

SirsiDynix (Workflows) BLUEcloud Commerce

Released August 3, 2016

BLUEcloud Commerce lets your library integrate credit card and cash payments at the circulation desk. This module is fully integrated into Symphony WorkFlows. Interested libraries need to contact the ANSER team to indicate their interest in implementing this option. There is no fee for using the BLUEcloud Commerce module; however, there would be a cost for the cash drawer and/or the service fee to handle credit transactions.

BLUEcloud Commerce can be used to receive cash only with an integrated cash drawer or it can be used to receive credit card (and debit card, treated as credit) payments or for both options. The advantage of using BLUEcloud Commerce, because it is fully integrate with WorkFlows, is that when a payment, for a fine or fee, is received it will automatically deduct the payment from the cardholders account open the cash drawer or process the credit/debit payment. If you currently use a cash register the transactions must be entered twice – once into Workflows and once into the cash register. Similarly credit payments must be handled as a two-step process.

On the page 2 you will find details about the cash drawers and current pricing for the various options. The ANSER team will configure WorkFlows to integrate with the cash drawer.

The option to be able to receive credit card payments **requires an account with ProPay**. Each library must contact James Bass (james.bass@sirsidynix.com or 800-288-8020 ext. 7754) to initiate the setup of the ProPay account. When the account is setup ProPay will supply the library one credit card scanner (additional ones are available for fee from ProPay) and an account number. Once ProPay assigns the library an account number it will be necessary to let the ANSER team know that number so that the ANSER team can configure WorkFlows to accept credit card payments.

Pages 3 to 6 provide you information about ProPay and its fees and pages 7 to 19 provide you a copy of the ProPay application form and page 20 provides some directions for completing the application.

Please note that there will be a installation and implementation fee charged for setting up BLUEcloud Commerce.

We caution libraries that cash drawers with WorkFlows are not an ironclad solution for accountability, because: there are not individual drawers or individual WorkFlows logins for each of your staff members. Symphony can provide a detailed daily cash management report, but not until the following day--there is no report available at closing on the same day. In addition full reconciliation of funds received whether via cash or credit card is not possible as some fines that are owed to your library may be paid at another library.

Should you have any questions please do not hesitate to contact the ANSER team.

Workflows Cash Drawers

Sizes, specifications and pricing

Cash drawer installation time is estimated to be one hour. This includes configuration at RCLS within Symphony, settings at the Workstation client, hardware installation and testing. Travel time is additional. The optional under the counter mounting brackets would need to be installed by the library.



Model: MMF-VAL1313E04

Dimensions: 13W x 13D x 4H

Drawer Content: 4 bill / 5 coin

Requires: 6' cable
22199EPST1000

Price: Drawer \$83.00

Cable \$5.00

Model: MMF-VAL1616E04

Dimensions: 16W x 16D x 4H

Drawer Content: 5 bill / 8 coin

Requires: 6' cable 22199EPST1000

Price: Drawer \$109.00

Cable \$5.00

Model: MMF-VAL1416E04

Dimensions: 14W x 16D x 4H

Drawer Content: 4 bill / 5 coin

Requires: 6' cable 22199EPST1000

Price: Drawer \$89.00

Cable \$5.00



Optional Under Counter Brackets

Model: MMFVLBRKT04

Price: Bracket set 25.00

Pricing shown is based on quotations from vendors as of August 1, 2016. Pricing from vendors is subject to change. Please contact Diane Biondi (diane@rcls.org) for the most of to date pricing at the time you would like to place an order.

ProtectPay[®] for SirsiDynix

ProtectPay Can Greatly Minimize Your PCI Obligations



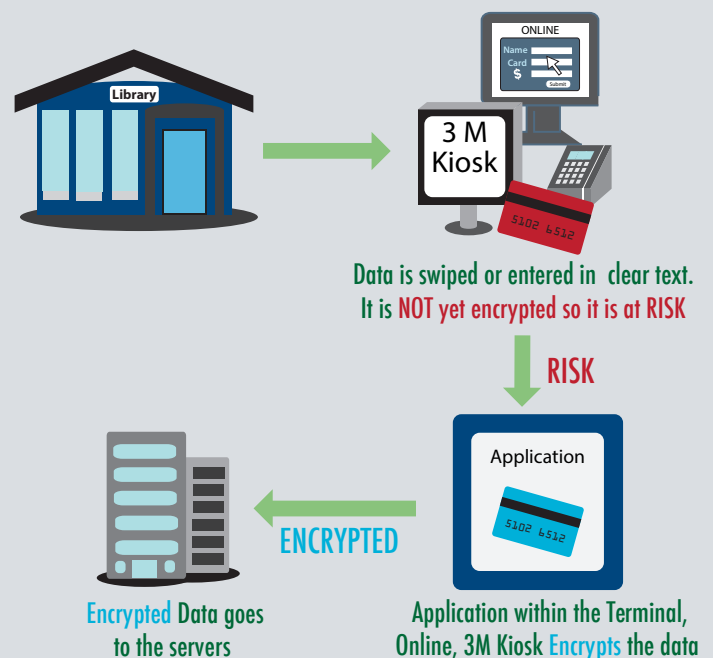
What is PCI DSS?

PCI DSS is an Acronym for "Payment Card Industry Data Security Standard" which was developed by the PCI Security Standards Council. PCI DSS is a comprehensive set of standards and a framework for developing a robust payment card data security process— including prevention, detection and appropriate reaction to security incidents. Each year, new regulations are introduced requiring companies to assume greater responsibilities for the protection of consumer data – credit card data, debit card data and banking information used for ACH or e-check payments. While these regulations help to protect the customer, they often represent a significant resource drain on businesses. Time, staff and budget must all be allocated to ensure that the data is protected. Many smaller businesses face challenges in understanding the complex regulations and how to achieve compliance. If your library stores, processes, or transmits sensitive cardholder data, you are responsible for achieving and maintaining PCI compliance.

REMOVE THE DATA,

REMOVE THE RISK[®]

A traditional model of how many libraries are attempting to protect against data theft. As you can see there are several holes or vulnerabilities where data theft could occur. Thus, creating greater risk and greater PCI burdens.



What is ProtectPay?

ProtectPay is a powerful, end-to-end encryption and tokenization service that enables organizations to securely process payments while mitigating the risk that is often associated with the transmission and storage of sensitive cardholder data. ProtectPay offers users complete end-to-end security of the payment process and secure data storage. Using ProtectPay allows organizations to accept payment card transactions without storing, processing, or transmitting sensitive cardholder data. Below is an overview of ProtectPay. Cardholder data is encrypted at the point of input so that it never traverses your systems reducing your overall PCI obligations.

ProtectPay Services

ProtectPay is the underlying technology

used in all of the payment acceptance methods that ProPay offers. Whether accepting payments through a mobile card reader, virtual terminal or through your eCommerce site, ProtectPay provides the assurance that customer's sensitive payment data is protected.

Reduce Your PCI Obligations

For most companies, achieving and maintaining PCI compliance is a challenge. Implementing ProtectPay allows organizations to seamlessly integrate robust payment security without adding to the transaction time or extra steps to the payment process. Many companies are able to realize significant savings over traditional compliance strategies by fully implementing ProtectPay and removing cardholder data from their environment.

REMOVE THE DATA,
REMOVE THE RISK®



PROTECTPAY FEATURES AND BENEFITS:

Secure Storage of Customer Data –

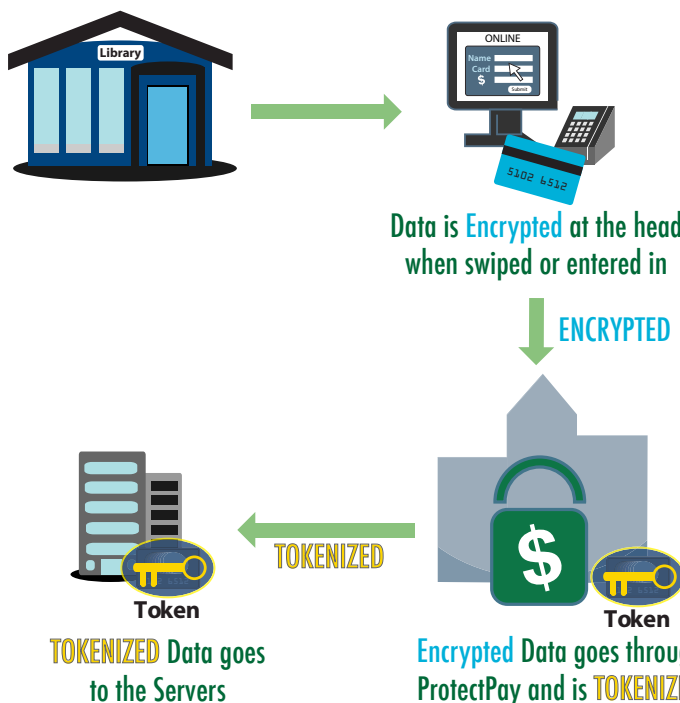
ProPay has been certified as a PCI DSS compliant Service Provider for more than six years. As an early adopter of the data security standards, ProPay has developed a core competency in the protection of customer data.

Alternative Payment Methods –

ProtectPay provides the ability to store multiple payment cards for one customer. Additionally, the ProtectPay solution allows the use of alternative payment methods, such as ACH or eCheck.

Encrypted Data Collection Methods – ProtectPay encrypts sensitive data from the point of customer entry, whether online or in person, so that the merchant or organization never has to store, transmit, or process that data. This is accomplished using our mobile card readers, our Payment Management Interface, Secure Payment Interface, and our Virtual Terminal.

Compared with the traditional model, ProtectPay encrypts data at the point of entry so that sensitive card data never traverses your systems. Thus, reducing your overall risk and PCI burdens.



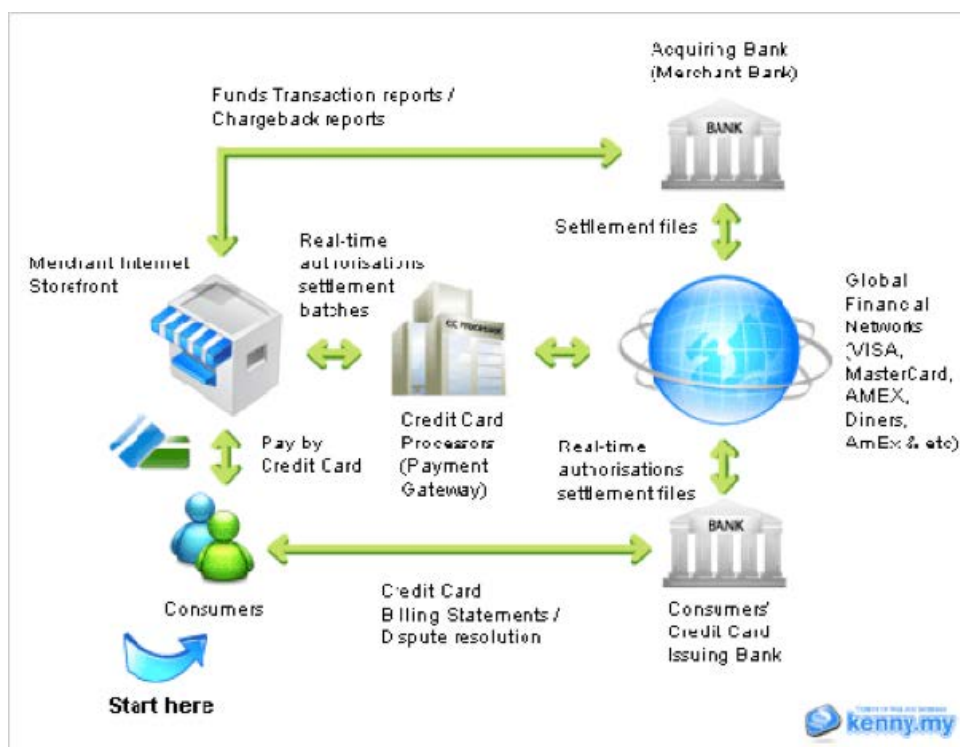
TO LEARN MORE

For more information about ProtectPay, contact ProPay at 888.227.9856, email sales@propay.com or visit www.propay.com.

Understanding Processing Fees For Small Businesses

Accepting card payments is a must for most small businesses.

However, understanding credit card pricing can be very confusing and most merchants don't take the time to understand what they are paying. That's why ProPay offers a simple, straight forward approach to pricing. Other credit card processing companies may quote rates "as low as" but they never tell you about the other fees they tack on. Below is a summary of the Credit Card Processing Eco System and a list of potential credit card fees you may be charged.



As transactions flow through the system, there are a number of fees that could be added to the transaction that end up costing you more money and reducing your overall profitability. In addition to paying processing fees, you may not realize that you are also paying the following fees:

- Application Fee
- Annual Account Fee
- Monthly Minimum Fee
- Monthly Statement Fee (12 mos)
- Monthly Fee
- Contract Cancellation Fee
- Terminal Fee
- Terminal Lease Fee
- Virtual Terminal Fee
- Wireless Transaction Fee
- Automated Clearing House Reject Fee
- Signature Debit Fee
- Contract Term Commitment
- Voice Authorization
- PCI Fee
- Sign up / Approval Time
- Gateway Fee
- Debit Network Fee
- PIN Debit Fee
- AVS Retrieval Fee
- Chargeback Fee (per chargeback)

Understand the Fees

Each and every one of your payment transactions are classified based on whether they meet certain processing conditions or not, and normally, your payment processor has established a different discount rate for each category.

Most payment processing providers set a base discount rate for card-present or swiped transactions when you accept a regular, consumer-grade payment card. Higher discount rates are charged when you key enter payment card information rather than magnetically swiping a payment card using Address Verification Service (AVS) to confirm the cardholder's billing address and zip code.

ProPay Offers Simple Pricing

ProPay provides a simple and affordable pricing structure that makes it easy for merchants to understand. ProPay charges a "flat-blended rate" regardless of your company's average sales ticket, transaction types, total sales volume or types of cards accepted.

Key Points With ProPay:

- ProPay is seamlessly integrated into your SirsiDynix library system.
- ProPay is your single-source provider for all you payment needs.
- ProPay's blended rates provide simple to understand pricing—you'll pay the same transaction rate and fee for all transactions—no hidden fees attached.
- Access reports online 24/7.
- Simple enrollment process.
- Transfer funds to your existing bank account.
- Access to live, US-based toll free customer service.

Note: Option A allows you to charge the cardholder a \$0.50 convenience fee for online payments, eliminating the \$0.30 transaction fee for the library.

Educate, Understand and Act. Knowledge is power. Read your statements carefully to understand the reasons behind all the charges to your processing account. Ultimately, knowing and understanding processing account fees can give your business a real advantage.

TO LEARN MORE

contact 888.227.9856 or visit www.propay.com for a complimentary statement review.

Other situations where transactions are subject to higher discount rates are when specialty payment cards like rewards, business and international cards are used to make purchases. Keyed transactions that don't include AVS are typically assessed a higher discount rate.

Tips for Small Businesses

So, why are these factors important and how do transactions qualification and average sales ticket relate to the processing fees you pay? It's not enough to just evaluate and compare discount rates for qualified transactions; you need to make sure you're paying fees appropriate for your business type and average ticket sale.

Pricing

	Option A	Option B
Annual Fee	\$99.95	\$299.00
Accept VISA®, MasterCard®		
Online Rates*	2.30 % + 50¢	2.50 % + 30¢
Card Reader Rates*	1.99 % + 25¢	1.99 % + 25¢
Accept Discover®		
Online Rates	2.30 % + 50¢	2.50 % + 30¢
Card Reader Rates	2.30 % + 30¢	2.50 % + 30¢
Accept American Express®		
Online Rates	2.99 % + 50¢	2.99 % + 30¢
Card Reader Rates	2.99 % + 30¢	2.99 % + 30¢
Process via ProtectPay® Online (Included in Annual Fee)		
	✓	✓
Transfer Fee (for transferring funds to your bank account)	10¢	10¢

■ Paid by Library
■ Paid by Cardholder

*If a 501(c)(3) status the card not present rate is 2.20% for Visa and MasterCard.

ABOUT PROPAY

Since 1997, ProPay has provided simple, secure and affordable payment solutions for organizations ranging from the small, home-based entrepreneur to multi-billion-dollar enterprises.

ProPay is a leading provider of complete End-to-End Payment Security solutions designed to significantly reduce the client organization's risk of having sensitive payment data compromised. ProPay is the recipient of the prestigious 2010 ETA ISO of the Year award. ProPay is a wholly owned subsidiary of TSYS (NYSE: TSS) and is a leader in payment data security. For information, visit www.propay.com or call 888.227.9856.



ProPay, Inc., a TSYS® Company
3400 N. Ashton Blvd., Suite 200
Lehi, Utah 84043
Customer Service: 866-573-0951
Fax: 801-341-5301

MERCHANT SERVICES APPLICATION FOR LIBRARIES

BANK DISCLOSURE

Merchant Services Provider Contact Information: ProPay, Inc. ("ProPay"); 3400 N. Ashton Blvd., Suite 200, Lehi, UT 84043. Application Inquiry Phone: 801-341-5300; Customer Service Phone: 866-573-0951. <http://www.propay.com>

Member Bank Information: Wells Fargo Bank, N.A. ("Bank"); 1200 Montego, Walnut Creek, CA 94598. Phone: 925-746-4167.

Important Bank Responsibilities:

1. Bank is the only entity approved to extend acceptance of Card Association (as defined below) products directly to a Merchant.
2. Bank must be the principal (signer) to the Merchant Services Agreement.
3. Bank is responsible for and must provide settlement funds to Merchant.
4. Bank is responsible for all funds held in reserve that are derived from settlement.
5. Bank is responsible for educating Merchants on pertinent Card Association Rules with which Merchants must comply; but this information may be provided to you by ProPay.

Merchant Information: Refer to the following Merchant Services Application ("Merchant").

Important Merchant Responsibilities:

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

The responsibilities listed above do not supersede terms of the Merchant Services Agreement and are provided to ensure the Merchant understands some important obligations of each party and that the Bank is the ultimate authority should the Merchant experience any problems.

X

Merchant Signature

Date

Merchant's Printed Name and Title

You may download "Visa Regulations" from Visa's website at: <http://corporate.visa.com/about-visa/our-business/operating-regulations.shtml>
You may download "MasterCard Regulations" from MasterCard's website at: <http://www.mastercard.com/us/merchant/support/rules.html>

BUSINESS INFORMATION

LIBRARY'S LEGAL BUSINESS OR CORPORATE NAME:		SALES CONTACT: Paul Anderson		SALES REP PHONE: 801-341-5650	
"DOING BUSINESS AS" NAME (if different from above):		TYPE OF BUSINESS (select one): <input type="checkbox"/> Public Library <input type="checkbox"/> Academic Library <input type="checkbox"/> School Library (K-12) <input type="checkbox"/> Other			
PHYSICAL ADDRESS:		CITY:		STATE/PROVINCE:	ZIP/POSTAL CODE:
BILLING ADDRESS (if different from above):		CITY:		STATE/PROVINCE:	ZIP/POSTAL CODE:
BUSINESS PHONE NUMBER:	FAX NUMBER:	COUNTRY:		FEDERAL TAX I.D./BUSINESS NUMBER:	
CONTACT PERSON AND TITLE:		CONTACT PHONE NUMBER:			
CONTACT E-MAIL ADDRESS:		WEBSITE URL:			
TYPE OF ENTITY (select one): <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Tax Exempt					

TRANSACTION INFORMATION

AVERAGE MONTHLY VOLUME:	HIGH MONTHLY VOLUME:	CONSUMER'S MONTHLY STATEMENT DESCRIPTION: (Max. 18 characters)	
AVERAGE TRANSACTION SIZE:	HIGH TRANSACTION SIZE:	THIRD-PARTY CONNECTION/GATEWAYS:	
ANNUAL VOLUME:	PROTECTPAY@: <input type="checkbox"/> YES <input type="checkbox"/> NO	PCI COMPLIANT: <input type="checkbox"/> YES <input type="checkbox"/> NO	SAQ/ROC DATE:

BANK ACCOUNT INFORMATION

(the bank account is referred to as the "Merchant Bank Account")

BANK ACCOUNT NAME:	TYPE OF ACCOUNT:	ROUTING NUMBER:	ACCOUNT NUMBER:
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PRODUCT AND FEE SCHEDULE

Merchant hereby subscribes to the ProPay Merchant Services and agrees to pay, pursuant to the Merchant Services General Terms and Conditions set forth below, the applicable and incremental fees indicated on the Product and Fee Schedule (collectively, the "Fees"). The card types described below are referred to as "Cards." Merchant selects (check only one): ☐ OPTION A ☐ OPTION B

Type of Fee	Option A	Option B
	Amount	Amount
Annual Fee	\$99.95	\$299.95
Accept VISA® & MasterCard® Standard Rates* Card Reader Rates	2.30% + \$0.50 1.99% + \$0.25	2.50% + \$0.30 1.99% + \$0.25
Accept Discover® Standard Rates Card Reader Rates	2.30% + \$0.50 2.30% + \$0.30	2.50% + \$0.30 2.50% + \$0.30
Accept American Express® Standard Rates Card Reader Rates	2.99% + \$0.50 2.99% + \$0.30	2.99% + \$0.30 2.99% + \$0.30
Accept ACH Standard Rates	\$0.50	\$0.50
Transfer to Bank Account Fee	\$0.10	\$0.10
Chargeback Fee	\$25	\$25

*A standard rate of 2.2% + \$0.50 under Option A, or 2.2% + \$0.30 under Option B, may be available to Referred Merchants that are 501(c)(3) organizations.

AUTHORIZED SIGNATURES AND DATE OF EXECUTION:

Merchant acknowledges that it has read the Terms and Conditions (and each schedule and other document or agreement referred to therein) and the Product and Fee Schedule. Merchant agrees to be bound by the Terms and Conditions, and agrees that Bank and ProPay shall provide processing and settlement services to Merchant. Merchant further acknowledges that it is not relying on any verbal representation in subscribing to the services described above or in executing this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, effective the date this page is signed by ProPay (the "Effective Date").

PROPAY, INC.

Signature: _____

Name (Print): _____

Title: _____

Date: _____

MERCHANT

Library/Business Name: _____

Signature: _____

Name (Print): _____

Title: _____

Date: _____

MERCHANT SERVICES GENERAL TERMS AND CONDITIONS

These Merchant Services General Terms and Conditions (these “Terms and Conditions”), the Merchant Services Application to which these Terms and Conditions are attached (the “Application”) and Product and Fee Schedule attached (the “Fee Schedule”), and collectively with the Application and these Terms and Conditions, this “Agreement”) are entered into by and among ProPay, Inc. (“ProPay”), Wells Fargo Bank, N.A. (“Bank”), and the business entity described on the Application (“Merchant”). This Agreement shall become effective on the Effective Date set forth above. ProPay, Bank, and Merchant are each a “Party” and are, collectively, the “Parties.”

WHEREAS, Bank, as a member of VISA, U.S.A., Inc. (“VISA”) and MasterCard Worldwide (“MasterCard”), provides transaction processing and other services and products in connection with financial services provided by VISA and MasterCard, and ProPay provides transaction processing and other services and products in connection with financial services provided by American Express Company (“American Express”), and Discover Financial Services (“Discover”) (collectively, the “Card Associations”); and

WHEREAS, ProPay, as an agent of Bank, provides payment card processing services; and

WHEREAS, Merchant is engaged in the business of selling goods and services, and desires that Bank and ProPay provide the services described on the Fee Schedule (the “Merchant Services”) on the terms and conditions set forth herein.

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

1. **COMPLIANCE WITH ASSOCIATION REGULATIONS.** Each Party: (i) acknowledges that its actions in connection with Transactions are subject, at all times, to the rules, regulations, requirements and guidelines of the Card Associations, as the same may be modified, amended or replaced from time to time (collectively, the “Association Regulations”); (ii) represents and warrants that it is familiar with those portions of the Association Regulations that are relevant to it; and (iii) covenants to take such actions and do such things in connection with or related to each of its Transactions to ensure (A) that such Transactions are processed and handled in a manner that complies, in full, with the Association Regulations and (B) that it otherwise complies, in full, with the Association Regulations that are relevant to it. As used in this Agreement, “Transaction(s)” means one or more payment transactions using a Card Association-branded credit, debit or pre-paid card issued by a member of such Card Association with respect to which Merchant desires ProPay and Bank to provide Merchant Services.

2. INCORPORATION OF ADDITIONAL TERMS AND PROVISIONS.

a. The Parties acknowledge and agree that those provisions, terms and conditions required by any Card Association to be incorporated into or otherwise contained in this Agreement pursuant to the terms of the Association Regulations are hereby incorporated into this Agreement in full, and shall be binding upon the Parties as if set forth in full herein. Without limiting the generality of the foregoing, the Parties specifically acknowledge and agree that this Agreement is deemed to include the provisions required by: (i) the Visa International Operating Regulations relating to the Merchant Chargeback Monitoring Program, the Merchant Agreement Requirements, and Merchant Card Acceptance, as the same may be amended or replaced from time to time (the “Visa Regulations”); and (ii) Section 5.1 and Sections 5.6 through 5.12 of the MasterCard Rules, as the same may be amended or replaced from time to time (the “MasterCard Rules”). Copies of the Visa Regulations (<http://corporate.visa.com/about-visa/our-business/operating-regulations.shtml>) and the MasterCard Rules (http://www.mastercard.com/us/merchant/pdf/BM-Entire_Manual_public.pdf) are available for review online. In the event of any conflict between the terms of this Agreement and the terms of the Association Regulations, the terms of this Agreement shall prevail. Merchant: (i) represents and warrants that it has reviewed in full the contents of the Visa Regulations and MasterCard Rules applicable to it (in particular, those sections referenced above); and (ii) covenants that it will, from time to time, review the contents of the Visa Regulations and MasterCard Rules to ensure it remains aware of, and is capable of performing, its duties and obligations under this Agreement. For purposes of Section 1 and this Section 2, references in the Association Regulations to any type of “Transaction” shall be deemed, as relevant, to be limited to a Transaction under this Agreement.

b. In addition to the foregoing, the Parties acknowledge and agree that the terms and provisions of the following policies, documents and agreements (as set forth, at any relevant point in time, at <http://www.propay.com/legal-agreements/>, as the same may be amended from time to time by ProPay with or without the provision of prior notice to Merchant) are a part of this Agreement and are incorporated into this Agreement by this reference, as if fully set forth herein: (i) the Electronic

Funds Transfer Agreement; (ii) the Error Resolution Policy; (iii) the Privacy Policy; (iv) the Electronic Communications Agreement; (v) the Terms of Use; and (vi) the API License Agreement (if relevant).

3. **ACCEPTING CARDS.** Merchant shall accept those Cards (as defined on the Fee Schedule) selected by it in the Fee Schedule for acceptance to effect Transactions in accordance with the applicable Association Regulations. All disputes between Merchant and any cardholder relating to any Transaction shall be resolved between the Merchant and the cardholder. ProPay bears no financial responsibility for any disputed Transaction.

4. TRANSACTIONS; PAYMENTS.

a. **Obtaining Authorizations and Completing Transactions.** Merchant shall obtain (using equipment meeting specifications determined from time to time by ProPay) an authorization for each Transaction: (i) in accordance with the terms of Appendix A-1, if such Transaction is effected through the provision by ProPay of ProtectPay services (which services are provided through a separate agreement between Merchant and ProPay); or (ii) in accordance with the terms of Appendix A-2, if such Transaction is effected without the provision by ProPay of ProtectPay services. Merchant shall comply in full (and shall cause each third party or other agent used by Merchant in connection in any way with any Transaction to comply in full) with all Association Regulations (including, without limitation, Visa’s cardholder Information Security Program (“CISP”) and MasterCard’s Site Data Protection Program (“SDP”), the Payment Card Industry Data Security Standards (“PCI DSS”) and all applicable federal, state, provincial and local laws, rules, regulations and guidelines, and relevant judicial, regulatory and administrative interpretations and determinations (collectively with the Association Regulations and PCI DSS, “Applicable Law”) in connection with the commencement and completion of, and all other actions associated with, each Transaction, and in connection with the sale or provision of the goods, services or anything else of value upon which the Transaction is based or otherwise in the performance of its obligations hereunder. In the event the Merchant’s Transactions are not effected through the provision by ProPay of ProtectPay, upon approval of authorization of a Transaction (as ProPay or Bank reasonably shall request), ProPay shall provide the Merchant Services described above to allow Merchant to be paid for such Transaction, as it was authorized and otherwise in accordance with the terms of this Agreement.

b. **Processing Limits.** Bank and ProPay may, from time to time in their sole discretion, establish (or modify) and impose on Merchant limits regarding: (i) the number of Transactions or aggregate dollar volume of Transactions Merchant may cause to be processed within a defined period of time; and (ii) the maximum dollar amount of any single Transaction. Without limiting the generality of the foregoing, Bank and ProPay reserve the right to reverse and/or decrease any limit previously established.

c. Payment in Connection with Settled Transactions.

i. Bank shall credit those funds to which Merchant is entitled in connection with settled Transactions to a non-interest-bearing, aggregated account at Bank in the name of Bank, used by ProPay for the

receipt of funds from settled transactions from a group of merchants (including Merchant) (the "ProPay Operating Account"). The ProPay Operating Account is maintained by Bank for the clearing and settlement of Transactions of all ProPay Merchants, including those to Merchant Operating Account (these funds being in the "Merchant Operating Account"). The balance of Merchant funds in the Merchant Operating Account is provided by ProPay to Merchant and can be accessed by Merchant online on ProPay's website. All amounts owing under this Agreement will remain in the Merchant Operating Account until: (i) such funds are released by Merchant at its discretion, as evidenced on ProPay's web site; or (ii) Merchant informs Bank to release such funds to the Merchant Bank Account designated by Merchant in accordance with the Electronic Funds Transfer Agreement. Merchant acknowledges that its obligation to ProPay for all amounts owed under this Agreement arise out of the same Transaction as Bank's obligation to place funds in the ProPay Operating Account with respect to Transactions processed pursuant to the terms of this Agreement for Merchant's Operating Account.

ii. Notwithstanding Section 4(c)(i) above, under no circumstance will ProPay be responsible for processing credits or adjustments related to Transactions not originally processed by ProPay. All Transactions and deposits are subject to audit and final verification by ProPay, and may be adjusted for inaccuracies. Merchant acknowledges that all credits provided to Merchant are provisional and subject to chargebacks and adjustments in accordance with the Association Regulations, whether or not a Transaction is charged back by the Card issuer.

iii. No interest is paid to Merchant on funds in the Merchant's Operating Account. The funds in the Merchant Operating Account are eligible for FDIC pass-through insurance up to the maximum amount as defined by applicable FDIC regulations, from time to time.

iv. Unless caused by the negligence of ProPay, its employees or agents, Merchant assumes any and all risk of loss and/or damages that arises out of or is the result of any theft, embezzlement or unauthorized use of any funds in the Merchant Operating Account or the Merchant Bank Account, and agrees to indemnify and hold ProPay and Bank harmless from any and all claims, demands and causes of action, including attorneys' fees and costs, that arise out of or are the result of any such theft, embezzlement or unauthorized use. If Merchant is a governmental agency, division, or unit, this indemnification obligation shall be subject to the laws of Merchant's state of domicile restricting tort damages.

5. FEES. Merchant agrees: (i) to pay to ProPay the fees set forth in the Fee Schedule as consideration for the provision of the Merchant Services, together with any and all taxes and other charges imposed by any governmental authority in connection with the provision of the Merchant Services; (ii) that ProPay may collect payment of such fees and taxes from Merchant directly out of the total dollar amount of any Transaction ("Gross Transaction Proceeds") received by ProPay in the ProPay Operating Account, or at the option of ProPay, by depositing any Gross Transaction Proceeds received by ProPay in the Merchant Operating Account and then debiting any such fees and taxes from either the Merchant Operating Account or the Merchant Bank Account; and, (iii) that the fees set forth in this Agreement are subject to modification by ProPay providing at least 30 days' advanced notice to Merchant.

6. CHARGEBACKS AND DISPUTES.

a. Merchant is liable to ProPay for all Transactions returned by Merchant's customers to ProPay for whatever reason, otherwise known as "Chargebacks." Merchant is liable to ProPay for the total amount of any sale for which the cardholder disputes the validity of the sale. Merchant will pay ProPay on demand for the amount(s) of all Chargebacks and associated fees. ProPay shall have the right to charge back any disputed charge, prior to contacting Merchant, if ProPay determines that it has sufficient information to resolve the disputed charge in favor of the cardholder. Merchant authorizes ProPay to deduct, recoup, or offset from incoming Transactions and to debit the Merchant Operating Account, and the Reserve Account to recover any Chargeback. Merchant will cooperate with ProPay in complying with the Association Regulations regarding Chargebacks. ProPay may suspend accepting Transactions or releasing funds represented by Transactions to Merchant until Merchant reimburses ProPay for all unpaid Chargebacks. Merchant acknowledges that regardless of its refund or return policy, Chargebacks will be handled in accordance with this Agreement and VISA and MasterCard regulations regarding returns and chargebacks.

b. ProPay may refuse to accept any Transaction or revoke its prior acceptance of a Transaction in the following circumstances: (i) the Transaction was not made in compliance with all terms and conditions of this Agreement and the Association Regulations; (ii) the cardholder disputes liability to ProPay for any reason, including but not limited to those Chargeback rights enumerated in Association Regulations; or, (iii) the Transaction was not directly between Merchant and the cardholder. Merchant will pay ProPay, as appropriate, any amount previously credited to Merchant's Operating Account for a Transaction not accepted by ProPay or, where accepted, it is subsequently revoked.

7. RESERVE ACCOUNT.

a. As a condition of providing the Merchant Services to Merchant, Bank and/or ProPay may require Merchant to: (i) open and maintain with Bank and/or ProPay, at all times during the Term of this Agreement and for a period of not more than 180 days after any termination or expiration of this Agreement (the "Reserve Account Holding Period"), an account (collectively (if more than one account is so created), the "Reserve Account") in order to provide to Bank and ProPay security (A) in connection with the payment of any amount owed by Merchant hereunder (including, without limitation, under Section 5 or Section 11(a)) and (B) against any costs, losses, assessments, fines, fees, penalties and/or expenses suffered or incurred by Bank or ProPay, or expected or anticipated to be suffered or incurred by Bank or ProPay, absent a payment by or on behalf of Merchant, in any case in connection with or arising out of the provision of Merchant Services to Merchant, any chargeback or return effected in connection with any Transaction or any act or omission by Merchant (collectively, "Merchant-Owed Amounts and Merchant-Caused Losses"); (ii) deposit into and maintain in the Reserve Account, at all times during the Reserve Account Holding Period, an amount reasonably determined from time to time by Bank and/or ProPay, in light of their assessment of actual or potential Merchant-Owed Amounts and Merchant-Caused Losses (the "Reserve Account Funding Amount"). Reasons ProPay or Bank may impose a reserve are (i) a material change to Merchant's business or financial strength, (ii) excessive or increasing amounts of chargebacks, declines, or refunds, (iii) a default under this agreement by Merchant, or (iv) if required to do so by the Card Associations or a governmental body.

b. Upon (i) a material change to Merchant's business or financial strength, (ii) excessive or increasing amounts of chargebacks, declines, or refunds, (iii) a default under this agreement by Merchant, or (iv) a request from the Card Associations or a governmental body, Bank or ProPay may require that the amount on deposit in the Reserve Account be increased and shall have sole discretion as to the amount thereof from time to time. Bank and ProPay shall have the right to debit Merchant's funds in the Merchant Operating Account or funds ProPay would be otherwise obligated to pay Merchant in accordance with the terms of this Agreement to establish, increase, or maintain funds in the Reserve Account.

c. Bank and ProPay each may, with notice, from time to time, withdraw from the Reserve Account such amount(s) as may be necessary or appropriate: (i) to pay to any third party an amount owed to such third party in connection with any Merchant-Owed Amount or Merchant-Caused Loss; (ii) to reimburse and/or indemnify Bank or ProPay as a result of or in connection with any Merchant-Owed Amount or Merchant-Caused Loss; or (iii) to pay to Bank or ProPay any other amount owed by Merchant to ProPay or Bank under this Agreement or under any other agreement between Merchant and ProPay and/or Bank.

d. Immediately following any withdrawal by either Bank or ProPay of any amount from the Reserve Account pursuant to the terms of this Agreement, or any increase of the Reserve Account Funding Amount, Merchant shall, upon notice from ProPay, cause the balance in the Reserve Account to be restored to the then-current Reserve Account Funding Amount. In addition to the foregoing, Bank and ProPay may take any action that may be necessary or desirable to cause the amount held in the Reserve Account to equal the Reserve Account Funding Amount, including, without limitation, debiting any funds credited to the Merchant Operating Account or initiating a debit to the Merchant Bank Account.

e. Merchant hereby grants to Bank and ProPay a security interest in any Gross Transaction Proceeds held in the ProPay Operating, in the Merchant Operating Account and in the Reserve Account, and any and all proceeds of any of the foregoing, to secure the due and punctual performance by Merchant of all of its obligations to Bank and/or ProPay.

hereunder. Bank or ProPay may enforce such security interest without notice or demand. Upon request of Bank or ProPay, Merchant will execute one or more financing statements or other documents to perfect this security interest.

f. Bank and ProPay shall have the right of recoupment and set off. Merchant hereby acknowledges that Bank and ProPay have the right to offset any outstanding or uncollected amounts owed to Bank or ProPay by Merchant from: (i) any amounts owed to Merchant that they would otherwise be obligated to deposit into the Merchant Operating Account; (ii) any other amounts ProPay may owe Merchant under this Agreement or any other agreement; and (iii) the Merchant Operating Account.

8. DEBITS FROM THE MERCHANT BANK ACCOUNT. Merchant hereby authorizes each of Bank and ProPay to initiate, from time to time and pursuant to the Electronic Funds Transfer Agreement, debits to the Merchant Bank Account in such amounts as may be necessary or appropriate to allow Bank and ProPay to be paid any amount either is owed by Merchant pursuant to the terms of this Agreement in the event Gross Transaction Proceeds or the amounts credited to or on deposit in the Merchant Operating Account or the Reserve Account are not sufficient to pay any such amount so owed to Bank or to ProPay. The foregoing authorization shall remain in full force and effect until the expiration of the Reserve Account Holding Period. In the event Merchant changes its designated Merchant Bank Account as set forth herein, this authorization will apply to Merchant's subsequent Merchant Bank Account.

9. REPRESENTATIONS AND WARRANTIES OF MERCHANT. Merchant represents and warrants to Bank and to ProPay as follows:

a. Merchant is duly organized and in good standing under the laws of the jurisdiction of its organization, and is duly qualified to conduct business in each jurisdiction where failure to do so would have a material adverse effect on its business.

b. The execution and delivery of this Agreement by Merchant, and the performance by Merchant of its obligations hereunder: (i) are within Merchant's corporate powers; and (ii) have been duly authorized by all necessary corporate action on the part of Merchant.

c. This Agreement, when executed by Merchant, will be executed by a duly authorized officer of Merchant, with authority to execute this Agreement on Merchant's behalf and will constitute a valid and binding obligation of Merchant, enforceable in accordance with its terms, and does not violate any law, rule or regulation relevant to Merchant or conflict with any other agreement or obligation entered into or assumed by Merchant.

d. Merchant is in compliance with all Applicable Law in the operation of its business and in the provision and/or sale of all goods and services that are the subject of each Transaction.

e. All of the information provided by Merchant to ProPay and/or Bank in or in connection with the Application or otherwise pursuant to or in connection with this Agreement is true, accurate and complete in all material respects.

f. There is no action, suit or proceeding pending or, to Merchant's knowledge, threatened that, if decided adversely, would impair Merchant's ability to carry on its business substantially as now conducted or that would materially adversely affect Merchant's financial condition or operations, or its ability to perform its obligations under this Agreement or pay its debts.

g. Merchant has never been placed on the MasterCard MATCH system or the Combined Terminated Merchant File.

h. All Transactions are bona fide transactions and no Transaction will involve the use of any payment card for any purpose other than the purchase of goods or services from Merchant or involve the cardholder obtaining cash from Merchant unless allowed by the Association Regulations and agreed to in writing by ProPay.

10. ADDITIONAL COVENANTS OF MERCHANT.

a. Merchant shall immediately notify ProPay if there are any changes to its business, ownership or the nature of its operations that make any information contained in the Application, the representations and warranties, or otherwise provided to Bank or ProPay inaccurate, incomplete, incorrect or misleading. Merchant shall submit Transactions to ProPay and Bank solely for goods and services that are customary for

libraries to provide.

b. Merchant shall notify Bank and ProPay if it intends to allow any third-party service provider or other agent to have access to cardholder data (as defined by the Visa Regulations), and shall ensure that each such third party complies in full with all Applicable Law in connection with its access to or use of any such cardholder data.

c. Merchant shall not present for processing or credit, directly or indirectly, any transaction not originated as a result of a Transaction directly between Merchant and a cardholder or any transaction Merchant knows or should know to be fraudulent or not authorized by the cardholder. Perpetrators of fraudulent transactions will be referred by ProPay, in its sole discretion, to the appropriate law enforcement agency. Merchant agrees that Bank or ProPay may, within its discretion, suspend the disbursement of Transaction funds for any reasonable period of time required to investigate suspicious or unusual activity. ProPay shall have no liability for any losses Merchant may attribute to any suspension of the disbursement of funds.

d. Merchant's refund policies for purchases made, or payment obligations satisfied, with a Card must be at least as favorable as Merchant's refund policy for purchases made, or payment obligations satisfied, with any other form of payment. Merchant will disclose its refund policy prior to or at the time of the purchase and in accordance with Applicable Law.

e. Merchant shall not at any time conduct its business in any manner that directly violates the High Risk Transactions/Acceptable Use Policy (the "Acceptable Use Policy") found at <http://www.propay.com/legal-agreements/high-risk-acceptable-use-policy/>, which is incorporated herein by this reference. Bank and ProPay reserve the right to revise the Acceptable Use Policy from time to time without providing notice. Merchant's presentation to ProPay of High Risk Transactions (as defined in the Acceptable Use Policy) or Transactions that otherwise violate the Acceptable Use Policy may result in any one or more of the following: (i) refusal of an authorization to process Transactions; (ii) suspension of the provision of Merchant Services; and/or (iii) immediate termination of this Agreement.

f. Merchant shall cause the Merchant Bank Account to remain open at all times during the Term of this Agreement and during the Reserve Account Holding Period.

g. Merchant shall timely reconcile all issues related to the Merchant Services, and shall submit any dispute to ProPay, in writing, no later than sixty (60) days after the date on which any item with respect to which such dispute relates is initially posted to the Merchant Operating Account or otherwise appears in any report provided by ProPay or Bank to Merchant. Merchant will be deemed to have waived any dispute with respect to which it fails to provide to ProPay timely notice, as required by this Section 10(g).

h. Merchant (and its principals if Merchant is not a governmental agency, division, or unit) shall provide to ProPay information as requested from time to time by to enable ProPay or Bank to assess the risk exposure in providing a merchant account to Merchant.

i. Merchant hereby authorizes ProPay and Bank to make such inquiries and obtain such information regarding Merchant (and its principals if Merchant is not a governmental agency, division, or unit) and its business operations as ProPay or Bank deem necessary or appropriate in connection with the business relationship created by this Agreement. Merchant also hereby authorizes ProPay and Bank to share any such information with third parties (including, without limitation, the Card Associations, other financial institutions seeking to underwrite Merchant and other entities directly or indirectly involved in providing the Merchant Services).

j. Merchant shall direct any and all concerns and/or questions it may have regarding the Merchant Services or any Card Association to ProPay, who shall be responsible for managing any disputed transaction, charge, credit or other Merchant service issue.

k. Merchant shall ensure that only authorized individuals access the Merchant Operating Account, Merchant Bank Account and the ProPay website to, among other things, effect transfers of funds to and/or from such accounts. Merchant shall be solely responsible for any loss that arises out of any unauthorized individual gaining access to the Merchant Operating Account, Merchant Bank Account or ProPay website using Merchant's ID number and PIN, and shall indemnify and hold Bank and

ProPay harmless from and against any such loss, unless such unauthorized individual gained such access as a result of a breach of security relating to the ProPay website without the participation in any way of Merchant.

11. INDEMNIFICATION; LIMITATION OF LIABILITY.

a. Merchant shall indemnify and hold Bank, ProPay, each relevant Card Association and their respective owners, affiliates, officers, directors or employees (collectively, the "Indemnified Parties") harmless from and against all claims, demands, losses, damages, liability, actions, costs, judgments, arbitral awards, assessments, fines, fees and expenses (including, without limitation, reasonable attorneys' fees, expenses, arbitration costs and court costs) suffered or incurred by any Indemnified Party arising out of, related to or in connection with: (i) any breach by Merchant of any of its duties or obligations under this Agreement; (ii) any Transaction or any chargeback, return or credit associated with any Transaction; (iii) any act or omission by Merchant or any of Merchant's employees or agents in connection with any payment card (including, but not limited to, any fraudulent activity associated with any payment card); (iv) any violation by Merchant of, or any failure by Merchant to comply with, any Applicable Law, including, without limitation, any Association Regulation, the PCI DSS, CISP or SDP; (v) any liability for any loss, costs or fees incurred by Merchant that are the result of any debit by ProPay from the Merchant Operating Account or the Merchant Bank Account; and (vi) any return of any good or any price adjustment or other dispute with, or claim by, a customer (whether or not such dispute or claim is valid). If Merchant is a governmental agency, division, or unit, this indemnification obligation shall be subject to Merchant's state laws restricting tort or contract damages.

b. EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH IN THIS AGREEMENT, BANK AND PROPAY DISCLAIM ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE MERCHANT SERVICES, INCLUDING WITHOUT LIMITATION, ANY AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, SUITABILITY, NON-INFRINGEMENT AND OTHERWISE (REGARDLESS OF ANY COURSE OF DEALING, CUSTOM, OR USAGE OF TRADE), AND REGARDING ANY OTHER SERVICES PROVIDED UNDER THIS AGREEMENT OR ANY GOODS PROVIDED INCIDENTAL TO SUCH SERVICES. EACH PARTY ACKNOWLEDGES THAT IT HAS NOT ENTERED INTO THIS AGREEMENT IN RELIANCE UPON ANY WARRANTY OR REPRESENTATION EXCEPT THOSE SPECIFICALLY SET FORTH HEREIN.

c. UNDER NO CIRCUMSTANCES SHALL BANK'S OR PROPAY'S FINANCIAL RESPONSIBILITY FOR ITS FAILURE TO PERFORM ANY OBLIGATION UNDER THIS AGREEMENT EXCEED THE TOTAL FEES PAID TO PROPAY UNDER THIS AGREEMENT (NET OF CARD ASSOCIATION FEES, THIRD PARTY FEES, INTERCHANGE ASSESSMENTS, AND FINES) FOR THE SIX MONTHS PRIOR TO THE TIME THE LIABILITY ASSOCIATED WITH SUCH FAILURE (OR FAILURES) AROSE. EXCEPT AS OTHERWISE PROVIDED FOR IN THIS AGREEMENT, IN NO EVENT WILL ANY PARTY, ITS RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, OR AFFILIATES, BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE DAMAGES, LOST PROFITS OR ANY LOSS, THEFT, DISAPPEARANCE, OR DAMAGE TO DATA TRANSMITTED ELECTRONICALLY IN CONNECTION WITH THIS AGREEMENT.

12. CONFIDENTIAL INFORMATION.

a. ProPay's Obligations. ProPay shall not disclose information relating to Transactions other than to Bank, other relevant financial institutions, the relevant Card Association(s) and its employees, agents and other third parties that need to know such information in connection with the provision of the Merchant Services or otherwise to allow ProPay to perform its obligations under this Agreement. ProPay's obligations under this Section 12(a) shall terminate with respect to any Transaction information that becomes public other than as a result of its disclosure by ProPay.

b. Merchant's Obligations.

i. Merchant agrees that the processes used by ProPay in connection with providing the Merchant Services, all communications concerning the Merchant Services provided by ProPay pursuant to the terms of this Agreement (to the extent allowed under Merchant's state public records

laws), and all cardholder data are the confidential information of ProPay. Merchant agrees that neither it nor any of its employees, agents, representatives or independent contractors will sell or disclose any of such information to any person or entity that is not a party to this Agreement without the prior written consent of ProPay. Merchant shall treat each document provided by ProPay, any financial institution or any Card Association relating to this Agreement as confidential and proprietary, and shall protect such document with the same degree of care as Merchant would protect its own confidential and proprietary information.

ii. Except to the extent specifically permitted or required by any applicable Association Regulation or this Agreement, or except as otherwise approved in advance in writing by ProPay, Merchant shall not disclose any information relating to ProPay, any network used to process Transactions, any financial institution or any Transaction to any person or entity other than ProPay or Bank, employees, agents or independent contractors of ProPay or Bank, or those of Merchant's employees who have a specific need to know such information for a purpose relating Merchant's obligations in connection a Transaction (such as responding to a cardholder inquiry, resolving a cardholder dispute, or investigating a possible processing error), or as otherwise specifically required by law, including without limitation, Merchant's state public records laws.

13. TRADEMARK LICENSES.

a. License of ProPay's Trademarks. Subject to the terms and conditions contained herein, ProPay hereby grants to Merchant the right to use, reproduce, publish, perform and display the trademarks and logos used by ProPay: (i) on Merchant's web site in connection with its offering of payment options to its customers; and (ii) in promotional and marketing materials and electronic and printed advertising, publicity, press releases, newsletters and mailings about or related to any of the services offered by ProPay.

b. License of Merchant's Trademarks. Subject to the terms and conditions contained herein, Merchant hereby grants to ProPay and its affiliates the right to use, reproduce, publish, perform and display trademarks and logos used by Merchant: (i) in connection with the development, use, reproduction, modification, adaptation, publication, display and performance of the ProPay services offered and/or accessible through Merchant's web site; and (ii) in promotional and marketing materials and electronic and printed advertising, publicity, press releases, newsletters and mailings about or related to any of the services offered by ProPay used by Merchant.

c. Use of Trademarks. Each of Merchant and ProPay shall strictly comply with all standards imposed or established by the other from time to time in connection with the use of its trademarks. In addition, neither Merchant nor ProPay shall create a combination mark consisting of one or more trademarks and/or logos of both Merchant and ProPay. All uses of the other Party's trademarks and logos shall inure to the benefit of the Party owning such trademark or logo. ProPay and Merchant each from time to time may limit, restrict, update or change those trademarks and logos subject to the licenses set forth above by providing written notice to the other Party.

d. Trademark Restrictions. Neither ProPay nor Merchant shall: (i) use any trademark or logo of the other Party except as expressly authorized in this Agreement; (ii) take any action inconsistent with such Party's ownership of its trademarks or logos or any associated registrations, or attack the validity of any such trademarks or logos; (iii) use any trademark or logo of the other Party in any manner that would indicate it is using such trademark or logo other than as a licensee of the other Party; or (iv) assist any third party do any of the foregoing.

e. Use of Card Association Trademarks. During the Term, Merchant may use the trademarks and logos of the Card Associations solely as permitted by, and solely pursuant to the terms of, the Association Regulations.

14. TERM AND TERMINATION.

a. This Agreement will become effective on the Effective Date and will remain in effect until terminated by either Party by delivering 90 days' advanced written notice to the other Parties of such termination ("Term").

b. If (i) there is a default by a Party (the "Defaulting Party") of any representation or warranty it has made, or in the performance of any of its obligations, under this Agreement and such default shall continue for a period of thirty (30) days after receipt of written notice thereof (setting

forth in reasonable detail the nature of the default) from any other Party, or (ii) (A) a Party (also referred to as the "Defaulting Party") makes a general assignment for the benefit of creditors, (B) a receiver for all or substantially all of the property of the Defaulting Party is appointed and not removed within thirty (30) days after such appointment, (C) the Defaulting Party files a petition for bankruptcy or reorganization under the provisions of any applicable bankruptcy laws, or (D) the Defaulting Party declares its insolvency or becomes insolvent, then, in any such case, either of the other Parties (the "Non-Defaulting Party") shall have the right to terminate this Agreement immediately upon written notice to the Defaulting Party. In addition to the foregoing, either Non-Defaulting Party may terminate this Agreement immediately upon written notice to the Defaulting Party upon the second default (that is substantially similar to a prior default) by the Defaulting Party of any obligation under this Agreement.

c. In addition to the foregoing, either Bank or ProPay may terminate this Agreement, effective immediately, by providing written notice to Merchant under any of the following circumstances (in the event of any conflict between this Section 14(c) and Section 14(b), the terms of this Section 14(c) shall prevail):

i. If Merchant has or obtains another merchant account with a financial institution to process transactions effected through the use of payment cards issued by one or more Card Associations and: (A) Merchant fails to provide immediate notice to ProPay of such account; or (B) ProPay does not approve (in its sole discretion) such additional account.

ii. Merchant fails to comply with any Association Regulation or otherwise violates any Applicable Law or takes any action that creates harm or loss of goodwill to the Card Associations (as determined by Bank or ProPay, in their sole discretion).

iii. Bank or ProPay determines that any change to Merchant's business, ownership or the nature of its operations reported by Merchant pursuant to Section 10(a) or otherwise discovered by Bank or ProPay creates, in any way, additional risk, or is unacceptable, to Bank or ProPay.

iv. If: (i) any Card Association or Bank disapproves of Merchant, and notifies ProPay of such disapproval; (ii) any Card Association requests or requires Bank or ProPay to terminate this Agreement; (iii) Bank requests or requires ProPay to terminate this Agreement; or, (iv) any circumstances arise or events occur, following which Bank or ProPay is required, pursuant to any Association Regulation, to terminate this Agreement.

d. Upon any termination of this Agreement:

i. All of Bank's and ProPay's obligations to process Transactions (other than Transactions submitted for processing prior to the effective date of termination) immediately shall terminate, and Merchant immediately shall cease submitting any requests to ProPay and Bank to process payment card or other transactions.

ii. All amounts owed by Merchant to Bank and ProPay shall become immediately due and payable.

iii. Bank and ProPay may make reasonable adjustments to the Reserve Account Funding Amount, and may take such actions as may be necessary or desirable to cause the amount held in the Reserve Account to equal the Reserve Account Funding Amount (as so adjusted), including, without limitation, debiting any funds credited to the Merchant Operating Account or initiating a debit to the Merchant Bank Account.

iv. The obligations of Merchant under this Agreement for Transactions processed by ProPay and Bank and for fees, fines, expenses or other obligations incurred, arising from or relating to acts or omissions that occurred prior to the effective date of termination, shall survive any termination of this Agreement.

v. Following the expiration of the Reserve Account Holding Period, ProPay and Bank (if relevant) shall cause the funds remaining in the Reserve Account and/or Merchant Operating Account (if any) to be transferred to Merchant, in accordance with this Agreement and Merchant's reasonable instructions.

vi. If such termination follows or is the result of any failure of Merchant's business (including, without limitation, any bankruptcy, insolvency or other suspension of Merchant's business), Merchant agrees that it shall not sell, transfer, or disclose any materials that contain

cardholder account numbers, personal information or transaction information to third parties, all of which information Merchant either shall return to Bank or provide acceptable proof of destruction to Bank.

vii. ProPay and Merchant each shall terminate all use of the trademarks and/or logos of the other Party under any license granted pursuant to Section 13, and Merchant shall terminate its use of any Card Association trademark or logo, unless it has permission to continue such use pursuant to a separate agreement.

e. All payment obligations of the Parties that arose prior to such termination shall survive any termination of this Agreement. In addition, the terms of Sections 5, 7, 8, 11, 12, 13 and 15, and any other provision of this Agreement that, by its terms, is intended to survive any termination of this Agreement, shall so survive such termination.

15. MISCELLANEOUS PROVISIONS.

a. Notices. Any notices or other communications required or permitted by this Agreement shall be in writing and shall be delivered either by personal delivery, by a nationally recognized overnight courier service, by facsimile, electronic mail or other electronic means, by first class mail or by certified or registered mail, return receipt requested, addressed as set forth above or to such other address as any Party shall have designated to the others by written notice given in the manner set forth above. Notices and approvals required under this Agreement shall be deemed given: one day after sent, if sent by overnight courier; when delivered and receipted for, if hand delivered; when received, if sent by facsimile, electronic mail or other electronic means or by first class mail; or when receipted for (or upon the date of attempted delivery where delivery is refused or unclaimed), if sent by certified or registered mail, return receipt requested.

b. Assignment and Transfer. This Agreement may be assigned by Bank or by ProPay (with the consent of Bank), but shall not be assigned by Merchant, directly or by operation of law, without the prior written consent of ProPay. Any attempted assignment in contravention of this Section 15(b) shall be null and void.

c. Waiver. Except as set forth in Section 10(g), no Party hereto shall be deemed to have waived any of its rights, powers or remedies hereunder unless such waiver is made in writing, signed by such Party. Upon any such waiver of a past default, such default shall cease to exist. No such waiver shall extend to any subsequent or other default or impair any right relating thereto except to the extent expressly so waived. No waiver of any provision of this Agreement shall be deemed nor shall constitute a waiver of any other provision of this Agreement, whether or not similar, and no waiver shall constitute a continuing waiver. No course of dealing among the Parties, and no delay or forbearance in exercising any right hereunder, shall imply or otherwise operate as a waiver of any right of a Party.

d. Agency Relationship. Merchant authorizes ProPay with respect to the Services to act as Merchant's agent for the limited purposes of holding, receiving, and disbursing funds on Merchant's behalf. Merchant's authorization permits ProPay to generate an electronic funds transfer to process each payment transaction. This authorization will continue until Merchant's ProPay account is closed or terminated. Merchant agrees that ProPay's receipt of transaction proceeds satisfies Merchant's customers' obligations to Merchant. ProPay will remit to Merchant funds actually received by ProPay on Merchant's behalf, less amounts owed to ProPay, subject to any chargebacks or reserve withheld or applied as per this agreement.

e. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall become effective as of the Effective Date, upon the execution by each of the Parties of at least one counterpart hereof, and it shall not be necessary that any single counterpart bear the signatures of all Parties. Execution and delivery of this Agreement by exchange of facsimile or electronic copies bearing the facsimile or electronic signature of a Party shall constitute a valid and binding execution and delivery of this Agreement by such Party. Such facsimile or electronic copies shall constitute enforceable original documents.

f. Further Assurances. The Parties agree that, upon request, they each shall do such further acts and deeds, and shall provide, execute, acknowledge, deliver and/or record such books and records and such other documents and instruments as may be reasonably requested by

any other Party or necessary or appropriate from time to time to effectuate, evidence, confirm or carry out the intent and purposes of this Agreement or to confirm compliance by a Party to the terms and conditions of this Agreement.

g. Severability. If any one or more of the provisions contained in this Agreement shall in any jurisdiction be held or determined by a court having jurisdiction to be invalid, illegal or unenforceable for any reason, such provision shall be deemed modified so as to be enforceable to the maximum extent permitted by law consistent with the intent of the Parties as herein expressed, and such invalidity shall not affect the remaining provisions of this Agreement, which shall continue in full force and effect.

h. No Remedies Exclusive. No right or remedy granted pursuant to the terms of this Agreement shall be deemed to be exclusive of any other right or remedy granted herein or any other right or remedy now or hereafter available at law or equity. All rights and remedies granted pursuant to the terms of this Agreement, and all rights and remedies now or hereafter available at law or equity, shall be deemed to be cumulative and not alternative, and may be exercised concurrently, independently or successively.

i. Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF UTAH, EXCLUSIVE OF ITS RULES REGARDING CONFLICTS OF LAWS. The Parties further agree that all performances due and transactions undertaken pursuant to this Agreement shall be deemed to be due or have occurred in the City of Lehi, Utah County, State of Utah, and that the entry into and performance hereof by Merchant shall be conclusively deemed to be the transaction of business within the State of Utah. In the event any controversy or claim between or among the Parties, their agents, employees, representatives, or affiliates shall arise in any judicial or legal proceeding, each Party hereby waives its right to trial by jury of such controversy or claim. In addition, any Party may elect to have all decisions of fact and law determined by a referee appointed by the court in accordance with applicable state reference procedures. Judgment upon any award rendered shall be entered in the court in which any such reference proceeding was commenced.

j. No Third Party Beneficiaries. This Agreement is for the exclusive benefit of the Parties, and no other person or entity, including any affiliate or creditor of any Party, shall have any right or claim against any Party by reason of this Agreement or shall be entitled to enforce any provision of this Agreement against any Party.

k. Entire Agreement. This Agreement and the attachments hereto or referenced herein constitute the entire agreement among the Parties, and supersede all prior oral and written negotiations among the Parties, with respect to the subject matter hereof. Each Party acknowledges that it has not entered into this Agreement in reliance upon any representation or warranty other than those specifically set forth herein.

l. Headings. The headings listed after each section number in this Agreement are inserted for convenience only, do not constitute a part of this Agreement and are not to be considered in connection with the interpretation or enforcement of this Agreement.

m. Force Majeure. No Party shall be liable for failing to perform, or for any delay in performing, its obligations under this Agreement when such failure or delay is due to force majeure, provided the Party claiming the existence of force majeure gives notice to the other Parties within fourteen (14) days of the commencement or continuance of the circumstances that constitute such force majeure. The term "force majeure" shall include any cause or contingency beyond the control of the Party concerned. No Party shall be relieved from performing any pending obligations under the Agreement when the existence of force majeure has been eliminated or terminated.

n. Review of Books and Records. ProPay and Bank shall have the right, at its cost and expense and by providing not less than thirty (30) days' prior written notice to Merchant, to review those books and records of Merchant that pertain to the performance by Merchant of its obligations under this Agreement, for the purpose of confirming or assessing compliance with the terms and conditions of this Agreement. Any such review shall be conducted during normal business hours at a place reasonably designated by Merchant.

o. Amendment. This Agreement (including, without limitation, the Fee Schedule), and any attachment hereto or document referenced herein, may be amended, modified or revised by ProPay (with the approval of Bank) or Bank at any time, by providing not less than thirty (30) days' prior written notice to Merchant. If Merchant does not agree to the terms of any such amendment, modification or revision, Merchant may terminate this Agreement by providing written notice to ProPay prior to the effective date of such amendment, modification or revision, as set forth in the relevant notice. Failure by Merchant to so terminate this Agreement shall be deemed to be acceptance of and agreement to any such amendment, modification or revision by Merchant. Notwithstanding the foregoing, any fee or rate increase imposed on ProPay by one or more of the Associations, a sponsor bank, a payment processor, or a service provider may be passed on to Merchant and shall be effective upon the date of the receipt of notice of such increase by Merchant without giving rise to the right to terminate.

p. Costs and Expenses. The prevailing party shall reimburse, upon demand, the defaulting party for all costs and expenses, including attorneys' fees, expended or incurred by the prevailing party in any arbitration, mediation, judicial reference, legal action, or otherwise in connection with: (i) the negotiation, preparation, amendment, interpretation or enforcement of this Agreement; (ii) collecting any sum owed to the prevailing party hereunder; (iii) any proceeding for declaratory relief, any counterclaim to any proceeding, or any appeal; or (iv) the protection, preservation or enforcement by the prevailing party of any right hereunder.

APPENDIX A-1

MERCHANT SERVICES WITH PROTECTPAY

1. Cardholder Identification. When a Merchant utilizes the ProtectPay API it is recommended that the Merchant identify the Cardholder accepting payment for goods or services. Also, as part of the Cardholder identification process, when the Merchant uses the ProtectPay PMI or SPI, ProPay will provide a means to collect and utilize the expiration date, and Zip Code or Postal Code from the Cardholder's billing address. It is also highly recommended that Merchant obtain the CVV2, CVC2 or CID information, as applicable, from each Card. However, Merchants must never store this value permanently. "Cardholder" means a person possessing a Card and purporting to be the person in whose name the Card is issued.

2. AUTHORIZATION

2.1 Authorization Required for Transactions. In the event that the expiration date is not stored in ProtectPay, the Merchant must obtain the Card expiration date and forward it to ProPay as part of the authorization request. A Merchant shall not submit an authorization on behalf of any third party.

2.2 Effect. Authorizations are not a guarantee of acceptance or payment of a Transaction and do not waive any provision of the Merchant Services Agreement or otherwise validate a fraudulent transaction or a transaction involving the use of an expired Card. ProPay may, in its sole discretion, refuse to authorize any Transaction. Neither ProPay, nor agents acting on its behalf will be responsible if authorization for a Transaction is not given.

3. PRESENTMENT OF SALES TRANSMITTALS

3.1 Delivery and Retention of Sales Transmittals. Merchant will retain a Merchant copy of the Transaction or credit memorandum for at least 25 months following the date of completion of the Transaction (or such longer period as the Association Regulations may require). When a Merchant retains this information, Merchant must do so in accordance with the applicable Association Regulations, security and confidentiality requirements as referenced in the Merchant Services Agreement.

3.2 Electronic Transmission. Merchant will enter at the ProPay web site, or transmit via API to ProPay, the data necessary to settle a transaction no later than 72 hours from the date the Merchant initiates the Transaction. Upon request by ProPay, information regarding a sales or credit Transaction transmitted with a computer or magnetic stripe reading terminal will be transmitted by the Merchant to ProPay or its agent in the form ProPay from time to time specifies, or as required under Association Regulations. If ProPay requests a copy of a Sales Transmittal, Merchant's record of return or refund to be credited to cardholder's account ("Credit Voucher") or other Transaction evidence, the Merchant will provide it within three (3) business days following the receipt of the request. Merchant acknowledges that ProPay shall have Chargeback rights with respect to any Transaction or Credit Voucher for which the Merchant fails to provide such documents within such time period.

4. Provisional Credit. Under no circumstance will ProPay be responsible for processing credits or adjustments related to Transactions not originally processed by ProPay. All Transactions and deposits are subject to audit and final verification by ProPay, and may be adjusted for inaccuracies. Merchant acknowledges that all credits provided to Merchant are provisional and subject to Chargebacks and adjustments in accordance with the Association Regulations, whether or not a transaction is charged back by the Card issuer.

5. Reprocessing. Notwithstanding any authorization or request from a customer, Merchant will not reenter or reprocess any Transaction that has been charged back by a customer to the Merchant.

6. Double Billing. Any double billing by a Merchant (attempting authorization on a Card twice for the same Transaction) shall be a breach of this Agreement and may be cause for immediate termination of this agreement.

APPENDIX A-2

MERCHANT SERVICES WITHOUT PROTECTPAY

1. Cardholder Identification. Merchant will identify the cardholder when accepting payment for products sold or services rendered. As part of the cardholder identification process, Merchant will obtain the expiration date, and ZIP Code or Postal Code from the cardholder's billing address. It is also highly recommended that Merchant obtain the CVV2, CVC2 or CID information, as applicable, from each Card. However, the Merchant shall not store this element permanently. Merchant will not honor any Card if: (a) the Card has expired; or, (b) the account number embossed on the Card is listed on a current Electronic Warning Bulletin file.

2. AUTHORIZATION

2.1 Authorization Required for all Transactions. Merchant will obtain authorization via ProPay's web site, touch-tone phone system, Application Program Interface ("API") or other method acceptable to ProPay prior to completing any Transaction. Merchant will follow any instructions received during the authorization process. Upon receipt of authorization, Merchant may consummate only the Transaction authorized and must note on the Merchant's record of cardholder purchase the authorization number. Where authorization is obtained, Merchant will be deemed to warrant the true identity of the customer as the cardholder. Transactions will be deemed invalid on Cards that are expired, whether or not an authorization has been obtained. Merchant must obtain the Card expiration date and forward it as part of the authorization request. Merchant shall not submit an authorization on behalf of any third party.

2.2 Effect. Authorizations are not a guarantee of acceptance or payment of a Transaction and do not waive any provision of the Merchant Services Agreement or otherwise validate a fraudulent transaction or a transaction involving the use of an expired Card. ProPay may, in its sole discretion, refuse to authorize any Transaction. Neither ProPay, nor agents acting on its behalf will be responsible if authorization for a Transaction is not given.

3. PRESENTMENT OF SALES TRANSMITTALS

3.1 Forms. Merchant will transmit to ProPay necessary information to document each Transaction. Each Transaction will contain: (a) Merchant name and account identifier; (b) the Card expiration date; and, (c) the total amount of the sale (including any applicable taxes) or credit transaction. ProPay may also require additional information, such as: (a) ZIP Code of customer's billing address; (b) CVV2 code or the equivalent; (c) a brief description of the goods or services involved; (d) the transaction authorization number; and, (e) if applicable, adjacent to the signature line, a notation that all sales are final.

3.2 Delivery and Retention of Transactions. Merchant will retain the merchant copy of the Transaction or credit memorandum for at least 25 months following the date the Merchant initiates the Transaction. When Merchant retains this information, Merchant must do so in accordance with the applicable Association Regulations, security and confidentiality requirements as referenced in the Merchant Services Agreement.

3.3 Electronic Transmission. Merchant will enter at the ProPay web site, or transmit via API to ProPay, the data related to a Transaction no later than 72 hours from the date the Merchant initiates the Transaction. Information regarding a sales or credit Transaction transmitted with a computer or magnetic stripe reading terminal will be transmitted by Merchant to ProPay or its agent in the form ProPay from time to time specifies, or as required under Association Regulations. If ProPay requests a copy of a Transaction, Merchant's record of return or refund to be credited to cardholder's account ("Credit Voucher") or other Transaction evidence, Merchant will provide it within three (3) business days following the request. Merchant acknowledges that ProPay shall have Chargeback rights with respect to any Transaction or Credit Voucher for which Merchant fails to provide such documents within such time period.

4. Provisional Credit. Under no circumstance will ProPay be responsible for processing credits or adjustments related to Transactions not originally processed by ProPay. All Transactions and deposits are subject to audit and final verification by ProPay, and may be adjusted for inaccuracies. Merchant acknowledges that all credits provided to Merchant are provisional and subject to Chargebacks and adjustments in accordance with the Association Regulations, whether or not a transaction is charged back by the Card issuer.

5. Reprocessing. Notwithstanding any authorization or request from a customer, Merchant will not reenter or reprocess any Transaction that has been charged back by a customer to the Merchant.

6. Double Billing. Any double billing by a Merchant (attempting authorization on a Card twice for the same Transaction) shall be a breach of this Agreement and may be cause for immediate termination of this agreement.

APPENDIX B

ACH ADDENDUM

1. **DEFINITIONS.** All capitalized terms not expressly defined in this ACH Addendum have the meaning ascribed to them in the Agreement or the NACHA Regulations, as applicable.

1.1. "ACH" means Automated Clearing House.

1.2. "ACH Fee Schedule" means the ACH Fee Schedule below.

1.3. "ACH Services" means the ACH services provided by ProPay to the Merchant under this ACH Addendum, including without limitation, originating Entries on behalf of the Merchant.

1.4. "ACH Payment" means an ACH payment from or to a Customer for a Transaction, which payment is deposited into or deducted from Merchant's ProPay Account.

1.5. "Applicable Law" shall include all NACHA Regulations and all applicable federal, state and local laws, rules, regulations and guidelines, and relevant judicial, regulatory and administrative interpretations and determinations.

1.6. "Customer" means any customer of the Merchant who pays the Merchant by means of an ACH Payment under this Addendum.

1.7. "Entry" or "Entries" means, as defined in the NACHA Regulations, credit or debit record(s) entered into the ACH network for the purpose of carrying out a funds transfer.

1.8. "NACHA" means the National Automated Clearing House Association.

1.9. "NACHA Regulations" means the NACHA Operating Rules & Guidelines, and any rules, regulations, requirements, interpretations, and guidelines of NACHA, as the same may be modified, amended, or replaced from time to time.

1.10. "Originator" has the meaning ascribed thereto in the NACHA Regulations, and under this Agreement, refers to the Merchant.

1.11. "Receiver" has the meaning ascribed thereto in the NACHA Regulations, and under this Agreement, refers to any Customer of Merchant who pays or receives payment from the Merchant through an ACH Payment.

1.12. "Transaction" means a bona fide sales transaction made by Merchant in the ordinary course of business relating to library services.

2. **ACH SERVICES.** ProPay will use commercially reasonable efforts to submit Entries into the ACH network on behalf of the Merchant in accordance with the Merchant's instructions, the NACHA Regulations, Applicable Law, and this ACH Addendum.

3. **AUTHORIZATION OF MERCHANT; ACCEPTING ACH PAYMENTS.** In accordance with the terms of this ACH Addendum and the NACHA Regulations, the Merchant authorizes ProPay to originate Entries on its behalf to provide to the Merchant the ability to accept and/or make ACH Payments. The Merchant will only accept and make ACH Payments for bona fide Transactions with its Customers made in the ordinary course of business.

4. **INCORPORATION OF NACHA REGULATIONS.** The NACHA Regulations are hereby incorporated into this ACH Addendum in full, and shall be binding upon the Parties as if set forth in full herein. Copies of the NACHA Operating Rules and Guidelines are available for review online at www.achrulesonline.org. In the event of any conflict between the terms of this ACH Addendum and the terms of the NACHA Regulations, the terms of this ACH Addendum shall prevail.

5. OBLIGATIONS OF MERCHANT.

5.1. **Obey NACHA Regulations.** The Merchant shall comply in full (and shall cause each third party or other agent used by Merchant in connection in any way with any Transaction to comply in full) with all NACHA Regulations and Applicable Law in connection with the commencement and completion of, and all other actions associated with, each Transaction, and in connection with the sale or provision of the

goods, services or anything else of value upon which the Transaction is based or otherwise in the performance of its obligations hereunder. The Merchant: (i) represents and warrants that it has reviewed in full the contents of the NACHA Regulations applicable to it; (ii) agrees to be bound by the NACHA Regulations, and (iii) covenants that it will, from time to time, review the contents of the NACHA Regulations to ensure it remains aware of, and is capable of performing, its duties and obligations under this ACH Addendum. The Merchant covenants that it will not, nor will it instruct ProPay on its behalf to, originate Entries that violate the laws of the United States.

5.2. **Authorizations for ACH Payments.** The Merchant shall, in accordance with the NACHA Regulations, obtain and maintain an authorization (in the manner required by the NACHA Regulations) from each Customer for each ACH Payment requested.

5.3. **Disputes and Returns.** All disputes between Merchant and any Customer relating to any Transaction shall be resolved between the Merchant and the Customer. ProPay bears no financial responsibility for any disputed Transaction. Merchant must maintain the unauthorized return rate, as described in the NACHA Regulations, below 0.5% of originating debits.

6. **OBLIGATIONS OF PROPAY.** ProPay acts as a Third Party Sender on behalf of an Originating Depository Financial Institution to provide ACH Services.

6.1. **Originate Entries.** ProPay will use reasonable efforts to originate Entries on behalf of Merchant in accordance with this ACH Addendum.

6.2. **Deposit Funds.** ProPay shall deposit or deduct funds from an ACH Payment into or out of the Merchant's ProPay Account, according to the terms of the Agreement, subject to adjustment and offset for errors, reversals, fees, or other charges payable by the Merchant.

7. **ACH FEE SCHEDULE.** Merchant agrees to pay the fees for the ACH Services as set forth in below ("**ACH Fees**"). ACH Fees are payable according to the terms of the Agreement.

Fee Type	Amount
ACH Payment Fee (per transaction)	\$0.50
Notification of Change Fee (per item)	\$5.00
Return Item Fee (insufficient funds, etc.) (per Item)	\$20.00
ACH Stop Payment/Customer Cancellation Fee (per Item)	\$20.00
Research Fee (per Item)	\$10.00

8. **INTERPRETATION.** The same rights, restrictions, and responsibilities relating to the Merchant Services under the Agreement shall exist and apply (to the fullest extent reasonable) to the ACH Services under this ACH Addendum. The Parties intend that the terms of the Agreement placing restrictions on Transactions and giving rights and responsibilities to each Party, as they relate to payment card transactions (including without limitation, processing limits, payment in connection with settled transactions, Reserve Account (including rights to offset), debits from the Merchant Checking Account, representations and warranties, additional covenants of Merchant, indemnification, limitation of liability, confidential information, trademarks, Term and termination, and the Miscellaneous or other "boiler plate"-type of provisions) shall apply to the Transactions contemplated by this ACH Addendum to the fullest extent possible. By way of clarification, where possible, references to "Transactions" under the Agreement shall be interpreted to include Transactions under this ACH Addendum, references to "Bank and ProPay" or "Bank" under the Agreement shall mean ProPay under this ACH Addendum, references to "Card Associations" under the Agreement shall be interpreted to include NACHA under this ACH Addendum for Transactions involving ACH Payments.

APPENDIX C

API LICENSE AGREEMENT

THIS API LICENSE AGREEMENT (hereinafter referred to as this "License") attached as Appendix C is hereby made as part of and incorporated into the foregoing Agreement by and between Merchant and ProPay. ProPay and Merchant may sometimes hereinafter be referred to collectively as the "Parties" or individually as a "Party." This license is effective as of the date Merchant first accesses, downloads, or uses the Application Programming Interface ("API").

INSTALLING, COPYING, OR OTHERWISE USING THE API CONSTITUTES MERCHANT'S AGREEMENT TO BE BOUND BY ALL OF THE TERMS OF THIS LICENSE. IF MERCHANT DOES NOT AGREE TO ALL OF THE TERMS, MERCHANT IS NOT AUTHORIZED TO USE, DOWNLOAD, OR INSTALL THE API.

1. Purpose. ProPay owns and operates a proprietary payment network and provides payment services and solutions for businesses. ProPay has developed the API, which is for use by Merchant to build software applications that interface with or otherwise communicate with ProPay's payment network. ProPay hereby provides this license to Merchant to enable Merchant's interaction with ProPay's payment network via ProPay's API. All elements of ProPay's API and Merchant's specific Authorization Information shall constitute the ("Licensed Materials").

2. License Grant. Subject to the terms and conditions of this License, ProPay grants to Merchant a nontransferable, nonexclusive, non-sublicense-able, limited license to use the Licensed Materials solely in accordance with this License. Merchant may do the following under this License:

- 2.1 Take action against payment cards consisting of authorizing, capturing, voiding, and refunding transactions;
- 2.2 Sign up users for payment and/or merchant accounts;
- 2.3 Transfer money, including commission payments, between ProPay accounts;
- 2.4 Initiate SpendBack transactions;
- 2.5 Initiate SplitPay transactions; and
- 2.6 Make informational requests regarding ProPay accounts, subject to system or API limitations.

Any combination of subsections 2.1 – 2.6 above shall be deemed a "Permitted Use." A Permitted Use is subject to all restrictions identified herein. Subsections 2.2 – 2.6 require additional terms and conditions or agreements. ProPay shall provide to Merchant confidential data which is specific to Merchant that shall permit Merchant to access and use the API ("Authorization Information"). The Authorization Information is the property of ProPay and may be immediately revoked or terminated by ProPay if Merchant shares the same with any third party (other than Third Party Service Providers from Merchant), if compromised by a third party, or if Merchant uses or accesses the API in any way not expressly permitted or granted under this License.

3. Restrictions. ProPay reserves all rights in the Licensed Materials not expressly granted herein. Except as expressly provided herein: (i) Merchant shall not copy, nor allow others to copy, any of the Licensed Materials; (ii) Merchant shall not sell, assign, pledge, lease, deliver, sublicense or otherwise transfer the Licensed Materials or any part thereof to any third party; (iii) Merchant shall not disclose to any third party or permit any third party to have access to or use the Licensed Materials or any part thereof; (iv) Merchant shall not modify, alter or change the Licensed Materials or any part thereof, or develop any diagram, drawing or other documentation based on the Licensed Materials or the information contained therein; (v) Merchant shall not use the Licensed Materials to develop, manufacture, modify or reproduce any other product or service that it has reason to know, or is notified by ProPay, that competes with any ProPay product or service manufactured and/or distributed by or for ProPay; (vi) Merchant may not reverse engineer the Licensed Materials; and (vii) Merchant shall not permit or enable third parties to copy or obtain ProPay data from Merchant's website in any unauthorized manner including, but not limited to, the use of using robots, spiders, scraping, or any other technology. Notwithstanding the foregoing, Merchant may disclose the Licensed Materials to any third party service provider for the sole purpose of

accomplishing a Permitted Use of this License. Said third party must agree in writing to be bound by all the terms and conditions of this License. A "Third Party Service Provider" is any third party service provider who is reasonably needed to undertake a Permitted Use of this License and who is subject to all restrictions herein.

4. Ownership of Licensed Materials. Merchant acknowledges and agrees that all right, title and interest in and to the Licensed Materials and all patents, copyrights, trademarks, trade names, trade secrets and other proprietary rights related to or residing in the Licensed Materials, and all copies of all or any part thereof in any form whatsoever, shall remain with ProPay. Merchant understands and agrees that the Licensed Materials contain trade secrets of ProPay that must be kept confidential, subject to Merchant's state public records laws. Merchant shall promptly notify ProPay of any actual or threatened misappropriation or infringement of ProPay's proprietary rights which may come to Merchant's attention.

5. Proprietary Notices. Merchant shall not remove from the Licensed Materials, or alter, any of ProPay's trademarks, trade names, logos, patent or copyright notices, or other notices or markings, or add any other notices or markings to the Licensed Materials, without the prior express written consent of ProPay. Merchant shall duplicate all such proprietary rights notices on each copy of the Licensed Materials permitted to be made hereunder.

6. Scope Limited. This License is not intended to create nor constitute an alteration of the purpose and effect of any other agreement entered into by and between the Parties. The scope and effect of this License shall be limited to the purpose set forth above.

7. Term and Termination. The term of this License shall run concurrent with the Term of the Agreement to which this License is attached. This License shall be subject to the same obligations and requirements for termination as the Agreement to which this License is attached.

8. Disclaimer of ProPay Warranties. ACCESS TO THE PAYMENT NETWORK AND MERCHANT'S USE OF THE API IS PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTY OF ANY KIND. EXCEPT AS EXPRESSLY STATED HEREIN, PROPAY DISCLAIMS ALL WARRANTIES AND CONDITIONS, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE. PROPAY DOES NOT REPRESENT OR WARRANT THAT PROPAY'S WEBSITE OR THE API SHALL OPERATE SECURELY OR WITHOUT INTERRUPTION. Merchant acknowledges that it has not entered into this License in reliance upon any warranty or representation.

9. Limitation of Liability. PROPAY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OR LOST PROFITS (HOWEVER ARISING, INCLUDING NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR ANY OTHER FORM OF ACTION) ARISING OUT OF OR IN CONNECTION WITH THIS LICENSE, EVEN IF PROPAY IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10. Indemnification. Merchant shall indemnify ProPay against any and all claims, losses, liabilities, costs, and expenses, including reasonable attorneys' fees, which ProPay may incur as a result of any third party actions arising from or relating to: (1) Merchant's or Third Party Service Provider's use of the ProPay's payment network, services, or API in excess of the rights granted herein or (2) information or data acquired through the ProPay's payment network, services, or API provided by Merchant or others on Merchant's behalf. If Merchant is a governmental agency, division, or unit, this indemnification obligation shall be subject to Merchant's states laws restricting tort or contract damages.

11. Breach. Notwithstanding any other provision in this License, Merchant understands that if it fails to comply with the provisions of this License, ProPay will suffer irreparable harm, which may not be adequately compensated for by monetary damages alone. Merchant, therefore, agrees that in the event of its breach or threatened breach of this License, ProPay shall be entitled to monetary damages as well as

injunctive and/or other preliminary or equitable relief, in addition to any other remedies as available by law.

12.1. PCI & CISP Security and Confidentiality Requirements. In addition to the security and confidentiality requirements of this Agreement, Merchant shall, at all times, with respect to account and cardholder data and information, comply with the cardholder information security and confidentiality requirements of Payment Card Industry Data Security Standards or Cardholder Information Security Program (hereinafter referred to as "PCIDSS" and "CISP" respectively) as applicable, as mandated by the Associations and sponsor banks with whom ProPay is affiliated through its regular course of business. Merchant shall provide to ProPay proof of such compliance (to the reasonable satisfaction of ProPay) as and when requested by ProPay from time to time. ProPay may assess, and Merchant agrees to pay, non-compliance fees for failure to provide such proof or for failure to comply with the PCIDSS or CISP.

12.2. Compromise Notification. In the event of breach or intrusion of, compromise or otherwise unauthorized access to cardholder account information which is stored and in the possession of Merchant, Merchant shall immediately notify ProPay, and provide ProPay with information relating and pertaining to the type, nature and extent of cardholder account information which has been compromised. Further, Merchant shall cooperate with ProPay and Bank regarding reasonable requests for information and details regarding the compromise of cardholder account information. Merchant shall make all reasonable, good faith efforts to remedy and address the cause of said breach, intrusion, compromise or otherwise unauthorized access to cardholder account information.

12.3. Continuity Procedures. Merchant shall maintain industry "best practices" regarding continuity procedures and systems to ensure security of cardholder account information in the event of a disruption, disaster, or failure of Merchant's data storage system and/or facility.

ProPay Account Application Instructions

The first step in setting up a ProPay account is to contact James Bass at SirsiDynix. He can be reached via e-mail at james.bass@sirsidynix.com or you call him at 800-288-8020 ext 7754.

Front Page

- Sign and date the first page where it says Merchant Signature.

Business Information

- Please fill out all information in this section. The contact person and email address should be the individual that will be managing the account.

Transaction Information

- This section helps ProPay to determine the monthly limits to be set on the merchant account. Volume and transaction size should be a dollar amount. If you have not accepted credit cards previous, just use existing fine payment data to estimate these numbers. Monthly limits can be adjusted if needed, so this section does not have to be exact.
- Consumer's Monthly Statement Description will just be a description for your monthly merchant account statement. This description can be whatever is most convenient for you (i.e. The City Public Library Accounts Receivable). Third-Party Connection/Gateway can be left blank.
- The last three fields in this section have to do with the Gateway. Since BLUEcloud Commerce uses the ProtectPay gateway, this box can be checked yes. Because ProtectPay is PCI compliant, the remaining fields, PCI compliant and SAQ/ROC Date, can be left blank.

Bank Account Information

- This is used for identity verification purposes only and is not kept on file. A bank account for transferring funds can be added after the account is created.

Product and Fee Schedule

- Select the fee schedule you would like by checking the box next to the plan name.
- The non-profit rate is available to libraries that provide proof of non-profit or tax exemption. This can include a 501(c)(3) certificate, or tax exempt documentation. Please include this documentation with your completed application in order to receive the lower rates.