments for all amounts owed by you to NPC, a NPC affiliate, or Member Bank, including but not limited to amounts owed for lease, rental or purchases of POS terminals, check terminators and supplies, and for ACH debit entries to or from the Merchant Account. You irrevocably authorize NPC and/or Member Bank, on the next business day following expiration of this rolling delay period. This rolling delay of the settlement payments will be ongoing and continue as long as NPC is providing your processing services. You authorize Member Bank or NPC to verify you have received all statements and promptly examine all statements relating to the Merchant Account and to immediately notify NPC in writing of any errors. Your written notice must include: (i) Merchant name and address; (ii) description of the asserted error; (iii) an explanation of the asserted error, and (iv) an explanation of why you believe an error exists and the cause of it, if known. That written notice must be received by NPC within 30 days after the date of the statement containing the error. If you fail to timely notice any error within the 30 day period, NPC, within 30 days after the date the error was discovered, shall return the erroneous amount to you, subject to receipt of final payment by Member Bank subject to all chargebacks, returns, fees and fines.

B. ACH Authorization. You authorize Member Bank, NPC, or their vendors or agents, including but not limited to Third Party Service Providers, to initiate ACH credit/debit entries to or from the Merchant Account, the Reserve Account or any other account maintained by you at any institution that is a receiving member of ACH, all in accordance with this Agreement. You hereby agree to be bound by the terms of the operating rules of the American National Standards Institute (ANSI) and the Association of the National Clearing House (ACH), as amended from time to time. This authorization extends to payments for all amounts owed by you to NPC, an NPC affiliate, or Member Bank, including but not limited to amounts owed for lease, rental or purchases of POS terminals, check terminators and supplies, and for ACH debit entries to or from the Merchant Account. This ACH authorization will remain in effect after termination of this Agreement, and until NPC has received written notice terminating this authorization and all your obligations to NPC and Member Bank. You also authorize NPC and/or Member Bank upon prior written consent from NPC and Member Bank pursuant to Section 4.A, this authorization will apply to the new account and to any other account you own at any other financial institution. When changing Merchant Account, you must notify NPC and/or Member Bank of the new account, and you authorize NPC and/or Member Bank the right to establish a Reserve Account or to suspend payments pursuant to Section 5 or Exhibit A of this Agreement. The settlement payments will be subject to delay as provided by Member Bank, as evidenced by a request of NPC, crediting the Merchant Account with funds evidenced by submitted Sales Drafts. You are responsible for verifying the amount of funds actually deposited to and available in your Merchant Account on a daily basis. Neither NPC nor Member Bank are responsible for the availability of funds represented by submitted Sales Drafts, or for any charges you may incur for overdrawn the Merchants Account. You agree Member Bank or NPC to initiate reversal or adjustment entries and request of NPC, amending your statement, or at the request of NPC, crediting the Merchant Account with funds evidenced by submitted Sales Drafts. You are responsible for verifying the amount of funds actually deposited to and available in your Merchant Account on a daily basis. Neither NPC nor Member Bank are responsible for the availability of funds represented by submitted Sales Drafts, or for any charges you may incur for overdrawn the Merchants Account. You agree Member Bank or NPC to initiate reversal or adjustment entries and

C. Asserted Errors. Each day you will balance and reconcile your Merchants Account and Reserve Account (as defined in Section 5.B) to ensure that all transactions have been processed and that all funds due such vendor or agent under this Agreement. You authorize NPC or Member Bank’s vendors or agents to debit the Merchant Account for any fees due such vendor or agent under this Agreement. You authorize NPC or Member Bank’s vendors or agents to debit the Merchant Account for lease, rental or purchases of POS terminals, check terminators and supplies, and for ACH debit entries to or from the Merchant Account, and to ensure that no funds have been improperly withheld or withdrawn from your Merchant Account. NPC is not liable for any errors made in assisting you in establishing and maintaining your account with NPC or Member Bank. You agree to verify you have received all statements and promptly examine all statements relating to the Merchant Account and to immediately notify NPC in writing of any errors. Your written notice must include: (i) Merchant name and address; (ii) description of the asserted error, and (iii) an explanation of the asserted error, and (iv) an explanation of why you believe an error exists and the cause of it, if known. That written notice must be received by NPC within 30 days after the date of the statement containing the error. If you fail to timely notice any error within the 30 day period, NPC, within 30 days after the date the error was discovered, shall return the erroneous amount to you, subject to receipt of final payment by Member Bank subject to all chargebacks, returns, fees and fines.
All sales and credits accepted by NPC and Member Bank are subject to audit and verification by NPC and Member Bank. You agree that Member Bank and NPC may maintain suspended funds in the Reserve Account for any inaccuracies.

E. Third Party Service Provider Transactions. Notwithstanding the right of NPC to debit funds from the Merchant Account for erroneous deposits made by Third Party Service Providers, this Agreement does not govern the deposit to or withdrawal of funds by Third Party Service Providers. If you have contracts with Third Party Service Providers, you agree that you will notify NPC and/or Member Bank of any changes in the terms of those contracts. You will not hold NPC or Member Bank liable for any losses or damages sustained by the Merchant, including any losses or damages related to the failure of any Third Party Service Provider to perform its obligations under any contract with the Merchant.


A. Security Interest. This Agreement constitutes a security agreement under Uniform Commercial Code. You grant to Member Bank and NPC a security interest in and lien upon: (a) all funds at any time in the Merchant Account, regardless of the source of such funds, (b) all funds at any time in the Reserve Account, regardless of the source of such funds, (c) all funds at any time in any other account of the Merchant maintained by any other bank, (d) all account numbers, (e) all equipment and supplies owned or leased by the Merchant, and (f) all account numbers.

B. Reserve Account. i. Establishment. Pursuant to Article 9 of the Uniform Commercial Code, and as amended from time to time, Member Bank and NPC have control over and may deduct from any account of the Merchant, with the prior written consent of the Merchant. You represent and warrant that no other person or entity has a security interest in the Secured Assets. With respect to such security interests and liens, Member Bank and NPC will have all rights afforded under the Uniform Commercial Code, any other applicable law, and in equity. The security interest may be exercised by NPC and Member Bank without notice or demand of any kind by making an immediate withdrawal or freezing the Secured Assets.

ii. Perfection. Pursuant to Article 9 of the Uniform Commercial Code, as amended from time to time, if you do not agree to the terms of this Agreement, you may direct the disposition of the Secured Assets, without any notice or demand. NPC or Member Bank have the right of setoff to the extent that NPC and Member Bank have control over the Reserve Account until requested by Merchant in writing following the disbursement of your funds and/or temporarily suspend processing under this Agreement.

C. Recoupment and Set Off. Member Bank and NPC have the right to recoupment and set-off. This means that they may offset any payments or credits under this Agreement, including but not limited to all rights to recoupment and set-off. Member Bank and NPC may exercise their rights under this Agreement to collect any amounts due to them, including but not limited to all rights to recoupment and set-off. Member Bank may also exercise their rights under this Agreement to collect any amounts due to them, including but not limited to all rights to recoupment and set-off.

D. Monitoring. You acknowledge that NPC and/or Member Bank may monitor your daily credit card transaction activity. You agree that NPC or Member Bank may monitor the activities of the Reserve Account and may suspend all transactions in the Reserve Account if the activities exceed the limits specified in the Agreement. The limit on any reasonable period of time required by NPC or Member Bank to fully provide information related to the disbursement of your funds and/or temporarily suspend processing under this Agreement, such diversion or suspension shall be for the following: suspicious or unusual transaction activity; material variance in the nature of your business, type of product and/or service sold, average ticket size, monthly volume or swiped/keyed percentages, from such disclosures made by you in this Agreement; you do not authorize transactions; we receive excessive retrieval requests against your prior activity; excessive chargebacks are debited against your prior activity; you do not deliver product or render full service on time or before the transaction date; you do not verify billing address or product; you do not provide information to NPC or Member Bank; you do not maintain the Reserve Account as required by NPC or Member Bank; and you do not provide information to NPC or Member Bank.

E. Third Party Service Provider Transactions. Notwithstanding the right of NPC to debit funds from the Merchant Account for erroneous deposits made by Third Party Service Providers, this Agreement does not govern the deposit to or withdrawal of funds by Third Party Service Providers. If you have contracts with Third Party Service Providers, you agree that you will notify NPC and/or Member Bank of any changes in the terms of those contracts. You will not hold NPC or Member Bank liable for any losses or damages sustained by the Merchant, including any losses or damages related to the failure of any Third Party Service Provider to perform its obligations under any contract with the Merchant.

F. Cardholder. (3) Merchant has laundered or aggregated illegal and/or brand damaging transactions, (4) the Merchant account was established as a result of identity theft, and/or (5) the Merchant has engaged in any other action constituting fraud or improper credit. Merchant shall be provided notice of the same, and balances in the Reserve Account shall become the property of NPC and shall otherwise be forfeited in the nature of liquidated damages without prejudice to NPC and Member Bank's rights of recoupment and set-off. You agree to execute and deliver to NPC such notices and opinions as requested by NPC or its agents, NPC is not a party to those contracts and NPC has no control over your contractual relationship with those companies. Third Party Service Providers will provide their own statements and you are responsible for notifying them of any discrepancies or errors. You agree that NPC and/or Member Bank are not responsible or liable for any errors made in connection with establishing and maintaining such account relationships with Third Party Service Providers, and you waive, indemnify and hold harmless NPC and Member Bank from any claims or losses you may suffer in connection with those contracts.

G. Breach or Suspicious Activity. If Merchant breaches this Agreement or if NPC, in its sole discretion, identifies suspicious or irregular transaction, settlement or banking activity, NPC may refuse to process Sales Drafts and/or may avail itself to all contractual remedies provided in this Agreement, including the retention of such transactions or other funds in the Reserve Account, pending the cure of such breach or resolution of such activity to NPC's satisfaction.

H. Recoupment and Set Off. This means that they may offset any outstanding/uncollected amounts owed to them from you including: (i) any amounts you would otherwise be obligated to deposit into the Merchant Account, and (ii) any other amounts NPC or Member Bank may owe you under the terms of this Agreement. You acknowledge that in the event of a bankruptcy proceeding, in order for you to provide adequate protection under Bankruptcy Code § 362 to NPC, you must create or maintain the Reserve Account as required by NPC or Member Bank, and maintain the Reserve Account until the bankruptcy estate is discharged. You must maintain the Reserve Account for any and all obligations which you may owe to NPC and/or Member Bank, without regard to whether the obligations relate to Sales Drafts initiated or created before or after the filing of the bankruptcy petition.

I. Monitoring. You acknowledge that NPC and/or Member Bank may monitor your daily credit card transaction activity. You agree that NPC or Member Bank may review the activities of the Reserve Account and may suspend all transactions in the Reserve Account if the activities exceed the limits specified in the Agreement. The limit on any reasonable period of time required by NPC or Member Bank to fully provide information related to the disbursement of your funds and/or temporarily suspend processing under this Agreement, such diversion or suspension shall be for the following: suspicious or unusual transaction activity; material variance in the nature of your business, type of product and/or service sold, average ticket size, monthly volume or swiped/keyed percentages, from such disclosures made by you in this Agreement; you do not authorize transactions; we receive excessive retrieval requests against your prior activity; excessive chargebacks are debited against your prior activity; you do not deliver product or render full service on time or before the transaction date; you do not verify billing address or product; you do not provide information to NPC or Member Bank; you do not maintain the Reserve Account as required by NPC or Member Bank; and you do not provide information to NPC or Member Bank.
E. Remedies Cumulative. The rights conferred upon Member Bank and NPC in this Section are not intended to be exclusive of each other or of any other rights that Member Bank and NPC may have at law or in equity. Rather, each and every right of Member Bank and NPC at law or in equity will be cumulative and concurrent and in addition to every other right.

6. Fees and Other Amounts Owed

A. Fees. Your fees are described on your Merchant Application. You will pay Member Bank and NPC for all fees and costs described in accordance with this Agreement. Monthly recurring charges will be assessed upon approval of the Merchant Application. These fees are based on and contingent upon your processing activity reflecting the information set forth in the Merchant Application. If the volume of transactions in your account changes or if you exceed any volume limits established in the Merchant Application, the fee for any volume increment will become effective immediately and will be calculated on the new volume.

B. Discount and Transaction Fees. The discount fees shown in the transactions. NPC, upon approval from Member Bank if required, may assess an Annual Fee, as applicable, will not be prorated or refunded if this Agreement is cancelled or terminated for any reason. Member Bank must approve, in advance, any fee or obligation of Member arising from or related to the performance of this Agreement in connection with Visa and MasterCard transactions. NPC, upon approval from Member Bank if required, may adjust the fees in accordance with Section 14.J below. NPC, and/or Member Bank may charge late charges at or at our then current rate for any amounts that are not timely paid by you.

C. Discount and Transaction Fees. The discount fees shown in the Application shall be calculated based on the gross amount of all (i) for Visa, MasterCard and Discover Network sales, the Visa Card, MasterCard Card and Discover Network Card transactions submitted to NPC, (ii) for American Express, the American Express Card transactions submitted to NPC. The discount rate is based on sales transactions as opposed to sales less credit card returns and charges. You may be charged a handling fee or authorization fees or a combination thereof. Transaction fees are fees per transaction such as closing daily transactions (batch fee), Association fees, network fees, and Non-Bankcard Card providers’ fees, authorizations, rejects, multiple authorizations of the same transaction, any other electronic payment transaction or any other communication attempt from your point of sale device.

D. Rate Qualifications and Association Fees. If the Merchant Application states that your Visa, MasterCard and Discover Network Interchange fees, assessments and other fees may be charged is set forth on the Merchant Application, and you will pay, in accordance with this Agreement, the fee for any volume increment will become effective immediately and will be calculated on the new volume. You may present Card transactions to us only for the activities and volume. You may present Card transactions to us only for the activities and

E. Other Amounts Owed. You will immediately pay NPC or Member Bank Bank any amount incurred by NPC or Member Bank attributable to this Agreement, including but not limited to chargebacks, fines imposed by the Associations, Third Party Service Providers, or other card issuers or governmental agencies, costs escalations, late, and/or tax, interest, penalties, insufficient fund fees, fees associated with deconversion (including but not limited to costs associated with customer service or technical support during fraud investigations or for handling of chargebacks and returns). The Debtor Account, Reserve Account, or any other account you have at Member Bank or at any other financial institution for any amount you owe NPC or Member Bank under this Agreement or under any other contract, note, guaranty, instrument or dealing of any kind now existing or later entered into with NPC and/or Member Bank. You authorize Member Bank to charge such amounts.

F. Chargebacks. You are fully liable to NPC and Member Bank for all transactions returned to NPC or Member Bank for any reason, otherwise known as “chargebacks” (or, for Debit Card transactions, “reversals”), you will pay NPC and Member Bank on the demand of all chargebacks/reversals, and/or owners, the form of business organization (i.e., sole proprietorship, partnership, etc.), type of goods and services provided, and how sales are sponsored, gateway or switch fees or other, NPC will have the right to chargebacks

G. If, after the Effective Date of this Agreement, you elect to accept other card types, by submitting sales data for said card type (after approval by us of said card type), you acknowledge that NPC and/or Member Bank may be required to withhold taxes from amounts otherwise due to you under this Agreement in accordance with the Laws (as defined in Section 8.E) and that NPC and Member Bank have no liability for such withholding will be assessed or imposed under this Agreement and/or the Rules. We make no representation or warranty that your Card transactions qualify for any given rate, and we disclaim all responsibility and liability for a transaction’s failure to so qualify. You will release and hold NPC and Member Bank harmless from any loss, cost or damage, including legal fees and court costs, resulting from transactions’ failure to qualify for a given rate. In addition, Card transactions that do not meet the necessary criteria for payment are subject to complete denial, reversal and/or chargeback.

H. Additional Provisions for PIN-Debit Cards. NPC will charge the Debit PIN-Based Transaction Fee set forth on the attached Merchant Application for all PIN-Debit Card transactions. If the Volume of transactions is above or below the stated volume, NPC and Member Bank will process such transactions at the applicable credit card volume fees, NPC and Member Bank will process such transactions at the applicable Debit Network Interchange fee set forth on the Merchant Application for all PIN-Debit Card transactions. If the Volume of transactions is above or below the stated volume, NPC and Member Bank will process such transactions at the applicable Debit Network Interchange fee set forth on the Merchant Application for all PIN-Debit Card transactions. If the Volume of transactions is above or below the stated volume, NPC and Member Bank will process such transactions at the applicable

I. Application. You represent and warrant to Member Bank and NPC that all information in the Merchant Application is correct and complete, and guaranteed to stay in effect throughout the remainder of the month, and the date you submit the transaction to us, obtaining authorization, capturing all transaction data, submitting the transaction in the correct format, and proper functioning of your point of sale terminal, software, and communications lines.

J. The Associations charge the transaction qualification criteria from time to time, and your terminal or software may not meet the new criteria. We make no representation or warranty that your Card transactions will meet the new criteria. We will notify you of any liability for a transaction’s failure to so qualify. You will release and hold NPC and Member Bank harmless from any loss, cost or damage, including legal fees and court costs, resulting from transactions’ failure to qualify for a given rate. In addition, Card transactions that do not meet the necessary criteria for payment are subject to complete denial, reversal and/or chargeback.
A. Performance. NPC and Member Bank will perform all services in accordance with the Merchant Application, NPC MPA (VER. GEN.2-12) 5 Agreement upon notification by you of a change to the information in the Agreement regarding any such account.

B. Indemnification. You will be liable for, defend, hold harmless, and will indemnify, defend, hold harmless, and save NPC and Member Bank, and their officers, directors and agents from and against all claims, losses, liabilities, damages, fines, fees, assessments, expenses (including attorneys’ and collection fees and expenses) and other costs resulting from (i) any action or omission of any third party with which you have contracted, (ii) arising out of any transaction processed under this Agreement, (iii) any breach by you of this Agreement or any misrepresentation by you under this Agreement, (iv) any bankruptcy proceeding, (v) your violation of applicable Laws or the Rules, (vi) your employees’ negligence, fraud, or misconduct in connection with your card transactions, use of NPC’s services, or otherwise arising from your provision of goods and services to Cardholders, and (vii) effecting transactions with the use of a lost, stolen, counterfeit, or misused Card. You will indemnify and hold NPC and Member Bank harmless from and against all losses, liabilities, damages, fines, fees, assessments and expenses (including attorneys’ and collection fees and expenses) and other costs NPC or Member Bank may incur pursuant to any Rule resulting from your action or inaction, including but not limited to, all losses and fees NPC and Member Bank may incur as a result of your action you institute against any Card Organization or Card issuer following a chargeback or fine. In addition, you will defend, indemnify and hold harmless NPC, Member Bank, and the Associations for any action they take against them in connection with a claim alleging that you or any of your officers, directors and agents are liable for a violation of the Rules or an associated Law or Rule concerning any aspect of their relationship with you.

C. Limitation of Liability. IN NO EVENT WILL NPC OR MEMBER BANK BE RESPONSIBLE FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHICH YOU MAY INCUR AS A RESULT OF OR IN CONNECTION WITH OR ARISING OUT OF YOUR PERFORMANCE UNDER THIS AGREEMENT OR TERMINATION OF THIS AGREEMENT, EVEN IF NPC OR MEMBER BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OCCURRING. Any liability of NPC or Member Bank under this Agreement, whether to you or to any other party, whether for breach of contract, negligence or otherwise, will be limited to the amount paid by you for the errors, acts, omissions, failures to act, negligence or intentional conduct of the Processor. In no event shall NPC or Member Bank be liable to Merchant for any consequential, incidental, punitive or special damages which Merchant or its customers, affiliates, parent companies, agents, officers, directors or employees may incur or suffer in connection with this Agreement.

D. Performance. NPC and Member Bank will perform all services in accordance with this Agreement. NPC and Member Bank make no other warranty, expressed or implied, regarding the services, and nothing contained in this Agreement shall constitute a warranty. NPC and Member Bank hereby disclaim all implied warranties, including those of merchantability and fitness for a particular purpose. NPC’s and Member Bank’s sole liability to you or any third party for any claims, notwithstanding the form of such claims (e.g. contract, negligence or otherwise), arising out of the delay of, or interruption in the services provided or to be provided by NPC or Member Bank hereunder, will be to use reasonable efforts to commence or resume the services as promptly as reasonably practicable. Should NPC and/or Member Bank be required to defend a claim brought by you and NPC and/or Member Bank prevails, NPC and/or Member Bank will be entitled to reimbursement from you, and you agree to pay all costs, attorneys’ fees and any other expenses incurred in connection with those proceedings. No party will be liable for any delay in the performance of this Agreement if such failure or delay arises out of causes beyond the control and without the fault or gross negligence of such party.

8. Representations and Warranties. You represent and warrant to NPC and Member Bank at the time of execution and throughout the term of this Agreement that:

A. Information. You are a corporation, limited liability company, partnership or sole proprietorship validly existing and organized in the United States. All information contained in this Agreement or any other document submitted to NPC is true and complete and properly reflects the business of you and your other agreements with Third Party Service Providers, your financial condition or operations. You have never been placed on the MasterCard MATCH system or the Combined Terminated Merchant File except as disclosed in writing to NPC.

B. Credit Reporting. NPC and Member Bank may report information about your account to credit bureaus. You represent and warrant that this Agreement is duly authorized to bind Merchant to all provisions of this Agreement, and that such person is authorized to execute any documents and to take any action on behalf of Merchant, which may be required by NPC now or in the future. Further, you represent and warrant that this Agreement will not violate any law or conflict with any other agreement to which you are subject.

C. No Litigation. There is no action, suit or proceeding pending or to your knowledge threatened which, if decided adversely, would impair your ability to carry on your business substantially as now conducted or which would affect your financial condition or operations. You have never been placed on the MasterCard MATCH system or the Combined Terminated Merchant File except as disclosed in writing to NPC.

D. Rules Compliance. You will comply with all applicable state, federal and local laws, and governmental rules and regulations (including but not limited to any requirement to maintain any indemnity or underwriting compliance) relating to the completion of Card transactions, submitting Card transactions to us, and the operation of your business (as amended from time to time, the “Laws”). You further will comply with the Rules.

F. Products and Services. (a) You have the full power and authority to sell the products and services you offer and to display the advertisements you use; (b) no products or services offered by you constitute a violation of any applicable law and you will not accept a Card for any illegal transaction; (c) you will prominently and unequivocally inform each Cardholder of your obligations and terms of the Agreement and you so state that the Cardholder can readily distinguish you from any other party such as a supplier of goods or services to you; (d) the products and services offered by you and the name of your business do not infringe upon the rights of any other person, including, without limitation, trademark, copyright, confidentiality or patent rights; and (e) you will not sell, market or display any products or services that would jeopardize NPC’s or the Member Bank’s reputation.

9. Audit and Information.

A. Audit. You authorize NPC and Member Bank to audit your records to verify your compliance with this Agreement. You will obtain, and will submit a copy of, an audit of your business when requested by NPC or Member Bank.

B. Information.

i. Authorizations. You authorize NPC, Member Bank and Third Party Service Providers to make, from time to time, any business and personal inquiries you may believe necessary in connection with this Agreement. You also authorize any person or credit reporting agency to compile information to answer those credit inquiries and to furnish that information to NPC, Member Bank or Third Party Service Providers, as appropriate.

ii. Documents. You will provide financial statements and other financial information to NPC and Third Party Service Providers as requested from time to time. You will furnish to NPC and Member Bank within 120 days after the end of each fiscal year a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year.

iii. Information. You represent and warrant that the name and tax identification number (TIN) on the Merchant Application matches the name and TIN that you use to file your tax returns for your business and that you comply with all laws and regulations regarding anti-money laundering and anti-terrorism. You agree to provide NPC with any updates to the name and/or TIN that you use to file your tax return for your business.

C. Credit Reporting. NPC and Member Bank may report information about your account to credit bureaus. Late payments, missed payments, or written details on your account not to renew prior to the expiration of the then current term. Additionally: i) this Agreement may be terminated at any time, with fifteen (15) days notice, by Member Bank or NPC without cause; ii)
Member Bank or NPC may terminate this Agreement immediately (1) in the event that an Association identifies you, your principals, or associated parties under a program designed to monitor merchant fraud, (2) in the event that you or your agent, contractor, or principal instructs NPC or Member Bank to close your account, (2) for any circumstances that could cause harm or loss of goodwill to the Card Organization systems or you no longer meet the eligibility requirements of a Card Organization, (3) upon a default event set forth in Section 10.C. below or other material breach by you of the terms of this Agreement, (4) upon a material adverse change in your business, financial condition, business practices, products or services, a sale of all or a substantial portion of your assets, or a change in control of your business (directly or indirectly), (5) upon any non-compliance by you with the terms of this Agreement, (6) if your business name or the name of your principals is listed on the MATCH (Membership Alert To Control High Risk Merchants) System and/or other security/credit alert systems, (7) if your business operations cause NPC or Member Bank, or are reasonably expected to cause NPC or Member Bank, to be injured in any way applicable to NPC or Member Bank, regardless of the jurisdiction in which you accept or conduct Card transactions, (8) in the event of irregular Card sales, excessive chargebacks, illegal activity or any other circumstances which, in NPC’s or Member Bank’s opinion, would cause harm to Card Organizations, cause harm or loss of goodwill to the Card Organization systems or you no other bank or member may terminate this Agreement immediately for any reason other than fraud, (9) if any guaranty is revoked, (10) if you file a voluntary petition or complaint seeking relief under any federal or state bankruptcy or other debt relief statute, an involuntary petition under any federal or state bankruptcy or other debt relief statute is filed against you, you generally become unable to pay your debts or trade obligations as they become due, or you make a general assignment for the benefit of creditors, or (11) if you fail to establish a Reserve Account when requested by NPC or Member Bank, and; iii

C. Default Event. A default event by Merchant of this Agreement includes, but is not limited to: (a) the volume of sales in any month exceeding 120% of the average Annual Volume indicated on the Merchant Application, (b) non-card present transactions in any month in excess of 120% of the MO/TO and Internet volume indicated on the Merchant Application, (c) Merchant and/or Merchant’s equipment complies with all Laws and Rules.

iv. Early Termination Fee. If you terminate this Agreement before the end of the Initial Term or any Renewal Term, unless such termination is due to an uncured breach by NPC or Member Bank pursuant to the terms of this Agreement, you will pay the Early Termination Fee set forth on the Merchant Application for each location. You authorize Member Bank and/or NPC to debit the Merchant Account, the Reserve Account, or any other account you may own, for all such amounts. If the amount in the Merchant Account and Reserve Account is not sufficient, you agree to pay NPC such amounts immediately on receipt of invoice.

E. Option on Termination. Upon termination or non-renewal of this Agreement by Merchant, prior to entering into any agreement with any third party for the Services provided to Merchant by NPC or Member Bank and/or Reserve Account for, or deduct from any settlement funds otherwise owed to you, the Early Termination Fee, plus any and all losses (including costs, expenses and liabilities) incurred by NPC and/or Member Bank in connection with termination. If your settlement funds or the balance in your Merchant Account or Reserve Account is insufficient to cover the Early Termination Fee and all such losses, you agree to pay NPC such amounts immediately on receipt of invoice.

F. Use of Trademarks. You will prominently display the promotional materials provided by NPC in your place of business. You use of the marks of the Associations will fully comply with the Rules. You right to use the marks of Associations will terminate upon termination of this Agreement. Member Bank and/or NPC may terminate the right of first refusal to enter into an agreement with Merchant for all such Services under the same terms and conditions (except for the length of the term, which shall not be less than the length of the Initial Term of this Agreement) in lieu of Merchant Agreements with other merchants. You agree that the early termination fee is not liquidated damages, the Early Termination Fee set forth on the Merchant Application by Merchant, prior to entering into any agreement with any third party for the Services provided to Merchant by NPC or Member Bank and/or Reserve Account for, or deduct from any settlement funds otherwise owed to you, the Early Termination Fee, plus any and all losses (including costs, expenses and liabilities) incurred by NPC and/or Member Bank in connection with termination. If your settlement funds or the balance in your Merchant Account or Reserve Account is insufficient to cover the Early Termination Fee and all such losses, you agree to pay NPC such amounts immediately on receipt of invoice.

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K. Use of Trademarks. You will prominently display the promotional materials provided by NPC in your place of business. You use of the marks of the Associations will fully comply with the Rules. You right to use the marks of Associations will terminate upon termination of this Agreement. Member Bank and/or NPC may terminate the right of first refusal to enter into an agreement with Merchant for all such Services under the same terms and conditions (except for the length of the term, which shall not be less than the length of the Initial Term of this Agreement) in lieu of Merchant Agreements with other merchants. You agree that the early termination fee is not liquidated damages, the Early Termination Fee set forth on the Merchant Application by Merchant, prior to entering into any agreement with any third party for the Services provided to Merchant by NPC or Member Bank and/or Reserve Account for, or deduct from any settlement funds otherwise owed to you, the Early Termination Fee, plus any and all losses (including costs, expenses and liabilities) incurred by NPC and/or Member Bank in connection with termination. If your settlement funds or the balance in your Merchant Account or Reserve Account is insufficient to cover the Early Termination Fee and all such losses, you agree to pay NPC such amounts immediately on receipt of invoice.

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non-confidential basis from an entity or person other than NPC or Member Bank and their agents and representatives, which entity or person was not subject to confidentiality, trust, or confidentiality of information by you on a non-confidential basis prior to its disclosure by NPC or Member Bank or (c) generally available to the public other than through any disclosure by or fault of you or your agents or representatives. In accordance with state and federal laws, Member Bank and/or NPC and/or Member Bank may share with state and federal enforcement agencies and other entities authorized by such law,policies, NPC and Member Bank may participate in sharing relevant information among other financial institutions, regulatory authorities, law enforcement agencies and other entities authorized by such law/policies. NPC may disclose to its affiliates information about you and your activities so that they may consider you for, or if they desire, offer to you their products and services. You agree that NPC may share information about its experience with you among its subsidiaries and affiliates, such as information about transactions and experiences between NPC and you. In addition, NPC may disclose such information in connection with any applications, financial statements or other documents provided by you in connection with these or other transactions, and information NPC may obtain about you from outside sources.

d. Cardholder Information. You will not disclose to any third party any Cardholder or other personal information except to an agent of yours assisting in completing a Card transaction, or as required by law. You must not request or use Cardholder account number information for any purpose that you know or have reason to know is fraudulent. If you consider yourself the Cardholder did not authorize, except to an agent of yours assisting in completing a Card transaction, or as required by law. You must keep all systems and media containing account, Cardholder or transaction information (including without limitation, numbers, Card imprints, and terminal identification numbers) in a secure manner, to prevent access by or disclosure to anyone other than your authorized personnel. You must destroy in a manner that will render the data unreadable all such media that are no longer necessary or appropriate to store (except for Sales Drafts maintained in accordance with this Agreement, Laws or Rules). Further, you must take all steps reasonably necessary to ensure Cardholder information is not disclosed or otherwise mishandled, misused, intercepted, or stolen, card numbers, card stripes, card imprints, and terminal identification numbers (collectively, “CISP”) (found at www.visa.com) or the MasterCard Site Data Protection Program (“SDP”), found at www.mastercard.com, and (5) have written agreements with Merchant Providers requiring the compliance set forth herein. You will immediately notify us of any suspected or confirmed loss or theft of any transaction information, including any loss or theft from a Merchant Provider. You are responsible for defending and indemnifying us, and any other entity that provided services contemplated in the Agreements.

13. Waiver of Jury Trial and Covenant Not to Participate in a Class Action. MERCHANT HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO PARTITION OR EXTINGUISH ANY RIGHT TO PARTITION THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT OR ANY ACTION, LAWSUIT, CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING UNDER THIS AGREEMENT AND/OR ANY TRANSACTION GOVERNED BY THIS AGREEMENT. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY, VOLUNTARILY AND INTENTIONALLY BY MERCHANT AND EACH AND EVERY INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE BE AVAILABLE. NPC IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY COURT IN WHICH ANY CLAIM OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT AND/OR ANY TRANSACTION GOVERNED BY MERCHANT. MERCHANT ALSO COVENANTS NOT TO PARTICIPATE IN ANY CLASS ACTION AGAINST NPC OR MEMBER BANK BASED UPON ANY CLAIMS ARISING FROM THIS AGREEMENT. Any legal action brought against NPC and/or Member Bank for any reason related to this Agreement, must be commenced by you within one (1) year of the date of the error or incident giving rise to such action occurred.


A. Entire Agreement. This Merchant Processing Agreement, including the Exhibits and Schedules, constitutes the entire agreement between the parties relating to the subject matter hereof, and supersedes all prior agreements and understandings, written or oral, between the parties relating to the subject matter hereof. This Agreement, the Exhibits and Schedules, and any amendment or supplement made in accordance with the procedures set forth in Section 14.J, all of which are incorporated into this Agreement, constitutes the entire agreement between the parties with regard to the services provided hereunder by NPC under this Agreement, and all prior or other agreements or representations, written or oral, are merged in and superseded by this Agreement.

B. Governing Law and Forum. Merchant, NPC and Member Bank acknowledge and agree that this Agreement and the guaranty contained herein, including without limitation, any foreclosure, any proceeding, construction, performance and enforcement of the Agreement and guaranty. Merchant, NPC and Member Bank agree that, in the event of any dispute regarding, arising out of or relating to this Agreement or the guaranty contained herein, the courts of the Commonwealth of Kentucky shall have and be vested with personal jurisdiction over the parties. Merchant, NPC and Member Bank further agree that any and all actions, claims, suits or proceedings arising out of or relating (directly or indirectly) to this Agreement or the guaranty contained herein shall be filed and litigated only in courts located in Jefferson County, Kentucky, and such courts shall have exclusive jurisdiction over any action, claims, suit or proceeding arising out of or relating (directly or indirectly) to this Agreement or the guaranty contained herein.

C. Exclusivity. During the Initial Term and any Renewal Term of this Agreement, you will not enter into an agreement with any other entity that provides services similar to those provided by NPC and/or Member Bank to any person or entity related to the services provided by NPC and/or Member Bank to you pursuant to this Agreement without NPC’s written consent. The following NPC and/or Member Bank shall not provide the services contemplated in the Agreements, to D. Construction. Any alteration or strikeover in the text of this Agreement will have no binding effect and will not be deemed to amend this Agreement. The headings used in this Agreement are inserted for convenience only and by NPC, arising out of any failure to return or destroy such materials following termination of this Agreement.

D. Passwords. If you receive a password from NPC to access NPC’s internet site, you will (i) keep it confidential at all times and (ii) not allow any other person or entity to use the password or gain access to NPC’s database; (iii) be liable for any/all actions taken by any user of the password; and (iv) promptly notify NPC if you believe the confidentiality of NPC’s database or your cardholder account information has been compromised.

E. Release of Information to Third Parties. You authorize NPC and Member Bank to provide to any Card Organization, any entity designated by a Card Organization, Third Party Service Provider, any entity designated by the Third Party Service Provider, any governmental, administrative or regulatory body, any law enforcement agency, whether governmental or otherwise, any person named in, or referred to in, the agreements between NPC and/or Member Bank, including the applicable referent, ISO/MSP, or Associated Sales Group, any information about you, whether independently obtained by NPC and/or Member Bank or provided by you, that NPC and/or Member Bank reasonably need in connection with services contemplated in the Agreements or the request by you for other services, upon request from such entity, referent, vendor or affiliate or in compliance with applicable law, including the USA PATRIOT Act. If you a member bank deems reasonably necessary or connected to the provision of services contemplated in the Agreements.

NPC MPA (VER. GEN.2-12) 7
J. Amendments. Member Bank and NPC may amend this Agreement, and the terms of the Merchant Application (unless left blank) will control.

E. Assignability. This Agreement may be assigned by NPC and by Member Bank to any third party. Such assignment shall not relieve Member Bank or NPC of its obligations hereunder. Assignment by Member Bank shall release the original signatory Member Bank from its obligations hereunder. Assignment by NPC shall release the original signatory NPC from its obligations hereunder. All waivers must be signed by NPC.

F. Notices. Any written notice under this Agreement (unless involving normal operational matters and except for notices pursuant to Section 14.J) may be made by transmission to: Member Bank, Attention: Legal Department, and to the other party: to the addresses shown on the Merchant Application. It is the responsibility of each party to notify the other party of any change to the contact information listed or referenced above. If a party fails to update the information, notice, if effectuated as listed or reference above, shall be deemed proper for purposes of this Agreement.

G. Bankruptcy. You will immediately notify Member Bank and NPC of any bankruptcy, receivership, insolvency or similar action or proceeding initiated by or against Merchant or any of its principals. You will include Member Bank and NPC on the lists of creditors in any application for relief to a Bankruptcy Court, whether or not a claim may exist at the time of filing, and failure to do so will be cause for immediate termination of this Agreement or any other action available to Merchant under applicable Rules or Law. You acknowledge that this Agreement constitutes an executory contract to make a loan or extend other debt financing or financial accommodations to or for your benefit and, as such, cannot be assumed or assigned in the event of your bankruptcy.

H. Attorney’s Fees. Merchant will be liable for and will indemnify and reimburse Member Bank and NPC for all attorneys’ fees and other costs and expenses paid or incurs by Member Bank and NPC in the enforcement of this Agreement, or in defending its rights under this Agreement, or in collecting any amounts due from Merchant to Member Bank or NPC or to any agent of NPC, or resulting from any breach by Merchant of this Agreement.

I. Customer Contact. You authorize Member Bank and NPC to contact your customers or their Card issuing bank if they determine that such contact is necessary to obtain information about any Card transaction between you and your customers or their Card issuing bank if they determine that such contact is necessary to obtain information about any Card transaction between you and your customers or their Card issuing bank if they determine that such contact is necessary to obtain information about any Card transaction between you and your customers or their Card issuing bank. You may not contact a Discover Network Cardholder in connection with the services provided under this Agreement except as required by law.

J. Amendments. Member Bank and NPC may amend this Agreement, and the terms of the Merchant Application (unless left blank) will control. If a party fails to update the information, notice, if effectuated as listed or referenced above, shall be deemed proper for purposes of this Agreement.

K. Severability and Waiver. If any provision of this Agreement is illegal, the invalidity of that provision will not affect any of the remaining provisions and this Agreement will be enforced as if the illegible provision is not contained in the Agreement. Neither the failure nor delay by NPC or Member Bank to exercise, or partially exercise, any right under this Agreement will operate as a waiver or estoppel of such right, nor shall it amend the Agreement. All waivers must be in writing and signed by NPC or Member Bank. If you subsequently terminate your agreement and/or relationship with NPC or a Card Organization as more fully set forth herein. To validate your compliance with the PCI DSS, you must successfully complete a SAQ and, if applicable, a vulnerability scan as provided below.

(1) Benefits of the PCI Program. Upon enrollment in the PCI Program, you must validate your compliance with the PCI DSS or a Card Organization as more fully set forth herein. To validate your compliance with the PCI DSS, you must successfully complete a SAQ and, if applicable, a vulnerability scan as provided below.

(a) Access to an online PCI certificate validation system, where you can complete a Self-Assessment Questionnaire (SAQ).

(b) Access to remote scanning services provided by Trustwave (or such certified security assessor selected by NPC), which includes monthly vulnerability scanning for up to five (5) of your computer processing sites (additional fees apply if you have more than 5 IPs). This applies to PC/IP merchants only.

(c) Access to MyNPCdata.net.

(2) Compliance Validation Process

(a) Validation Requirement. In order to take full advantage of the PCI Program, you must validate your compliance with the PCI DSS or a Card Organization as more fully set forth herein. To validate your compliance with the PCI DSS, you must successfully complete a SAQ and, if applicable, a vulnerability scan as provided below.

(i) Benefits of the PCI Program. Upon enrollment in the PCI Program, you must validate your compliance with the PCI DSS or a Card Organization as more fully set forth herein. To validate your compliance with the PCI DSS, you must successfully complete a SAQ and, if applicable, a vulnerability scan as provided below.

(ii) PCI Compliance Validation Process

(a) Access to an online PCI certificate validation system, where you can complete a Self-Assessment Questionnaire (SAQ).

(b) Access to remote scanning services provided by Trustwave (or such certified security assessor selected by NPC), which includes monthly vulnerability scanning for up to five (5) of your computer processing sites (additional fees apply if you have more than 5 IPs). This applies to PC/IP merchants only.

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(b) Access to remote scanning services provided by Trustwave (or such certified security assessor selected by NPC), which includes monthly vulnerability scanning for up to five (5) of your computer processing sites (additional fees apply if you have more than 5 IPs). This applies to PC/IP merchants only.

(c) Access to MyNPCdata.net.

(4) PCI Compliance Validation Process

(a) Validation Requirement. In order to take full advantage of the PCI Program, you must validate your compliance with the PCI DSS or a Card Organization as more fully set forth herein. To validate your compliance with the PCI DSS, you must successfully complete a SAQ and, if applicable, a vulnerability scan as provided below.

(i) Benefits of the PCI Program. Upon enrollment in the PCI Program, you must validate your compliance with the PCI DSS or a Card Organization as more fully set forth herein. To validate your compliance with the PCI DSS, you must successfully complete a SAQ and, if applicable, a vulnerability scan as provided below.

(ii) PCI Compliance Validation Process

(a) Access to an online PCI certificate validation system, where you can complete a Self-Assessment Questionnaire (SAQ).

(b) Access to remote scanning services provided by Trustwave (or such certified security assessor selected by NPC), which includes monthly vulnerability scanning for up to five (5) of your computer processing sites (additional fees apply if you have more than 5 IPs). This applies to PC/IP merchants only.

(c) Access to MyNPCdata.net.

(3) Access to MyNPCdata.net.
3. Upon completion of the Scan, you will receive a link to your full compliance report with TrustKeeper. If you fail TrustKeeper’s network vulnerability scan, you must remediate the identified vulnerabilities within twenty-four (24) hours of such change in order to achieve compliance. Once you have addressed the vulnerabilities, simply schedule a follow-up Scan to ensure your remediation of the problem meets the PCI DSS requirements.

(d) Certificate of Validation. Upon successful completion of the SAQ and timely pass quarterly vulnerability scans, if applicable, your Certificate of Validation will be issued. You can print your Certificate through NPC’s online portal or, if you completed a paper version of the SAQ, your Certificate will be mailed to you.

(e) Re-Validation. You must maintain a current, successfully completed SAQ and timely pass quarterly vulnerability scans, if applicable, in order to take full advantage of the PCI Program. A SAQ is no longer current if the Certificate of Validation issued by NPC to you is more than one (1) year old. You are also required to re-validate your current SAQ and passing vulnerability scans, if applicable, when you make a change in your processing environment or if you fail to timely complete a required quarterly scan.

1. A change in your processing environment requiring re-validation occurs when you transition from one card-processing environment to another, such as when your merchant acquirers change, necessitating re-validation under a new SAQ. With respect to a re-validation required due to a change in your processing environment, you must complete the re-validation process within twenty-four (24) hours of such change in order to maintain your validation of compliance with the PCI DSS.

2. With respect to a re-validation required due to your failure to complete a required quarterly Scan, NPC will deem your failure to complete a Scan within ten (10) days of the end of the preceding quarter’s scanning cycle as re-validation validation in order to maintain your validation of compliance with the PCI DSS.

3. With respect to a re-validation required due to the expiration of the annual SAQ or any other reason for which Re-Validation is required, you will have five (5) days to complete the PCI Compliance Validation Process in order to maintain your validation of compliance with the PCI DSS.

Once you have successfully completed the re-validation of your PCI DSS compliance, NPC will issue you a new Certificate of Validation for your PCI DSS compliance.

(iii) Waiver; Limitations on Waiver. Upon your successful validation of compliance with the PCI DSS under the PCI Program, NPC agrees to waive your liability to NPC, up to $50,000, for the following fees and costs incurred as a result of a verified compromise of cardholder data that are otherwise your liability under this Agreement: (1) fees and costs associated with a forensic audit conducted by an approved Qualified Incident Response Assessor (QIRA); (2) fines or assessments levied by a Card Organization as a result of the required forensic audit; and (3) fees and costs associated with the production and distribution of replacement credit cards for compromised card numbers (the “Waiver”).

The Waiver provided under this subsection (iii) is also subject to the following:

(a) NPC’s agreement to waive your liability to NPC for the fees and costs described in this subsection (iii) is only effective upon: (1) your continued validation of compliance with the PCI DSS and participation in the PCI Program; and (2) your successful completion of the PCI Compliance Validation Process described in section (ii) above; provided, however, that there is no change in your business practices regarding Card acceptance. Your continuing qualification for the PCI Program is premised upon initial validation of your compliance with the PCI DSS as described in subsection (ii) above and timely re-validation of your compliance with the PCI DSS, including annual completion of a SAQ and passing quarterly vulnerability scans, if applicable, payment of the Program cost, and otherwise complying with the terms of the Program and the Agreement.

(b) If you are in compliance with the requirements of subsection (a) above, NPC agrees to waive up to $50,000 in fees and costs described in this subsection (iii) for each unique Merchant Identification Number (MID). If you have multiple MIDs that have the same federal tax identification number (or in the case of a sole proprietorship, the same social security number), then the maximum aggregate Waiver amount for those MIDs is limited to $100,000.

(c) Your validation of compliance with the PCI DSS through the PCI Program is required to be eligible for the Waiver. To validate your compliance, you must successfully complete the PCI Compliance Validation Process described in subsection (ii) of this Section O, including but not limited to the production and distribution of replacement credit cards for compromised card numbers or other sensitive information.

(d) NPC’s Waiver of up to $50,000 of the costs and fees described in this subsection (iii) is limited to one (1) compromise of cardholder data incident per Program year. Any subsequent incidents occurring during the same Program year are not eligible for the Waiver, and any costs and fees associated with such incident(s) remain your liability under this Agreement. Chargebacks and reversals are not eligible for the Waiver under any circumstances.

(e) To report a possible compromise of cardholder data, you should immediately contact NPC at compliance@npc.net. You will need to provide your name, MID, contact information and a brief summary of the incident in this communication, but do not include cardholder numbers or other sensitive information.

(iv) Costs. Your cost for the PCI Program is set forth on the Merchant Application. Such cost is assessed either per MID per PCI Program year or per MID per month as set forth on the Merchant Application. If the PCI Program fees are assessed annually, you will initially be assessed the fees for the PCI Program within sixty (60) to one hundred and twenty (120) days of NPC’s acceptance of this Agreement and will be assessed the PCI Program fee in the same month in each year thereafter. If you are charged monthly, you will initially be assessed the fees for the PCI Program in your first monthly statement and the monthly fee will continue during the initial term of the Agreement. The PCI Program fee set forth on the Merchant Application is based on your representation of your processing environment. If NPC determines, at any time, that the PCI Program fee that you are being assessed does not accurately reflect your processing environment, NPC may adjust your fee for the PCI Program to reflect such adjustment. The PCI Program fee is applicable to your current processing environment.

(v) Security Policy. As part of PCI DSS, the Card Organizations require that each Merchant have a security policy that covers the security of cardholder data. You may obtain a sample policy by visiting www.NPC.net and selecting PCI under the other payment processing services tab. NPC will provide you with a sample policy for your convenience only. If you do not already have a security policy in place, you may use the sample policy as a starting point. However, you will need to modify it to fit your processing environment and needs. If you already have a security policy in place, you may want to compare it to the sample policy to verify that your security policy contains the required items.

(vi) Amendment. The PCI Program is subject to change from time to time by NPC. Any changes to the Program will be effective fifteen (15) days following the date notice of such change is sent to you, even if it was not received by you.

(vii) Further Information. To speak with an NPC customer service representative, please call NPC at 877.479.6649. You may also visit www.npc.net for more information regarding the PCI Program.

P. Certain Rights of Card Organizations. The parties acknowledge that the PCI Program is a product delivered by various Card Organizations, including applicable Debit Networks and EBT Networks, the States, the State’s EBT service providers, and certain governmental entities participating in the EBT Project, certain rights to investigate you and to require termination or modification of this Agreement with respect to your EBT Project and any other system on which said entity’s systems.

Q. No Third-Party Beneficiary. This Agreement is for the benefit of, and may be enforced only by, Member Bank, NPC and Merchant and their respective successors and permitted transferees and assignees, and is not for the benefit of, and may not be enforced by, any third party.

R. The Regulatory Assistance Program. Fee is for an online and paper reporting tool that will assist you in reconciling on a monthly basis your gross sales processed with us to your net sales. NPC may assess this fee to each unique Taxpayer Identification Number (TIN).

S. All provisions that by their context are intended to survive the termination of this Agreement will survive the termination of this Agreement, including but not limited to Sections 4, 5, 6, 7, 8, 10D, 12, and 13.

Attachments to this Merchant Processing Agreement include:

- Exhibit A – Operating Rules
- Schedule I – Applicable and included if Services Packages are selected on the Merchant Application
- Schedule II – Applicable and included if NPC Check Services are selected on the Merchant Application
- Schedule III – Applicable and included if Voyager Fleet Card is selected on the Merchant Application
- Schedule IV – Applicable and included if EBT is selected on the Merchant Application

NPC MPA (VER. GEN.2-12)
Good Business Practices That Will Help Reduce Your Processing Costs

- Use an imprinted sales ticket with signature for all "key entered" transactions. This will reduce the chances such as a balance, employee turnover.
- Close and settle your sales transactions daily. This will help reduce those instances where "Mid-Qualified" or "Non-Qualified" discount rates are assessed.
- Balance your Merchant Account, processing statements from NPC, Member Bank, Associations, and Third Party Service Providers, and your sales slips to ensure that you are receiving anticipated funds in a timely fashion, as more frequently delayed and involved of particulates involved in the processing of credit card and other electronic transactions, the only way to ensure that you receive all funds is by balancing each day’s sales tickets against the ACV for the day.
- Respond within the acceptable time frame to retrievals and/or chargebacks in order to assure the most favorable outcome possible.
- Do not call the voice authorization center for services other than authorization.
- Settle disputes with your customers before they reach a "chargeback" status. A chargeback is like a returned check, it is expensive and time consuming.
- Read your Merchant Processing Agreement and these Operating Rules closely and thoroughly.
- Shipping products overseas without a card present should be closely monitored. Merchant has little ability to prevent a chargeback in this type of situation.
- You should carefully reconcile sales tickets against deposits daily, particularly in the following situations: installation of new equipment, new downloads, adding new products to your terminal, power outages, change in your Merchant Account.

1. Honoring Cards

A. You shall honor all Cards when presented in accordance with these Rules for the purchase of goods or services or in processing a request for credit resulting from such a transaction, by an authorized holder of a Card without imposing any special conditions not required by any Rules. However, if you do not deal with the public at large (for example, if your business is a private club), you are not required to key any card numbers on the face of the Card. In the event that they do not match, the sale will be voided.

B. Cardholder Identification. You will identify the Cardholder and check the expiration date and signature on each Card. If you will not honor any Card if: (i) the Card has expired; (ii) the signature on the Sales Draft does not correspond with the signature on the Card; or (iii) the account number embossed on the Card does not correspond with the account number on the Card’s printed, embossed, or encoded account number.

C. Responsibility for Transactions. Merchant is responsible for ensuring that the Cardholder understands that the Merchant is responsible for the transaction, including the sale of goods or services that are the subject of the transaction, the terms related to customer service, dispute resolution, and performance of the terms and conditions of the transaction. A Merchant must prominently and unequivocally inform the Cardholder of the identity of the Merchant, and the points of interaction so that the Cardholder readily can distinguish the Merchant from any other party such as a supplier of goods or services to the Merchant.

D. Card Recovery. You will use your reasonable, best efforts to recover any Card: (i) on Visa Cards, if the printed four digits above the embossed account number do not match the four digits of the embossed account number; (ii) if you are advised by Member Bank (or its designee), the issuer of the Card or the designated voice authorization center to retain it; or (iii) if you have reasonable grounds to believe the Card is counterfeited, fraudulent or stolen, and not authorized by the Cardholder; or (iv) for MasterCard Cards, the embossed account number, indented printed account number and/or encoded account number do not agree, or the Card does not have a MasterCard hologram on the lower right corner of the Card face. This obligation upon you in no way authorizes a breach of the peace or any injury to persons or property, and you will hold NPC or Member Bank harmless from any claim arising from any injury to property or breach of peace.

E. Surcharge. You will not add any amount to the posted price of goods or services you offer as a condition of paying with a Card, consistent with the Laws and the Rules. Provided you are in compliance with the Rules, this paragraph does not require you from offering a surcharge to induce a person to pay by cash, check or similar means rather than by using a Card.

F. Return Policy. You will properly disclose to the Cardholder, at the time of the transaction and in accordance with the Rules, any limitation you have on accepting returns, exchanges or refunds.

G. No Claim Against Cardholder. You will not have any claim against, or right to receive payment from a Cardholder unless Member Bank or NPC refuses to accept the Sales Draft or revokes its prior acceptance of the Sales Draft. You can’t charge a customer a fee for attempting to charge their Card back.

H. Disputes With Cardholders. You must ensure that the Cardholder understands that you are responsible for the transaction, for any related customer service, dispute resolution, and performance of the terms and conditions of the transaction. All Disputes between you and any Cardholder relating to any transaction will be settled between you and the Cardholder. Neither Bank nor Member Bank bears any responsibility for any such transactions. You shall not require a Cardholder to waive his or her rights to dispute the transaction as a condition of the sale.

I. Employee Actions. You are responsible for your employees’ actions while in your employ.

J. Prohibitions on Card Acceptance. You may not do any of the following: (i) require a Cardholder to complete a postcard or similar device that includes the Cardholder’s account number, expiration, signature or any other account-related information in plain view within the merchant’s premises; (ii) add a surcharge, unless applicable law expressly requires you to impose a tax, and in such event the tax amount must be included in the transaction amount and not collected separately; (iii) request or use an account number for any purpose other than payment for goods or services, except as permitted by the Rules; (iv) disburse funds in the form of travelers cheques, if the sole purpose is to allow cardholder to make a cash purchase of goods or services from MERCHANT, (v) permit a Cardholder to purchase travelers cheques, or other similar item, if the sole purpose is to allow the Cardholder to make a cash purchase of goods or services from Merchant; (vi) accept a Card to collect or refinance an existing debt that has been deemed uncollectible; (vii) enter into interchange a transaction that represents the free of a dishonored check; (viii) require a Cardholder to waive his/her rights to dispute a transaction as a condition of sale; (ix) accept Cardholder payments for previous Card charges incurred at the Merchant location; (x) submit for payment into interchange any transaction that may in the sole discretion of a Card Organization, damage the goodwill of such Card Organization or reflect negatively on a Card Organization’s brand; (xii) enter into interchange any transaction receipt for a transaction that was not authorized or charged to a Member Bank and subsequently returned to you, irrespective of Cardholder approval (you may pursue payment from the customer outside of the Card Organization system); (xiii) Card for the purchase of goods or services; (xvi) accept a Visa TravelMoney Card or a Visa TravelMoneyCard for manual cash disbursement. You may establish a minimum sale amount as a condition for honoring Cards, provided that the minimum transaction amount does not differentiate between Card Organizations and/or issuers and the minimum transaction amount does not exceed $100.00 (or any higher amount established by applicable law or the Rules). Unless otherwise set forth below or otherwise allowed by applicable law or the Rules, you may not establish a minimum transaction amount as a condition for honoring Cards. You may establish a maximum sale amount as a condition for honoring Cards if you are a department, agency or instrumentality of the U.S. Government, you are a corporation owned or controlled by the U.S. Government, or you are an issuer and the minimum transaction amount does not exceed $100.00 (or any higher amount established by applicable law or the Rules). Unless otherwise set forth below or otherwise allowed by applicable law or the Rules, you may not establish a minimum or maximum transaction amount.

K. Security Features. You are required to examine the Card security features prior to completing a sale. You should examine the Card to be sure there has been no tampering to the signature panel. Specific Card security features are as follows:

   i. Visa: a. The "DOVE" hologram should appear to fly when tilted.
   b. All Visa account numbers begin with a "4" and can be up to 19 digits long.
   c. The first four digits of the embossed account number match the four digits printed on the account number of the Card.
   d. The "V" to the right of the expiration date should be a special letter (a "Flying V" not a normal "V").

   ii. MasterCard: a. The MasterCard Global hologram or the Debit MasterCard hologram and the MasterCard brand mark stacked within a retaining line, or the MasterCard brandmark without a retaining line if the hologram is on the back.
   b. All MasterCard account numbers are 16 digits long.
   c. The first four digits of the embossed account number match the four digits printed on the account number of the Card. The last four digits of the account number are embossed over the hologram.
   d. Discover Network: (certain valid devices (e.g., radio frequency enabled Cards, key fobs, contactless Cards, and IC, CUP and DICI Cards) may not display the features described below).
   a. Card numbers are at least 16 digits embossed on the front of the Card.
   b. The word DISCOVER or DISCOVER NETWORK will appear in an ultraviolet light on the front of the Card when it is held under an ultraviolet light.
   c. An overprint on the signature panel reads Discover Network.
   d. The Discover Network three-dimensional hologram, bearing a distinct attribute, such as a globe pierced by an arrow, water and stars on a repetitive pattern background (the “Discover Network Hologram”), appears on the front of certain Discover Network Cards. The hologram reflects light and appears to move as the Card is rotated.

   e. Electronic Card: a. The term "Electronic Card" means a Card that contains magnetic striped information, such as the card number, expiration date, and signature on each Card. You, as the Merchant, are responsible for the transaction, for any related customer service, dispute resolution, and performance of the terms and conditions of the transaction. You must ensure that your terminal is programmed to require you to key
including MO/TO transactions. You will follow any instructions received during this authorization process. Upon receipt of authorization, you may conduct the transaction authorized on the Sales Draft and post the authorization number. Where authorization is obtained, you will be deemed to warrant the true identity of the customer as the Cardholder. If you receive a negative authorization response, you may be requested to recover the Card, if you can do so by reasonable and peaceful means. If you do recover the Card, you should notify the voice authorization center and ask for further instructions. Transactions will be deemed invalid onCards that are expired, where MCV is not provided, where the authorization is obtained for an electronic commerce transaction, you must attempt to obtain the Card expiration date and forward it as part of the authorization request. You may not, however, request, split, or post the sale amount into multiple transactions in order to obtain a valid authorization for each one so that the separate transactions total the original dollar amount of the sale.

Authorizations are not a guarantee of acceptance or payment of the Card transaction and will not waive any provision of this Agreement or otherwise validate a Fraudulent Transaction or a transaction involving the use of an expired Card. Obtaining an authorization will not assure payment to you for a transaction. The fact that an authorization is obtained by you will not affect NPC's or Member Bank’s right thereafter to revoke the authorization of a Card transaction or to charge back the transaction to you. In no event will the authorization center or Cardholder’s card be accepted if the request, split, or post the sale amount into multiple transactions in order to obtain a valid authorization for each one so that the separate transactions total the original dollar amount of the sale.

Unreliable Magnetic Stripes. If you authorize and present Card transactions electronically and your terminal is unable to read the magnetic stripe on the Card, you will obtain an imprint of the Card and the Cardholder's signature on the imprinted draft before presenting the Sales Draft to Member Bank and NPC for processing.

Authorization Clerk. You must request that Cardholder provide proof of identification and sign the card presented by the Cardholder (either electronically or manually); (ii) the date of the transaction; (iii) a brief description of the goods or services involved; (iv) the transaction authorization number; (v) the total amount of the sale including any applicable taxes or credit transactions; and (vi) the total amount of the sale including any applicable taxes or credit transactions; and (v) the Cardholder's account number; (vi) the signature on the imprinted draft before presenting the Sales Draft to Member Bank and NPC for processing.


A. Required on All Transactions. You will obtain a prior authorization via electronic terminal or similar device before completing any transaction, or any other substantially equivalent practices.

1. Advertising. You must display Visa, MasterCard, Discover Network and any other applicable Card issuer, Debit Network and EBT Network decals and program marks on promotional materials that NPC furnishes, including, if applicable, Visa, MasterCard, Discover Network and any other Association or State that is not indicated, directly or indirectly, that Visa, MasterCard, Discover Network or any other Association or State endorsement for goods or services other than their own and you may not refer to Visa, MasterCard, Discover Network or any other Association or State in stating eligibility for your products or services.

The size, prominence, or sequencing of payment choices. However, you must not be completed.

iii. American Express Specific Requirements. If you accept American Express than the Card the eligibility for your products or services.

f. Card brand or type of general purpose card or a particular form of payment.

e. offering a customer a discount or rebate, including an immediate discount or rebate at the point of sale;

b. offering a free or discounted product;

c. offering a free or discounted or enhanced service;

d. offering the customer an incentive, encouragement or benefit;

g. communicating to a customer the reasonably estimated or actual costs incurred by you when a customer uses particular payment cards or forms of payment or the relative costs of using different general purpose payment cards or forms of payment.

You may be responsible for any fines, fees, chargebacks, assessments, and declined or reversed transactions that may result from using a batch authorization process.

b. offering a free or discounted product or service, or any other incentive or benefit if the customer uses a particular payment card, or a different form of payment. You may engage in any of the following steering activities:

a. offering the customer an immediate discount from your list, stated, or standard price, a rebate, a free or discounted product or service, or any other incentive or benefit if the customer uses a particular payment card, such as a "non-reward" credit card; or to another preferred form of payment or a Card of a different product type (e.g., traditional cards, premium cards, rewards cards) than the Card the consumer initially presents. You may do so by methods that include, but are not limited to,

a. offering the customer an immediate discount from your list, stated, or standard price, a rebate, a free or discounted product or service, or any other incentive or benefit if the customer uses a particular payment card, or a different form of payment. You may engage in any of the following steering activities:

b. offering the customer an immediate discount from your list, stated, or standard price, a rebate, a free or discounted product or service, or any other incentive or benefit if the customer uses a particular payment card, such as a "non-reward" credit card; or to another preferred form of payment or a Card of a different product type (e.g., traditional cards, premium cards, rewards cards) than the Card the consumer initially presents. You may do so by methods that include, but are not limited to,
D. Electronic Transmission. If you utilize electronic authorization and/or data capture services, you will enter the data related to a sales or credit transaction into the terminal or computerized system no later than the close of business on the date the transaction is completed. If you provide your own electronic terminal or similar device, such terminals must meet the standards set forth in the Rules, even if the sale was authorized.

E. Daily Settlement of Transactions. You must Batch Out each POS terminal or each batch point of sale daily to delay the deposit of funds. “Batch Out” is the process by which you total and settle all transactions, on each POS terminal, which occurred before midnight (12:00 a.m.) and transmit the information to NPC. In all cases, Merchant must present the record with 3 business days (2 business days for Electronic Cards) after the transaction date, unless otherwise permitted by the Rules. Transactions contained in an untimely Batch Out may be refused, held for a 180 day period, become subject to chargeback or be transferred to a Reserve Account and held in accordance with the terms of Section 5. Merchant is responsible for resubmitting a Batch Out if the POS terminal fails to properly Batch Out or if sales ticket data does not process through the normal payment cycle. NPC is not liable to Merchant for funds which do not deposit including but not limited to amounts collected by Third Party Service Providers.

4. Chargebacks. Failure to comply with the Rules will reduce NPC or Member Bank’s ability to reverse chargebacks. In the event the Magnetic Stripe Reader will expose you to a chargeback regardless of the authorization that may or may not be received. Failure to read the magnetic stripe on the Card may result in a discount rate tier downgrade.

5. Chargeback Reasons.

A. Summary. The summary of reasons for chargebacks include, but are not limited to, any of the following:

i. an invalid Card account number submitted by you;
ii. neither the Cardholder nor a person authorized by the Cardholder represented that the Card was his or her Card and the Card was not presented in person;
iii. the Cardholder received the good or services but disputes the quality;
iv. the Cardholder never received credit for a returned item or a canceled order;
 v. the Cardholder was charged incorrectly;
vi. the amount of the sale exceeded the floor limit and an authorization was not obtained or was denied;
vi. the sale was not authorized but for the correct amount;
vi. the authorization code provided is invalid;
ix. the Card was expired at the time of the sale or had not reached its effective date;
x. the Sales Draft was not signed. An exception will be made where MO/TO sales are permitted by NPC; tranx.
xi. there was no information that a Merchant fraud has occurred;

B. Chargeback Monitoring Programs. A. If you exceed a 1% chargeback interchange ratio for all incoming chargebacks for a particular location you are considered an excessive chargeback merchant and may be subject to a Card Organization’s monitoring programs. You are responsible for developing chargeback reduction plans as required by the Card Organizations. Excessive chargeback activity for an unreasonable period of time may result in termination of your access to NPC or Member Bank. If NPC or Member Bank elects, at its discretion, to take action on chargebacks after the Association time limits have expired, such action shall be done at additional cost.

C. Excessive Activity. Your presentation to NPC of Excessive Activity will be as defined in this Agreement and cause for immediate termination. “Excessive Activity” means, during any 12 month period, for one of your Merchant’s terminal identification numbers or Merchant Identification Numbers, chargebacks and/or retrieval requests in excess of 1% of the average monthly dollar amount of Sales Drafts. You authorize, upon the occurrence of Excessive Activity, Member Bank and NPC to take additional action as they deem necessary, including but not limited to suspension of processing privileges or creation or maintenance of a Reserve Account in accordance with this Agreement.

7. Credits.

A. Credit Memoranda. You will issue a credit memorandum, instead of a cash advance, a disbursement or a cash refund on any Card transaction. Member Bank will debit the Merchant Account for the total face amount of each credit memorandum submitted to NPC. You will not submit a credit relating to any Sales Draft not originally submitted to NPC, nor will you request that NPC credit a credit memorandum submitted for a Sales Draft representing the refinancing of an existing obligation of a Merchant. If a Member Bank initiates a chargeback after you have submitted a credit memorandum, you will be liable to NPC for any dollar amount of the credit memorandum that NPC credits to your Merchant Account in error. If you develop chargeback reduction plans as required by the Card Organizations, you may request a credit memorandum for a Card transaction when the credit is an error or a credit memorandum in the amount of the Sales Draft.

B. Revocation of Credit. Member Bank or NPC may refuse to accept any Sales Draft or revoke its prior acceptance of a Sales Draft in the following circumstances: (i) the transaction giving rise to the Sales Draft was not made in accordance with this Agreement and the Rules; (ii) the Cardholder disputes his/her liability to Member Bank for any reason, including but not limited to those chargeback rights enumerated in the Rules; or (iii) the transaction giving rise to the Sales Draft was not directly between you and the Cardholder. You will pay to NPC and the Card Organizations, as appropriate, any amount previously credited to you for a Sales Draft not accepted by Member Bank or NPC, or where accepted, is subsequently revoked.

C. Returns. If you agree to credit a Cardholder for any merchandise or service that was the subject of a sale, you must provide a Credit Transaction Receipt using the same Card as in the original sale. Such credit shall not exceed the original sale amount. You shall not make any cash refund on sales. You may limit the acceptance of returned merchandise or establish a policy to make price adjustments for any sale provided proper disclosure is made and purchased goods and services are delivered to the Cardholder at the time of the sale. Proper disclosure means the words “NO REFUND,” “EXCHANGE ONLY,” or “NO CREDIT TO ACCOUNT” are printed in large letters near the signature line on all copies of the Sales Draft prior to obtaining the Cardholder’s signature on the Sales Draft. You may stipulate other special circumstances or terms of the sale on the Sales Draft. For each credit transaction, you must be able to provide NPC or Member Bank with evidence of the original sale. You further agree that engaging in the aforementioned activity may result in the incurring of research fees and may be grounds for termination of this Agreement.

D. Fraud and Factoring. You agree that, except as otherwise contemplated herein or otherwise permitted by NPC, you will use the services provided by NPC only for your own internal and proper business purposes and will not resell, directly or indirectly, to any third party. You further agree that engaging in the aforementioned activity may result in the incurring of research fees and may be grounds for termination of this Agreement.
transactions.

Sales Drafts or other memoranda taken in connection with future delivery transactions to purchase or furnish goods or services. You will maintain delivery without NPC’s prior written authorization. If Member Bank or NPC means or otherwise) which relates to the sale of goods or services for future

D. Deposits.

i. Prior Consent. You will not accept for payment by Card any amount representing a deposit or partial payment for goods or services to be delivered in the future without prior written consent of NPC. The acceptance of a Card for payment or partial payment of goods or services to be delivered in the future without prior consent will be deemed to be a breach of this Agreement and cause for immediate transaction in addition to any other remedies available under the Laws or Rules. If the total amount of both Sales Drafts exceeds the floor limit, authorization must be obtained. The use of multiple Cards for one purchase is permitted. Using an individual’s card, such as the Cardholder’s personal check.

E. Future Delivery.

You will not present any Sales Draft or other memorandum to Member Bank or NPC for processing (whether by electronic means or otherwise) which relates to the sale of goods or services for future delivery without NPC’s prior written authorization. If Member Bank or NPC have previously given such consent, you represent and warrant to Member Bank and NPC that you will not rely on any proceeds or credit resulting from such transactions to purchase, obtain, furnish goods or services which requires sufficient working capital to provide for the delivery of goods or services at the agreed upon future date independent of any credit or proceeds resulting from Sales Drafts or other memoranda taken in connection with future delivery transactions.

F. Electronic Commerce Transactions.

i. Electronic Commerce. You must obtain the consent of NPC to process electronic commerce (“EC”) transactions, and you may process such transactions only if the transactions comply with the Payment Card Industry Security Standard requirements set forth below. If you submit EC transactions without NPC’s consent, NPC may immediately terminate this Agreement. You understand that transactions processed via EC are high risk, are subject to lower interest rates, and may be subject to chargebacks. You must not refuse to complete an EC transaction using a MasterCard card solely because the Cardholder does not have a digital certificate or other means of personal identification. You are liable for all chargebacks and/or chargeback associated with such transactions, whether or not: a) EC transactions have been encrypted; and/or b) you have obtained the consent of NPC to engage in such transactions. Encryption is not a guarantee of payment and will not waive If you accept the provisions of this Agreement, you represent and warrant to Member Bank in an acceptable format and in compliance with the Rules, including but not limited to PCI DSS. All communication costs related to EC transactions are your responsibility. You understand that NPC will not be responsible for the EC telecommunication link and that you have responsibility to manage that link. All EC transactions will be settled by Member Bank into a depository institution of the United States in U.S. currency.

ii. Requirements. For goods to be shipped on EC transactions, you may obtain authorization up to 7 calendar days prior to the shipment date. You need not obtain a second authorization if the Sales Draft amount is within 10% of the authorized amount. If the authorization amount represents shipping costs. Further, your website must contain all of the following information: a) complete description of the goods or services offered, b) returned merchandise and refund policy, c) customer service

G. Third Party Service Provider Transactions.

i. Authorization. Upon your request, NPC will provide access to authorization and/or data capture services for Third Party Service Provider transactions. Such services are subject to American Express and chargeback obligations and similar financial responsibilities arising from your transactions involving Third Party Service Providers will be governed exclusively by your agreement with such Third Party Service Providers. Your agreement with such Third Party Service Providers and must abide by the terms and conditions of such Third Party Service Providers. Neither NPC nor Member Bank are responsible for third party transactions or their terms and conditions or any other applicable terms and conditions of the Third Party Service Provider’s terms and conditions. Additionally, NPC charges a transaction fee for such transactions in addition to those fees charged by Third Party Service Providers (see the Merchant Application). Your acceptance of cards, be they the symbols of a card or otherwise, is subject to any applicable terms of agreement with the Third Party Service Providers. You agree to accept Third Party Service Provider’s terms and conditions. NPC may notify you in writing of the fees applicable to Third Party Service Provider transactions. Third Party Service Providers separately invoice Merchants for their services, and their fees may not necessarily be reflected in your statement. If you offer American Express and/or MasterCard cards, this means that you will be charged for each card. Termination of your Agreement with NPC does not automatically terminate your agreement with Third Party Service Providers.

ii. Information. NPC and Member Bank reserve the right and you agree and consent to allow disclosing information in the event of a card chargeback, and/or a Merchant Application. Your acceptance of cards, be they the symbols of a card or otherwise, is subject to any applicable terms of agreement with the Third Party Service Providers. NPC and Member Bank are not liable or responsible for such changes. If false data is provided to NPC or the Merchant Application has had any suspected fraudulent activity, NPC reserves the right to share such false or suspected fraudulent information with other financial entities and processors.

iii. Statements. You must reconcile your sales tickets for each Third Party Service Provider’s transactions against deposits to your bank account daily. Each Third Party Service Provider provides its own statement, and you are responsible for reviewing the statement for all information regarding the transactions directly with that Third Party Service Provider. Each Third Party Service Provider sets its own rates and fees for its services, and may be subject to adjustment or change in accordance with such Third Party Service Provider. NPC and Member Bank are not liable or responsible for these transactions and have no legal access to such transactions.

iv. The following special provisions apply (notwithstanding any contrary provision in this Agreement) to your JCB Card transactions: (i) you must retain original sales drafts and credit vouchers for at least 120 days after the transaction and must retain microfilm or legible copies of sales records and credit receipts (3 years after the transaction); (ii) for purposes of your chargeback liability with respect to JCB Card transactions, an Authorization obtained on behalf of a customer does not void any other chargeback transaction to it, and; (iii) if you process JCB Card transaction data electronically, your account number must be included in the JCB Card transaction data transmitted to us, in addition to the other information required to be included on each sales draft or credit voucher. You must be a legislative merchant. JCB Cardholders must be allowed to cancel reservations at resort

The above text appears to be a contract or policy related to financial transactions and security practices. It outlines various conditions and requirements for processing transactions, maintaining authorization, and handling disputes. It includes provisions for electronic commerce, deposits, and authorization for third-party service providers. There is a focus on maintaining records, ensuring security, and adhering to specific regulations. The text is structured in a formal and legal style, consistent with typical business agreements or policies.
contracting for JCB settlement services, you authorize JCB to publish your name, address and telephone number in JCB solicitation materials.

H. Age Restricted Products. If you are engaged in the sale of age restricted products such as alcoholic beverages, tobacco products, weapons and/or any other applicable age-restricted products or services, you must comply fully with all local, state and federal laws governing the distribution of age-related products.

You agree to:

iv. complete a Sales Draft including the total sales amount and the words “Priority CheckOut” on the signature line;

v. review the completed PCO Agreement to ensure the account number matches the Sales Draft if applicable;

vi. comply with normal authorization and deposit requirements;

vii. at the Cardholder’s request, you must mail the Sales Draft copy, the itemized bill, and the signed PCO Agreement to the Cardholder within 3 business days of the Cardholder’s departure from the hotel;

viii. you must retain the itemized bills and signed PCO Agreement for a minimum of 6 months after the transaction date.

C. T&E Advance Deposit Service:

You agree to:

i. accept all Visa Cards in accordance with this Agreement;

ii. obtain the Cardholder name, account number, expiration date on the Card, telephone number, mailing address, scheduled date of arrival/ embarkation/rental, and intended length of stay/term/rental;

iii. determine the advance deposit amount, which is the cost of the intended length of stay, cost of the cruise, or cost of the intended term of rental, not to exceed $500;

iv. apply the deposit amount to the total obligation;

v. provide: (1) reservation confirmation code to the Cardholder advising that it be retained, (2) advance deposit amount, and (3) cancellation policy requirements;

vi. advise the Cardholder that the accommodations will be listed according to the reservation and coordinate rendezvous if requested;

vii. advise the Cardholder that you will retain the deposit amount if the Cardholder has not canceled the reservation within the specified time frames;

viii. you must not charge for a no show transaction;

ix. complete the Sales Draft including advance deposit amount, Cardholder name, mailing address, telephone number, account number, expiration date, the words “Advance Deposit” on the signature line, confirmation code, scheduled date of arrival/ embarkation/ rental, and the date and time the cancellation privileges, if any, expire without forfeiture;

x. follow normal authorization procedures;

xi. mail a Sales Draft copy and cancellation policy to the Cardholder within 3 business days of the sales date;

xii. accept all Cardholder cancellations within the time limits specified by you;

xiii. upon cancellation, you shall complete a Credit Transaction Receipt with the information set out in (xi) above and include the cancellation code. You must deposit the Credit Transaction Receipt within 5 days of the transaction date and mail a copy to the Cardholder within 3 days of the transaction date of the Credit Transaction Receipt;

xiv. for a Lodging Merchant, if the reserved accommodations are unavailable, you must provide the Cardholder the following services without charge: (1) refund the entire advance deposit amount, (2) a copy of the Credit Transaction Receipt to the Cardholder, (3) comparable accommodations at an alternate establishment for the number of nights specified in the reservation not to exceed 14 nights or until the reserved accommodations become available, (4) two three-minute telephone calls, (5) message forwarding to the alternate establishment, (6) transportation to the alternate establishment and return to the original establishment and, if requested, daily transportation to and from the alternate establishment and your location;

xv. for a Car Rental Merchant if the reserved vehicle is unavailable, you must provide the Cardholder the following services without charge: (1) refund the entire advance deposit amount, and (2) provide a comparable vehicle for the number of days specified in the reservation, not to exceed 14 days or until the reserved vehicle becomes available.

xvi. for a Cruise Line Merchant if the reserved accommodations are unavailable, and no comparable accommodations are available on the ship, the Merchant may offer: (1) a comparable cruise within the same approximate sailing dates and number of sailing days specified in the reservation, (2) any extra nights’ accommodations or airfare to a different port of call, (3) airfare to the Cardholder’s alternate accommodations. The Merchant must refund the entire T&E deposit amount, if comparable accommodations are not available or the Cardholder does not accept the offered accommodations. The Merchant must provide all of the following without charge, (1) one night’s hotel accommodation, if required, (2) transportation to the hotel as well as the airport, (3) two three-minute telephone calls, (4) reasonable out-of-pocket expenses incurred by the Cardholder because the guaranteed accommodations were not available.

D. T&E Cash Disbursement Service: You may make cash disbursement to a registered Visa Gold or Platinum Cardholder under the following conditions:

i. Cardholder indicates at registration the intent to pay for services with a Visa Card;

ii. Before disbursement, you review positive identification, and, if permitted by applicable law, record type and number on the Sales Draft;

NPC MPA (VER. GEN.2-12) 14
iii. You must obtain the Cardholder's account number, expiration date, and name embossed on the Card. You must quote to Cardholder the rate of reserved accommodation, Merchant's name and address, and the Confirmation Code advising that it be retained. Advise the Cardholder that if he/she has not checked in by checkout time the following day after his/her scheduled arrival date or the reservation was not properly canceled, the Cardholder will be billed for one night's lodging plus applicable taxes. If requested, you will provide a written confirmation with the above information including the Visa reservation service provisions related to the Cardholder's obligation, and any other reservation details.

iv. You must accept all Visa Cards in accordance with this Agreement.

v. You must use the status check procedure if the floor limit is zero and the transaction amount is no more than the maximum set by Visa and MasterCard, which amounts are currently $125.00 for Visa transactions and $100.00 for MasterCard transactions.

vi. You must have an established self-service terminal operating plan on file with NPC or Member Bank and must establish a velocity check procedure for authorization rejections and fraud reversals.

vii. The transaction ratio of chargebacks to total Visa Interchange for Merchant must not exceed an average of 0.30% for the previous 6 months.

viii. The transaction ratio of fraud to total Visa Interchange for Merchant must not exceed an average of 0.40% for the previous 6 months.

ix. Under no circumstances should you use an arbitrary estimation of the transaction amount to obtain an authorization.

x. An AFD must not dispense scrip.

xi. Terminals at automated fuel dispensers do not qualify for the Qualified Rate set forth on the Merchant Application. In order to qualify for the Automated Fuel Dispenser Transaction Rate the authorization must be obtained within 1 day of the transaction date and the sale must be for less than the maximum amount set by Visa and MasterCard, currently $125.00 for Visa transactions and $100.00 for MasterCard transactions.

B. Programming. NPC is not responsible for programming or reprogramming of fuel dispensers.

19. Equipment

If you enter into a lease or rental agreement for the use of credit card processing equipment, you understand that such agreement is separate and apart from the Merchant Processing Agreement and is subject to the terms and conditions of the lease or rental agreement. Neither NPC nor Member Bank is a party to such leases and neither is affiliated with the third party institutions. Such leases are typically non-cancelable 48-month leases. Termination of your Merchant Processing Agreement with NPC does NOT automatically terminate your equipment lease. It only terminates your processing relationship with Member Bank with respect to Card Organization processing and any other electronic transactions that are settled through the Member Bank as designated on your most recent statement from the Member Bank. You acknowledge that you have selected the equipment set forth on the Merchant Application based upon your own independent evaluation and you are not relying upon any warranty or representation of any third party, including but not limited to the representations of a sales representative, regarding the equipment. NPC is not responsible for and is not able to provide customer service for equipment, such as POS devices, installed by and/or operated by any third party. Merchant should contact the third party for service of this equipment. You shall not allow any third party to install, remove, or modify any terminal software application of NPC or Member Bank without the express written consent of NPC or Member Bank.

20. Imprinters.

You must be in possession of a working imprinter, a supply of blank Sales Drafts and an accurate imprinter plate showing your DBA name, city, state, and Merchant Identification Number. If you are not in possession of the above equipment, you must contact NPC to obtain such equipment. Failure to use the equipment and supplies listed above will seriously increase your liability for chargebacks. You must obtain an imprint of a Card when a Card will not swipe. Obtaining an imprint of a Card will greatly reduce your chance of a chargeback.


You are responsible for maintaining that your Merchant Identification Number (“MID”) is kept confidential. When a change to your Merchant Account is required, you must disclose your MID to the NPC representative as confirmation that the person requesting the change has authority to do so. If the person requesting the change can provide proof of their authority no charge will be placed against your account. If you fail to disclose your MID to NPC or Member Bank, you shall assume that person has the proper authority to make the change. You shall be fully liable for any changes to your Merchant Account after disclosure of the MID to NPC or Member Bank. NPC or Member Bank may request from you additional information to further verify your identity.

22. Use of Third Party Terminals and/or Software.

If you elect to use the terminal of a third party provider of software (such as POS or Accounting System vendors) to capture and transmit to NPC or Member Bank information you assume the responsibility that all communications to/from the terminal are protected. Communications to/from third parties are protected by confidentiality agreements. You are responsible for maintaining this information from the third party provider. NPC and Member Bank are not liable for losses that were not received by them. In addition, NPC will not be liable for third party software or clearing of Association transactions.

THE FOLLOWING RULES APPLY ONLY IF NPC OR PROCESSOR SETTLES YOUR DISCOVER NETWORK CARD TRANSACTIONS

1. Discover Network Marks.

You are prohibited from using the Discover Network Program Marks, as defined below, other than as expressly authorized in writing by NPC or

NPC MPA (VER. GEN.2-12) 15
Processor. “Discover Network Program Marks” mean the brands, emblems, trademarks, and/or logos that identify Discover® Network cards. Additionally, you shall not assign to any third party the Discover Network Program Marks. You shall not use the Discover Network Program Marks other than to display decals, signage, advertising, and other forms depicting the Discover Network Program Marks that are provided to you by NPC or Processor pursuant to this Agreement or otherwise approved in advance in writing by NPC or Processor in writing. You may use the Discover Network Program Marks only to promote the services covered by the Discover Network Program Marks by using them on decals, indoor and outdoor signs, websites, advertising materials and marketing materials; provided that all such uses by you shall be approved in advance in writing by NPC or Processor in writing. You shall not use the Discover Network Program Marks in such a way that customers could believe that the products or services offered by you are sponsored or guaranteed by the owners of the Discover Network Program Marks. You recognize that you have no ownership rights in the Discover Network Program Marks. You shall not assign to any third party any of the rights to use the Discover Network Program Marks. Your authority to use the Discover Network Program Marks will terminate immediately upon notice from NPC, Member Bank or Discover Network.

2. Priority Check-Out Service.

If you offer priority check-out services, you must comply with the following requirements: (i) require the Cardholder to sign the registration card at the time of check-in acknowledging responsibility for all charges, and obtain an authorization for the estimated amount of the accommodations at check-in; (ii) complete a deposit receipt for the consequence of any on-site or off-site incurred during the stay, including restaurant bills, telephone charges, convenience bar charges, missing item fees and miscellaneous expenses; (iii) write the words “Priority Check-out” on the Cardholder signature line of the Sales Draft; (iv) obtain a final authorization code for any additional amounts written on the Sales Draft and the itemized lodging bill (portfolio) to the Cardholder within seven (7) calendar days of check-out.

3. Card checks.

Card checks are frequently issued to Cardholders by Discover Network. You agree to accept card checks on a basis consistent with the terms of your policy applicable to acceptance of other payment card checks. You should handle these card checks like any other personal check drawn upon a bank in the United States.

THE FOLLOWING RULES APPLY TO PIN-DEBIT CARD TRANSACTIONS ONLY; CARD ACCEPTANCE PROCEDURES

1. Honoring PIN-Debit Cards. You shall not require Cardholders to provide personal identification when purchasing merchandise or services (the “PIN-Debit Sale”) as a condition for honoring a PIN-Debit Card, unless required by the Rules. You may not require or request the Cardholder’s signature or any other means of verifying the Cardholder’s identity. You shall place the PIN Entry Device in an area accessible by all employees. If you are open for business but no employees are present, you shall require the Cardholder to enter the PIN and use the magnetic stripe reader. You may not require or request the Cardholder to provide or enter your DBA name; (iii) your city and state; (iv) the amount of sale; and (v) the sale date. A PIN-Debit Sales Draft must be made available to the Cardholder at each terminal. You may not require or request the Cardholder to provide or disclose their PIN in any oral or written manner to the Merchant. You shall not impose any fee or charge for a PIN-Debit Card transaction without the prior written consent of NPC or Member Bank. If surcharging is approved by NPC, it must be a separate line item on the PIN-Debit Sales Draft and must be in compliance with NPC’s and Debit Network’s rules and regulations or any other personal information to third parties other than to your agents for the purpose of completing the sale or as specifically required by law or by the Rules. You shall store in a limited access area, for a period of 1 year after the date of the sale all transaction records, and you shall make and retain for at least 2 years the original or legible microfilm copies of both sides of all transaction records. Prior to discarding, you shall destroy or make unreadable all material containing Cardholder account numbers. There are no voice authorizations for PIN-Debit Card transactions and no manually imprinted PIN-Debit Sales Drafts. You may not store the Cardholder’s PIN in any manner.

4. Promotion Materials. You will adequately display promotional materials to inform the public that PIN-Debit Cards will be honored by you. All uses by you of decals, signs, printed and broadcast materials and other promotional materials must be in conformity with the requirements of the Debit Networks, NPC, and Member Bank. You will not at any time do, or cause to be done, any act or deed in any way impairing or intended to impair NPC or Member Bank’s exclusive right, title and interest in and to its respective protected marks.

5. Reversals. You agree to pay NPC or Member Bank for any Debit Network fees, fines or charges imposed on you, NPC or Member Bank. Such reimbursements will be accepted by you and paid to NPC or Member Bank within seven (7) calendar days of check-out.

6. Your Name and Address. All forms submitted to NPC or Member Bank must bear your corporate and “Doing Business As” (“DBA”) name.

7. Equipment.

A. Use. You shall take all necessary steps to ensure that all POS Terminals and PIN-Debit Entry Devices operated in all of your locations:
   i. are placed in an area accessible by all Cardholders;
   ii. are available for use whenever you are open for business;
   iii. will function with minimal error, meeting all applicable technical specifications and security regulations; and
   iv. will require the Cardholder to enter your Merchant’s PIN at or near the check-out location when initiating a POS transaction.

B. Standards. A PIN Entry Device must meet the ANSI standard format X9.8, 1995 or newer requirements, as they are released. A PIN Entry Device must comply with the PCI DSS requirements for POS and EFT equipment. Your system must have a magnetic stripe reader capable of reading Track 2 on the PIN-Debit Cards. PINs used in conjunction with any store and forward transaction or your submission must be encrypted and protected in all instances. If your authorization system is capable of store and forward, it must comply with the Debit Networks’ rules and regulations regarding this capability. NPC or Member Bank, the Issuer and the Debit Networks shall not be liable for any losses suffered by you arising from the use of the store and forward function. A PIN must never be logged in any form as a function of software either in the clear or encrypted.

8. Supply of Information. You must submit all information requested by the Debit Networks, NPC or Member Bank, including receipt of imprinted PIN-Debit Sales Drafts and mailing addresses of terminals. You shall not sell, purchase, provide, or exchange account number information in any form, including but not limited to, transaction receipts, carbon copies of transaction receipts, mailing lists, tapes, cards, or other records of any kind. If you offer priority check-out services, you shall notify us and the Debit Networks of any changes in your Merchant Account. If NPC or Member Bank elects, at its discretion, to take action on reversals after the Debit Network time limits have expired, such action shall be done at the discretion of NPC or Member Bank. Upon receipt of your Merchant Account, NPC, or Member Bank, you will retrieve and forward to NPC or Member Bank, within the time frame required, either the original or a readable copy of the terminal journal tape or duplicate transaction receipt for the transaction in question and, if requested, will give the Debit Network third information from such transaction records as it requests by telephone. You will, on request of the Debit Network, cooperate fully with the Debit Network and the Card issuing bank in order that the participant may comply with the error resolution procedures.

9. Left PIN-Debit Cards. PIN-Debit Cards that are inadvertently left at your location must be held under dual control during the time they are retained.

10. PIN-Debit Cards in the wrong state. PIN-Debit Cards that are inadvertently left at your location may be returned to the Cardholder by you under the following conditions: (A) the Card was inadvertently left by the Cardholder at an on-premise location; (B) the Cardholder requests the Card within 1 business day, and (C) the Cardholder provides 2 forms of current identification, at least 1 of which is a photo identification. If the Cardholder has not requested the Card within 1 business day, the Card shall be destroyed by cutting it in half through the stripe.