

# Merchant Services Pricing Schedule

Client Name: Village of Grayslake

Projected Annual Volume: \$32,710.80

Projected Average Ticket: \$194.70

## Card Types

Visa <input checked="" type="checkbox"/>	MasterCard <input checked="" type="checkbox"/>	Discover <input checked="" type="checkbox"/>	American Express <input type="checkbox"/>
Voyager <input type="checkbox"/>	Wright Express <input type="checkbox"/>	Pin Debit <input type="checkbox"/>	EBT <input type="checkbox"/>

## Pricing Structure

Tiered Pricing       Pass Through Interchange

## Tiered Pricing

You will be charged a MasterCard Assessment of 0.13% for transactions that are greater than or equal to \$1,000, or 0.12% for transactions less than \$1,000, a Visa Assessment of 0.13% for credit transactions or 0.11% for debit transactions, and a Discover Assessment of 0.11%.

### Credit Discount

Visa, MasterCard, & Discover Qualified Rate:	%
Visa, MasterCard, & Discover Mid-Qualified Rate:	%
Visa, MasterCard, & Discover Non-Qualified Rate:	%
Visa Rewards 1:	2.15 %
Voyager:	3.75 %

### Debit Discount

Visa, MasterCard, & Discover Qualified Rate:	%
Visa, MasterCard, & Discover Mid-Qualified Rate:	%
Visa, MasterCard, & Discover Non-Qualified Rate:	%
Regulated Debit:	0.80 %

## Pass Through Interchange (Includes Dues & Assessments)

You will be charged the applicable Interchange rate from Visa, MasterCard, or Discover plus a MasterCard Assessment of 0.13% for transactions that are greater than or equal to \$1,000, or 0.12% for transactions less than \$1,000, a Visa Assessment of 0.13% for credit transactions or 0.11% for debit transactions, and a Discover Assessment of 0.11%.

Discount Rate: 0.10%

## Pin Debit & EBT

You will be charged the applicable Interchange rate from the appropriate debit network, plus any network or switch fees.

Transaction Charge:	\$0.25	Jeannie Debit Network Annual Charge:	\$9.00
Star Debit Network Annual Charge:	\$6.00		

## Merchant Services Pricing Schedule (cont.)

Card Brand/Network Fees:					
Visa		MasterCard		Discover	
Authorization Fee:	\$0.015	Authorization Fee:	\$0.015	Authorization Fee:	\$0.015
Acquirer Processing Fee:	\$0.03	NABU Fee:	\$0.03	Data Usage Fee:	\$0.03
Kilobyte Fee:	\$0.015	Kilobyte Fee:	\$0.015	International Processing Fee:	0.40%
Transaction Integrity Fee:	\$0.10	CVC2 Fee:	\$0.015	International Service Fee:	0.55%
International Acquirer Fee	0.45%	Cross Border Fee:	0.60%		
ISA Fee:	0.80%	Acquirer Support Fee:	0.85%		
FANF Fees:	Varies	Acquirer License Fee:	0.025%		
		Digital Endorsement Fee:	0.01%		

Transaction Fees			
Visa, MasterCard, Discover, & Voyager:	\$ 0.10	Address Verification:	\$ 0.05
American Express:	\$ 0.10	Voice Authorization:	\$ 0.95
Wright Express:	\$ 0.10	AVS Voice Authorization:	\$ 2.00
Batch Fee:	\$ 0.10		

Miscellaneous Fees			
Monthly Account Fee:	\$ 10.00	Setup Fee:	\$ 50.00
PCI Endorsement Fee:	\$ 11.00	Portfolio Manager:	<del>\$ 3.00</del>
Regulatory Product Fee:	\$ 3.95	Monthly Minimum:	\$ 0.00
Rush Fee:	<del>\$ 50.00</del>	Chargeback Fee:	\$ 25.00
		Early Termination Fee:	\$ 299.00
		PCI Non-Compliance Fee:	\$ 29.95
		24 Hour, 2nd Level Support:	\$ 3.50
		Annual One Time Event Fee:	\$125.00

Point Of Sale Fees			
A fee may be assessed to transfer existing services. Pre-owned equipment is subject to programming capabilities. All purchases are final.			
Equipment Type: VX520 Terminal Dial	Purchase Price: \$206	Monthly Fee:	One Time Fee:

3K  
  
 \_\_\_\_\_  
 Client Signature

7/14/15  
 \_\_\_\_\_  
 Date

\*By signing above I agree to the terms and conditions of the pricing proposal. Fees may be added or adjusted with 30 days written notification. Continuing to process transactions after this time frame is considered acknowledgement and acceptance of the updated pricing.



**FirstMerit Bank N.A.**  
**Merchant Application**



Acceptance Options:      credit/business  
     consumer debit/prepaid      BOTH

BUSINESS INFORMATION	Business Name (if different than Legal Name) Village of Grayslake			Legal Name Village of Grayslake		
	Location Address 10 S Seymour Ave			Billing Address PO Box 325		
	City Grayslake	State IL	Zip Code 60030	City Grayslake	State IL	Zip Code 60030
	Business Phone Number 8472238515		Federal Tax ID 366005911	Fax Number 8472234821		Merchant Contact For Training Bettina OConnell
	E-Mail Address boconnell@villageofgrayslake.com			URL (Web) Address www.villageofgrayslake.com		
	Type of Ownership (Please Circle) Corp.   Partnership   Limited Liability Corp   Sole Proprietorship   Non Profit Organization or GOV					Cust Service Phone Num (published to merch cust) <b>8472238515</b>

PROCESSING INFORMATION	Detailed explanation of type of merchandise, product or services sold <b>Village - building permits</b>		How is sale transacted? Sum of % must equal 100%. Wholesale      Door to Door Store front      Mail Order <b>100</b> Internet	American Express SE Number <b>NO</b>
	Has merchant previously processed MC/VS trans? <b>YES</b>	Does this business cash checks, sell money orders, travelers Checks or Stored value cards, engage in currency exchange or engage in money transfer services? Y or N <b>NO</b>	EQUIPMENT NEEDED: (Circle One) IP <b>Dial</b> DSL Rent      _____ <b>Terminal</b> Purchase <b>Vx520 Dial</b> Software Own      _____      Pin Pad	
	Through what processing company or bank? <b>Nelnet</b>	Reason why relationship was terminated: <b>Banking relationship</b>	COPIES OF MERCHANT BANKCARD STATEMENT FOR THREE MOST RECENT MONTHS MUST BE ATTACHED. Merchant contact for all communications: First and Last Name <b>Bettina OConnell</b>	

COMPANY HISTORY	DATE BUSINESS STARTED	LENGTH OF CURRENT OWNERSHIP YEARS      MONTHS	PRIOR BANKRUPTCIES? IF YES: BUSINESS OR PERSONAL	DATES:
	NAMES OF ANY OTHER CURRENTLY/PREVIOUSLY OWNED BUSINESSES: <b>NA</b>			

OWNERS/PARTNERS/PRINCIPLES	OWNER/PARTNER/PRINCIPLE			OWNER/PARTNER/PRINCIPLE			OWNER/PARTNER/PRINCIPLE		
	NAME			NAME			NAME		
	TITLE			TITLE			TITLE		
	HOME ADDRESS			HOME ADDRESS			HOME ADDRESS		
	CITY	STATE	ZIP CODE	CITY	STATE	ZIP CODE	CITY	STATE	ZIP CODE
	SOCIAL SECURITY NUMBER & DATE OF BIRTH			SOCIAL SECURITY NUMBER & DATE OF BIRTH			SOCIAL SECURITY NUMBER      DOB		
	HOME TELEPHONE NUMBER			HOME TELEPHONE NUMBER			HOME TELEPHONE NUMBER		

DEPOSITORY RELATIONSHIP	DEPOSITORY INSTITUTION: <b>FirstMerit Bank</b>	ROUTING AND CHECKING ACCOUNT NUMBER <b>041200555      5050000217</b>
	I/WE HEREBY AUTHORIZE FIRSTMERIT BANK TO INITIATE DEBIT AND CREDIT ENTRIES TO MY (OUR) CHECKING ACCOUNT INDICATED HEREIN AND THE DEPOSITORY NAMED HEREIN, TO DEBIT AND CREDIT THE SAME TO SUCH ACCOUNT. Indicate above the Name, Address and Social Security Number of the principals of the business. Any or all of the below indicated persons agree and understand that their individual credit worthiness may be verified and considered by FirstMerit Bank N.A. in evaluating this business application.	
	AUTHORIZED SIGNER 	DATE <b>7/14/15</b>

If you have multiple locations, you should complete the section of this Application entitled "Business Information" with your headquarters information and supply an additional store information sheet. Each additional store information sheet is a part of the Merchant application and Agreement and incorporated by reference.

Resolution for Corporations, LLC's and Partnerships

The undersigned hereby certify that he/she is Secretary of Village of Grayslake

located at 10 S Seymour Ave Grayslake IL 60030

which is a Village

organized under the Laws of the State of ILLINOIS. The undersigned also certify the members listed

below is a true extract taken from the minutes of a Board of Directors meeting held after due notice at which there was present a quorum authorized

to transact business that the proceeding of the said meeting were in accordance with applicable law and the Charter Regulations and

By-Laws of said Corporation. The member(s) listed below have not been revoked, annulled or amended.

BE IT RESOLVED THAT any of the following officers to witness:

**Bettina OConnell**

Name \_\_\_\_\_ Title \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

to FirstMerit Bank, N.A. ("Bank") for the establishment of a Merchant Bankcard relationship and to execute any such applications and agreements

as Bank may require.

IN WITNESS WHEREOF, I have hereunto set my hand this 14<sup>th</sup> of July, 2015.

Secretary, Member or Partner of the Corporation

Michael J. Ellis  
Printed Name

[Signature]  
Signature

For Bank Use Only

Sales Rep Signature \_\_\_\_\_ Date \_\_\_\_\_

I have reviewed the necessary credit checks, and I approve this application

By \_\_\_\_\_ Date \_\_\_\_\_

## Merchant Processing Agreement

This Merchant Processing Agreement and Merchant Bankcard Application (collectively, the "Agreement") is entered into between the business indicated on the Merchant Bankcard Application ("Merchant" or "you"), and FirstMerit Bank, N.A., a national banking association ("Bank") and is effective on the Effective Date, as defined in Section 14.A, below.

### Recitals

As indicated on the Merchant Bankcard Application, which is made a part of this Agreement ("Application"), Merchant desires to accept (A) credit cards validly issued by a non-U.S. bank or by members of Visa U.S.A., Inc. ("Visa"), MasterCard Incorporated, ("MasterCard"), and DFS Services LLC ("Discover Network") (collectively "Credit Cards"), and/or (B) debit cards issued by a non-U.S. bank or issued by Visa, MasterCard, Discover® Network and the networks indicated on the Application. Bank desires to provide card processing services to Merchant. Therefore, Merchant and Bank agree as follows:

### Terms and Conditions

#### 1. HONORING CARDS AND CHECKS.

**A. Honoring Cards Without Discrimination.** In accordance with the "Acceptance Option" selected on the Application, you will honor, without discrimination, any of the types of Cards selected which are properly tendered by a Cardholder. As indicated on the Application, "All Card Types" means both Debit Cards and Other Cards (both defined below); "Debit Cards" means all Visa, MasterCard or Discover Network Cards issued by a non-U.S. bank and a Visa, MasterCard or Discover Network Card that accesses a consumer's asset account within 14 days after purchase, including but not limited to stored value, prepaid, payroll, EBT, gift, and Visa consumer check cards; "Other Cards" means all cards issued by a non-U.S. bank and all Visa, MasterCard or Discover Network Cards other than Debit Cards, including but not limited to business and consumer credit cards and business debit cards. Relative to your selected "Acceptance Option", "Card" means a Credit Card and/or a Debit Card. "Cardholder" means a person possessing a Card and purporting to be the person in whose name the Card is issued. You will not establish a minimum or maximum transaction amount as a condition for honoring a Card.

**B. Honoring Discover Network Card Checks Without Discrimination.** You will honor without discrimination Discover Network Card checks and you will handle these card checks like any other personal check drawn upon a bank.

**C. Cardholder Identification.** You will identify the Cardholder and check the expiration date and signature on each Card. Merchant shall not accept a Card for any purpose that it knows or should have known to be fraudulent or in violation of the Rules (defined in Section 15, below). You will not honor any Card if:

- i. the Card has expired,
- ii. the signature on the sales draft does not correspond with the signature on the Card, or
- iii. the account number embossed on the Card does not match the account number on the Card's magnetic stripe (as printed in electronic form) or the account number is listed on a current Electronic Warning Bulletin file. You may not require a Cardholder to provide personal information, such as a home or business telephone number, a home or business address, or a driver's license number, as a condition for honoring a Card unless permitted under the Laws and Rules. If the Card is not signed, you must obtain authorization, ask for current government identification, compare the signature on the ID with the signature on the card, and require the Cardholder to sign the Card prior to completing the sale. If you believe the Card may be counterfeit or stolen or that the sale is in some other manner suspicious or unusual, you should state to the voice authorization clerk, "This is a Code 10" and await further instruction.

**D. Card Recovery.** You will use your reasonable, best efforts to recover any Card:

- i. on Visa Cards, if the printed four digits above the embossed account number do not match the first four digits of the embossed account number,
- ii. if you are advised by Bank (or its designee), the issuer of the Card or the designated voice authorization center to retain it,
- iii. if you have reasonable grounds to believe the Card is counterfeit, fraudulent or stolen, or not authorized by the Cardholder, or

iv. for MasterCard Cards, the embossed account number, indent printed account number and/or encoded account number do not agree, or the Card does not have a MasterCard hologram.

**E. Surcharges.** You will not add any amount to the posted price of goods or services you offer as a condition of paying with a Card, except as permitted by the Rules. This paragraph does not prohibit you from offering a discount from the standard price to induce a person to pay by cash, check or similar means rather than by using a Card.

**F. Return Policy.** You will properly disclose to the Cardholder, at the time of the Card transaction and in accordance with the Rules, any limitation you have on accepting returned merchandise.

**G. No Claim Against Cardholder.** You will not have any claim against, or right to receive payment from, a Cardholder unless Bank refuses to accept the Sales Draft (as defined in Section 3.A) or revokes its prior acceptance of the Sales Draft (after receipt of a chargeback or otherwise). You will not accept any payments from a Cardholder relating to previous charges for merchandise or services included in a Sales Draft, and if you receive any such payments, you promptly will remit them to Bank.

**H. Disputes With Cardholders.** All disputes between you and any Cardholder relating to any Card transaction will be settled between you and the Cardholder. Bank bears no responsibility for such transactions.

**I. Merchant Identity.** You must prominently and unequivocally inform the Cardholder of your identity at all points of interaction with the Cardholder. You are responsible for ensuring that the Cardholder understands that you are responsible for the transaction, including the goods and services, related customer service, dispute resolution, and performance of the terms and conditions of the transaction. If you have multiple locations you must ensure Bank is able to identify the location of each transaction on the transaction receipt and include this identification in the clearing record.

## **2. AUTHORIZATION.**

**A. Required on all Transactions.** You will obtain a prior authorization for the total amount of a transaction via electronic terminal or similar device before completing any transaction, and you will not process any transaction that has not been authorized. You will follow any instructions received during the authorization process. Upon receipt of authorization, you may consummate only the transaction authorized and must note on the Sales Draft the authorization number. Where authorization is obtained, you will be deemed to warrant the true identity of the customer as the Cardholder.

**B. Effect.** Authorizations are not a guarantee of acceptance or payment of the Sales Draft. Authorizations do not waive any provision of this Agreement or otherwise validate a fraudulent transaction or a transaction involving the use of an expired Card. An authorization provides only that the Cardholder account has sufficient credit available to cover the amount of the current sale and an Authorization,  
i. is not a guarantee that the transaction will not be subject to dispute or Chargeback, and  
ii. does not warranty the identity of the Cardholder.

Receiving an authorization shall not relieve the Merchant of liability for chargebacks or other obligations under this Agreement.

**C. Unreadable Magnetic Stripes.** When you present Card transactions for authorization electronically, and if your terminal is unable to read the magnetic stripe on the Card, you will obtain an imprint of the Card and the Cardholder's signature on the imprinted draft before presenting the Sales Draft to Bank for processing.

**D. Gratuities.** An additional authorization is not required where a gratuity is added by the Cardholder if the gratuity does not exceed 20% of the transaction amount.

## **3. PRESENTMENT OF SALES DRAFTS.**

**A. Forms.** You will use a sales draft or other form approved by Bank ("Sales Draft") to document each Card transaction. Each Sales Draft will be legibly imprinted with:

- i. Merchant's name, location and account number,
- ii. the information embossed on the Card presented by the Cardholder (either electronically or manually),
- iii. the date of the transaction,
- iv. a brief description of the goods or services involved,
- v. the transaction authorization number,
- vi. the total amount of the sale (including any applicable taxes) or credit transaction, and
- vii. adjacent to the signature line, a notation that all sales are final, if applicable.

**B. Signatures.** Sales Drafts must be signed by the Cardholder unless the Card transaction is a valid mail/telephone or E-commerce order Card transaction which fully complies with the requirements set forth in this Agreement. Certain Debit Card transactions may require the Cardholder to enter a personal identification number instead of signing a Sales Draft. You may not require the Cardholder to sign the Sales Draft before you enter the final transaction amount on the Sales Draft.

**C. Reproduction of Information.** If the following information embossed on the Card and the Merchant's name are not legibly imprinted on the Sales Draft, you will legibly reproduce on the Sales Draft before submitting it to Bank:

- i. the Cardholder's name,
- ii. account number;
- iii. expiration date, and
- iv. the Merchant's name and place of business.

**D. Delivery and Retention of Sales Drafts.** You will deliver a complete copy of the Sales Draft or credit voucher to the Cardholder at the time of the transaction. You will present records of valid transactions to Bank no later than 3 bank business days after the date of the transaction unless permitted by the Rules. You will retain the "merchant copy" of the Sales Draft or credit memorandum for at least 2 years following the date of completion of the Card transaction (or such longer period as the Rules require). You must properly safeguard stored Cardholder information. You are responsible for any fines and expenses resulting from any and all account data compromises, in accordance with Section 6 below.

**E. Electronic Transmission.** In using electronic authorization and/or data capture services, you will enter the data related to a sales or credit transaction into a computer terminal, magnetic stripe reading terminal or on your touchtone phone no later than the close of business on the date the transaction is completed (unless otherwise permitted by the Rules). If you provide your own electronic terminal or similar device, such terminals must meet Bank's requirements for processing transactions. Information regarding a sales or credit transaction transmitted with a computer or magnetic stripe reading terminal will be transmitted by you to Bank or its agent in the form Bank from time to time specifies, or as required under the Rules. If Bank requests a copy of a Sales Draft, credit voucher or other transaction evidence, you will provide it within 24 hours following the request.

**F. Prohibited Transactions.** You may not submit for payment any transaction that:

- i. represents the refinancing or transfer of an existing Cardholder obligation that is deemed to be uncollectible,
- ii. arises from the dishonor of a Cardholder's personal check, or
- iii. arises from a terminal that dispenses scrip.

#### **4. DEPOSIT OF SALES DRAFTS AND FUNDS DUE MERCHANT.**

##### **A. Deposit of Funds.**

i. **Deposits.** You agree that this Agreement is a contract of financial accommodation within the meaning of the Bankruptcy Code, 11 U.S.C. § 365, as amended from time to time. Subject to this Section, Bank will deposit to the Designated Account (defined in Section 7.A below) funds evidenced by Sales Drafts (whether evidenced in writing or by electronic means) complying with the terms of this Agreement and the Rules and will provide you provisional credit for such funds (less recoupment of any credit(s), adjustments, fines, chargebacks, or Bank fees for services, forms or equipment). You understand and agree that Bank may withhold deposit and payment to you without notice until the expiration of any chargeback period for: (a) mail order, telephone order, or Internet transactions on Cards issued by non-U.S. financial institutions, and (b) if Processor or Bank determine, in their sole and reasonable discretion, that a transaction or batch of transactions poses a risk of loss. Neither Processor nor Bank is responsible for any losses you may incur, including but not limited to NSF fees, due to such delayed deposit of funds. You acknowledge that your obligation to Bank for all amounts owed under this Agreement arise out of the same transaction as Bank's obligation to deposit funds to the Designated Account.

ii. **Provisional Credit.** Notwithstanding the previous sentences, under no circumstance will Bank be responsible for processing credits or adjustments related to Sales Drafts not originally processed by Bank. All Sales Drafts and deposits are subject to audit and final checking by Bank and may be adjusted for inaccuracies. You acknowledge that all credits provided to you are provisional and subject to chargebacks and adjustments: (a) in accordance with the Rules; (b) for any of your obligations to Bank; and (c) in any other situation constituting suspected fraud or a breach of this Agreement, whether or not a transaction is charged back by the Card issuer. Bank may elect to grant conditional credit for individual or

groups of any funds evidenced by Sales Drafts. Final credit for those conditional funds will be granted within Bank's sole discretion.

iii. Processing Limits. Bank may impose a cap on the dollar amount of Sales Drafts that it will process for you, as indicated to you in writing by Bank. This limit may be changed by the Bank from time to time, upon written notice to you. If you exceed the established limit, Bank may either return all Sales Drafts evidencing funds over the cap to you or hold those deposits in a separate account at Bank.

B. Chargebacks. You are fully liable to Bank for all transactions returned to Bank for whatever reason, otherwise known as "chargebacks". You will pay Bank on demand the value of all chargebacks. You authorize Bank to offset from incoming transactions and to debit the Designated Account, the Reserve Account, or any other account held at Bank or at another financial institution the amount of all chargebacks. You will fully cooperate with Bank in complying with the Rules regarding chargebacks.

C. Excessive Activity. Your presentation to Bank of Excessive Activity will be a breach of this Agreement and cause for immediate termination of this Agreement. "Excessive Activity" means, during any monthly period:

i. the dollar amount of chargebacks in excess of 1% of the average monthly dollar amount of your Card transactions;

ii. number of chargebacks in excess of 1% of transaction number of sales;

iii. sales activity that exceeds by 25% the dollar volume indicated on the Application;

iv. the dollar amount of returns in excess of 20% of the average monthly dollar amount of your Card transactions; or

v. chargeback or refund ratios which exceed MasterCard, Visa or Discover Network standards or require reporting of such to MasterCard, Visa or Discover Network. You authorize, upon the occurrence of Excessive Activity, Bank to take any action it deems necessary including but not limited to, suspension of processing privileges or creation or maintenance of a Reserve Account (defined in Section 8.B below) in accordance with this Agreement.

D. Credits.

i. Credit Memoranda. You will issue a credit memorandum in a form approved by Bank, instead of making a cash advance, a disbursement or a cash refund on any Card transaction. Bank will debit the Designated Account for the total face amount of each credit memorandum submitted to Bank. You will not submit a credit relating to any Sales Draft not originally submitted to Bank, nor will you submit a credit that exceeds the amount of the original Sales Draft. You will, within the time period specified by the Rules, provide Bank with a credit memorandum or credit statement for every return of goods or forgiveness of debt for services which were the subject of a Card transaction.

ii. Revocation of Credit. Bank may refuse to accept any Sales Draft or revoke its prior acceptance of a Sales Draft in the following circumstances: (a) the transaction giving rise to the Sales Draft was not made in compliance with this Agreement, the Laws or the Rules; (b) the Cardholder disputes his liability to Bank for any reason, including but not limited to those chargeback rights enumerated in the Rules; or (c) the transaction giving rise to the Sales Draft was not directly between you and the Cardholder. You will pay Bank any amount previously credited to you for a Sales Draft not accepted by Bank or where accepted, is revoked by Bank. E. Reprocessing. Notwithstanding any authorization or request from a Cardholder, you will not reenter or reprocess any Card transaction which has been charged back.

F. Miscellaneous. You will not present for processing or credit, directly or indirectly, any transaction not originated as a result of a Card transaction directly between you and a Cardholder or any transaction you know or should know to be fraudulent or not authorized by the Cardholder. You will not submit for payment any transaction that is illegal or may damage the goodwill of Visa, MasterCard or Discover Network. You will not sell or disclose to third parties Card account information other than in the course of performing your obligations under this Agreement.

G. Minimums. You will pay Bank the Minimum Monthly Fee set forth on the Application. If the Minimum Monthly Fee exceeds the total amount of all fees incurred by you in any specific month, Bank is authorized to debit the Designated Account or offset against your deposits the amount of the deficiency.

## 5. OTHER TYPES OF TRANSACTIONS.

A. Mail/Telephone Order. Bank cautions against mail orders, telephone orders, electronic commerce transactions, or any transaction in which the Cardholder and Card are not present ("mail/telephone orders") due to the high incidence of customer disputes. You must promptly notify Bank if your retail/mail

order/telephone order/ electronic commerce mix changes from the percentages represented to Bank on the Application. Bank may modify its fees if this mix changes. You may be required to establish a Reserve Account (defined below) if you process mail order, telephone order, or electronic commerce transactions. You will obtain the expiration date of the Card for a mail/telephone order and submit the expiration date when obtaining authorization of the Card transaction. Upon Bank's request, you will utilize Address Verification Service and CVV2 or CVC2 for key entered transactions and submit this information when obtaining authorization of the Card transaction. For mail/telephone order transactions, you will type or print legibly on the signature line of the Sales Draft the following, as applicable: telephone order or "TO"; or mail order or "MO".

**B. Recurring Transactions.** For recurring transactions, you must obtain a written request from the Cardholder for the goods and services to be charged to the Cardholder's account, the frequency of the recurring charge, and the duration of time during which such charges may be made. You will not complete any recurring transaction after receiving:

- i. a cancellation notice from the Cardholder,
- ii. notice from Bank, or
- iii. a response that the Card is not to be honored.

You must print legibly on the Sales Draft the words "Recurring Transaction".

**C. Multiple Sales Drafts.** You will include a description and total amount of goods and services purchased in a single sales transaction on a single Sales Draft or transaction record, unless:

- i. partial payment is entered on the Sales Draft or transaction record and the balance of the transaction amount is paid in cash or by check at the time of transaction, or
- ii. a Sales Draft represents an advance deposit in a Card transaction completed in accordance with this Agreement and the Rules.

**D. Partial Completion.**

i. **Prior Consent.** You will not accept for payment by Card any amount representing a deposit or partial payment for goods or services to be delivered in the future without the prior written consent of Bank. The acceptance of a Card for payment or partial payment of goods or services to be delivered in the future without prior consent will be deemed a breach of this Agreement and cause for immediate termination, in addition to any other remedies available under the Laws or Rules.

ii. **Acceptance.** If you have obtained prior written consent, then you will complete such Card transactions in accordance with the terms set forth in this Agreement, the Rules, and the Laws. Cardholders must execute one Sales Draft when making a deposit with a Card and a second Sales Draft when paying the balance. You will note upon the Sales Draft the words "deposit" or "balance" as appropriate. You will not deposit the Sales Draft labeled "balance" until the goods have been delivered to Cardholder or you have fully performed the services.

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

**F. Electronic Commerce Transactions.**

i. **E-Commerce.** You may process electronic commerce ("EC") transactions only if you have so indicated on the Application, and only if you have obtained Bank's consent. If you submit EC transactions without Bank's consent, Bank may immediately terminate this Agreement. You understand that transactions processed via EC are high risk and subject to a higher incidence of chargebacks. You are liable for all chargebacks and losses related to EC transactions, whether or not i) EC transactions have been encrypted; and ii) you have obtained Bank's consent to engage in such transactions. Encryption is not a guarantee of payment and will not waive any provision of this Agreement or otherwise validate a fraudulent transaction. All communication costs related to EC transactions are your responsibility. You understand that Bank will not manage the EC telecommunications link and that it is your responsibility to manage that link. All EC transactions will be settled by Bank into a depository institution of the United States in U.S. currency.

ii. **Requirements.** For goods to be shipped on EC transactions, you may obtain authorization up to 7 calendar days prior to the shipment date. You need not obtain a second authorization if the Sales

Draft amount is within 15% of the authorized amount, provided that the additional amount represents shipping costs. Further, your web site must contain all of the following information: (a) complete description of the goods or services offered, (b) returned merchandise and refund policy, (c) customer service contact, including electronic mail address and/or telephone number, (d) Merchant's physical location address, including country, (e) your privacy policy, (f) transaction currency (such as U.S. or Canadian dollars), (g) export or legal restrictions, if known, (h) delivery policy, and (i) your security method for the transmission of payment data. You will transmit an Electronic Commerce Indicator (ECI) with each electronic commerce transaction. If you store cardholder account numbers, expiration dates, and other personal cardholder data, you must follow Visa, MasterCard and Discover Network guidelines on securing such data. You may not refuse to complete an EC transaction solely because the Cardholder does not have a digital certificate or other secured protocol.

iii. Verified By Visa (3-D Secure) and MasterCard SecureCode. Verified By Visa (3-D Secure) and MasterCard SecureCode are available for EC transactions. You must utilize Verified By Visa or MasterCard SecureCode for all EC transactions. All costs related to Verified By Visa and SecureCode are your responsibility. In utilizing Verified By Visa and SecureCode: (a) you will obtain these services from a provider approved by Visa and MasterCard; (b) you will not insert additional pages into the Verified By Visa/SecureCode authentication flow; (c) you will not submit a purchase with a failed authentication response for authorization; (d) The Merchant Server Plug-in (MPI) software must have a timeout value of not less than 10 seconds for the Verify Enrollment Response (VERes) to be returned by the Visa Directory Server; (e) the MPI software must have a timeout value of not less than five minutes for the Payer Authentication Response (PAREs) from the Issuer ACS to allow for timing variations in the cardholder interaction; (f) you will ensure that the MPI, upon receipt of the Verify Enrollment Response (VERes) with a value of Y, promptly formats and transmits the Payer Authentication Request (PAREq) to the Issuer ACS URL contained in the VERes message; (g) authentication data for a transaction must not be submitted in the authorization request for another transaction. In the event of a cardholder dispute, you must be able to demonstrate that all authorization requests are related to the single, original, authenticated transaction; (h) for recurring payments, if the first payment originated as an EC transaction via the Internet, it must be submitted for authorization with the appropriate EC Indicator (ECI) value, including Verified by Visa authentication data (CAVV). All subsequent payments must be submitted for authorization using the Recurring Indicator (MOTO/ECI value of 2). You must not store and submit the CAVV with any subsequent transaction.

G. American Express Transactions. Upon your request, Bank will provide authorization or authorization and data capture services for American Express transactions. You must enter into a separate merchant agreement with American Express. Bank is not responsible for funding American Express transactions. If Bank terminates with cause as described in Section 14.B of this Agreement, and you process American Express transactions, you grant Bank permission to advise American Express of such an event.

H. Wireless Transactions. For transactions initiated through a wireless mobile terminal ("wireless transactions"), you understand and agree that the coverage and quality of services may be affected by conditions beyond Bank's control, including atmospheric, geographic, or topographic conditions, and that wireless services are not available at every geographic location. Bank does not guarantee that there will be no interruption or delay in wireless services, nor does Bank guarantee the security of data transmissions or storage. By processing wireless transactions, you represent that transaction data is encrypted. Bank disclaims responsibility for failure to provide wireless services if such failure is due to Bank's wireless transaction provider, or due to your actions. Bank may discontinue or modify wireless transaction services at any time.

I. Internet Protocol (IP)-Enabled Point Of Sale (POS) Systems. By processing transactions through an IP enabled POS you ensure that transaction data is encrypted between the POS and host system.

## **6. PAYMENT CARD INDUSTRY DATA SECURITY STANDARD.**

A. Compliance. You represent and warrant that you comply with all Cardholder Information Security Program (CISP), Site Data Protection (SDP), and Payment Card Industry Standard (PCI) requirements, as amended from time to time. You represent that you have reviewed the CISP requirements as set forth at [www.visa.com/cisp](http://www.visa.com/cisp) and the Site Data Protection requirements set forth at <https://sdp.mastercardintl.com> and the PCI requirements as set forth at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org). You must keep all systems and media containing account, Cardholder or transaction information in a secure manner. Where applicable, you must: install and maintain a firewall configuration to protect data;

not use vendor-supplied defaults for system passwords and other security parameters; protect stored data; encrypt transmission of cardholder data and sensitive information across public networks; use and regularly update anti-virus software; keep security patches up-to-date; develop and maintain secure systems and applications; restrict access to data by business need-to-know; assign a unique ID to each person with computer access; restrict physical access to cardholder data; track and monitor all access to network resources and cardholder data; regularly test security systems and processes; maintain a policy that addresses information security. When outsourcing administration of information assets, networks, or data you must retain legal control of proprietary information and use limited "need-to-know" access to such assets, networks or data. You must inform Bank promptly of the identity of any Service Provider that engages, or proposes to engage in the processing, transmission or storage of Cardholder data on your behalf, whether directly or indirectly, regardless of the manner or duration of such activities. You must not store any discretionary card-read data, CVC 2 data or any other prohibited information as set forth in the Rules. If you process e-commerce transactions or process transactions through an IP connected POS, or upon Bank's request, you must complete a PCI Compliance Questionnaire and System Perimeter Scan performed by a Qualified Data Security Company (QDSC) approved by Visa and MasterCard at your expense, and you must attain such PCI compliance certification. You will provide the results of your Compliance Questionnaires and System Perimeter Scans to Bank within 10 days. You must ensure that each Service Provider (as defined in the Rules), Payment Application (as defined in the Rules), or other vendor you contract with complies with the PCI rules. Failure to comply with this Section will result in termination.

**B. Responsibility.** You are wholly responsible for any violations of CISP, SDP and PCI by you or any Service Provider, Payment Application, or other Merchant vendor. Failure to comply with this Section may result in fines by Visa, MasterCard and Discover, and you will hold harmless, indemnify and reimburse Bank immediately for any fine imposed on or cost incurred by Bank due to your breach of this Section. If you or any Service Provider, Payment Application, or other Merchant vendor experiences a cardholder data compromise event, you will notify Bank immediately and fully comply with all subsequent requirements of Visa, MasterCard and Discover.

**C. Bank Directed System Perimeter Scans.** You consent to Bank's direction to a MasterCard, Visa and Discover Network approved QDSC to conduct network scans of any web sites or externally facing Internet Protocol addresses utilized by you. Any costs for such scans will be at your expense. The results of such scans are the property of the QDSC and the Bank.

## **7. DESIGNATED ACCOUNT.**

**A. Establishment and Authority.** You will establish and maintain with Bank (or with a depository institution acceptable to Bank), a commercial checking account to facilitate payment for Card transactions ("Designated Account"). You will maintain sufficient funds in the Designated Account to accommodate all transactions, including but not limited to fees, fines and chargebacks, contemplated by this Agreement. You irrevocably authorize Bank to debit the Designated Account for chargebacks in accordance with the Rules, and for fees and any other penalties or payments you owe Bank under this Agreement or any other Agreement. This authority will remain in effect for at least 2 years after termination of this Agreement, whether or not you have notified Bank of a change to the Designated Account. You must obtain prior written consent from Bank to change the Designated Account. If you change the Designated Account without Bank's consent, Bank may immediately terminate the Agreement and may take other actions necessary to protect it within its discretion.

**B. Bank Designated Account.** If the Designated Account is maintained with Bank, Bank will deposit all funds evidenced by Sales Drafts to it as set forth in Section 4 of this Agreement. You authorize Bank to initiate reversal or adjustment entries and initiate or suspend such entries as may be necessary to grant you conditional credit for any entry. Bank may require Merchant to maintain the Designated Account at Bank.

**C. Other Designated Account.** If the Designated Account is maintained at a depository institution other than Bank, Bank will make deposits to the Designated Account as set forth in Section 4 of this Agreement. You authorize and appoint Bank to act as your agent to collect Card transaction amounts from the Card issuing bank. As the collecting agent, Bank, in its sole discretion, may grant you provisional credit for transaction amounts in the process of collection, subject to receipt of final payment by Bank and subject to all chargebacks, returns, fees and fines.

**D. Asserted Errors.** Promptly examine all statements relating to the Designated Account, and immediately notify Bank in writing of any errors. Your written notice must include:

- i. Merchant name, and account number,
- ii. the dollar amount of the asserted error,
- iii. a description of the asserted error, and
- iv. an explanation of why you believe an error exists and the cause of it, if known.

That written notice must be received by Bank within 30 calendar days after you received the periodic statement containing the asserted error. You may not make any claim against Bank for any loss or expense relating to any asserted error for 60 calendar days immediately following our receipt of your written notice. During that 60-day period, Bank will be entitled to investigate the asserted error.

**E. Indemnity.** You will indemnify and hold Bank harmless for any action it takes against the Designated Account, the Reserve Account, or any other account pursuant to this Agreement. You will also indemnify and hold harmless the institution at which you maintain such accounts for acting in accordance with any instruction from Bank regarding such accounts. This Section will survive termination of this Agreement.

**F. ACH Authorization.** You authorize Bank to initiate debit/credit entries to the Designated Account, the Reserve Account, or any other account maintained by you at any institution, all in accordance with this Agreement including the Electronic Funds Transfer Information shown on the Application. The ACH Authorization will remain in effect beyond termination of this Agreement. In the event you change the Designated Account, you will execute a new ACH Authorization.

## **8. SECURITY INTERESTS, RESERVE ACCOUNT, RECOURPMENT AND SET-OFF.**

### **A. Security Interests.**

i. **Security Agreement.** This Agreement is a security agreement under the Uniform Commercial Code. You grant to Bank a security interest in and lien upon: (a) all funds at any time in the Designated Account, regardless of the source of such funds, (b) all funds at any time in the Reserve Account regardless of the source of such funds, (c) present and future Sales Drafts, (d) any other collateral used to secure any other agreement with Bank; and (e) any and all amounts which may be due to you under this Agreement including, without limitation, all rights to receive any payments or credits under this Agreement (collectively, the "Secured Assets"). You agree to provide other collateral or security to Bank to secure your obligations under this Agreement upon Bank's request. These security interests and liens will secure all of your obligations under this Agreement and any other agreements now existing or later entered into between you and Bank. This security interest may be exercised by Bank without notice or demand of any kind by making an immediate withdrawal or freezing the Secured Assets.

ii. **Perfection.** Pursuant to Article 9 of the Uniform Commercial Code, as amended from time to time, Bank has control over and may direct the disposition of the Secured Assets, and the financial institution at which the Designated Account and Reserve Account are held agrees to comply with such direction without further consent of Merchant. Upon request of Bank, you will execute one or more financing statements or other documents to evidence this security interest. You represent and warrant that no other person or entity has a security interest in the Secured Assets. Further, with respect to such security interests and liens, Bank will have all rights afforded under the Uniform Commercial Code, any other applicable law and in equity. You will obtain from Bank written consent prior to granting a security interest of any kind in the Secured Assets to a third party. You agree that this is a contract of recoupment and Bank is not required to file a motion for relief from a bankruptcy action automatic stay for Bank to realize on any of its collateral (including any Reserve Account). Nevertheless, you agree not to contest or object to any motion for relief from the automatic stay filed by Bank. You authorize Bank and appoint Bank your attorney in fact to sign your name to any financing statement used for the perfection of any security interest or lien granted hereunder.

### **B. Reserve Account.**

i. **Establishment.** You will establish and maintain a noninterest bearing deposit account ("Reserve Account") at Bank initially or at any time in the future as requested by Bank, with sums sufficient to satisfy your current and future obligations as determined by Bank. You authorize Bank to debit the Designated Account or any other account you have at Bank or any other financial institution to establish or maintain funds in the Reserve Account. Bank may deposit into the Reserve Account funds it would otherwise be obligated to pay you, for the purpose of establishing, maintaining or increasing the Reserve Account in accordance with this Section, if it determines such action is reasonably necessary to protect its interests.

ii. Authorizations. Bank may, without notice to you, apply deposits in the Reserve Account against any outstanding amounts you owe under this Agreement or any other agreement between you and Bank. Also, Bank may exercise its rights under this Agreement against the Reserve Account to collect any amounts due to Bank including, without limitation, rights of set-off and recoupment.

iii. Funds. Funds in the Reserve Account will remain in the Reserve Account until 12 months following termination of this Agreement, provided, however, that you will remain liable to Bank for all liabilities occurring beyond such 12 month period. You agree that you will not use funds in the Reserve Account for any purpose, including but not limited to paying chargebacks, fees, fines or other amounts you owe Bank under this Agreement. Bank shall have sole control of the Reserve Account.

iv. Assurance. In the event of a bankruptcy proceeding and the determination by the court that this Agreement is assumable under Bankruptcy Code § 365, as amended from time to time, you must establish or maintain a Reserve Account in an amount satisfactory to Bank.

C. Recoupment and Set Off. Bank has the right of recoupment and set-off. This means that it may offset or recoup any outstanding/uncollected amounts owed to it by you from:

i. any amounts it would otherwise be obligated to deposit into the Designated Account,  
ii. any other amounts Bank may owe you under this Agreement or any other agreement, and  
iii. any funds in the Designated Account, or Reserve Account. You acknowledge that in the event of a bankruptcy proceeding, in order for you to provide adequate protection under Bankruptcy Code § 362 to the Bank, you must create or maintain the Reserve Account as required by Bank, and the Bank must have the right to offset against the Reserve Account for any and all obligations which you may owe to Bank, without regard to whether the obligations relate to Sales Drafts initiated or created before or after the filing of the bankruptcy petition.

D. Remedies Cumulative. The rights and remedies conferred upon Bank in this Agreement, at law or in equity are not intended to be exclusive of each other. Rather, each and every right of Bank under this Agreement, at law or in equity will be cumulative and concurrent and in addition to every other right.

## 9. FEES AND OTHER AMOUNTS OWED BANK.

A. Fees and Taxes. You will pay Bank fees for services, forms or equipment set forth on the Application. Such fees will be calculated and debited from the Designated Account once each business day or month for the previous business day's or month's activity, or will be netted out from the funds due you attributable to Sales Drafts presented to Bank. Bank reserves the right to adjust the fees set forth in the Application, in accordance with Section 17.I, below. You are also obligated to pay all taxes and other charges imposed by any governmental authority on the services provided under this Agreement.

B. Other Amounts Owed Bank. You will immediately pay Bank any amount incurred by Bank attributable to this Agreement, including but not limited to chargebacks, fines imposed by Visa MasterCard or Discover, non-sufficient fund fees, and ACH debits that overdraw the Designated Account, Reserve Account, or are otherwise dishonored. You authorize Bank to debit via ACH the Designated Account, Reserve Account, or any other account you have at Bank or at any other financial institution for any amount you owe Bank under this Agreement or under any other contract, note, guaranty, instrument or dealing of any kind now existing or later entered into between you and Bank, whether your obligation is direct, indirect, primary, secondary, fixed, contingent, joint or several. In the event such ACH does not fully reimburse Bank for the amount owed, you will immediately pay Bank such amount.

## 10. APPLICATION, INDEMNIFICATION, LIMITATION OF LIABILITY.

A. Application. You represent and warrant to Bank that all information in the Application is correct and complete. You must notify Bank in writing of any changes to the information in the Application, including but not limited to: any additional location or new business, the identity of principals and/or owners, the form of business organization (i.e., sole proprietorship, partnership, etc.), type of goods and services provided, and how sales are completed (i.e., by telephone, mail, internet, or in person at your place of business). The notice must be received by Bank within 10 business days of the change. You will provide updated information to Bank within a reasonable time upon request. You are liable to Bank for all losses and expenses incurred by Bank arising out of your failure to report changes to it. All transactions presented to Bank from your location, any additional location(s) and or any future location(s) shall be subject to the terms and conditions of this Agreement. All transactions presented to Bank from your account, any additional account(s), and or any future account(s) shall be subject to the terms and conditions of this Agreement.

Bank may immediately terminate this Agreement upon Bank's knowledge of a change to the information in the Application.

**B. Indemnification.** You will hold harmless and indemnify Bank, its employees and agents: i) against all claims by third parties arising out of or related, directly or indirectly to, this Agreement, and ii) for all attorneys' fees and all other costs and expenses paid or incurred by Bank arising out of this Agreement and in the enforcement of the Agreement, including but not limited to those resulting directly or indirectly from any transaction processed under this Agreement or any breach by you of this Agreement and those related to any bankruptcy proceeding.

**C. Limitation of Liability.** Any liability of Bank under this Agreement, whether to you or any other party, whatever the basis of the liability, shall not exceed in the aggregate the difference between (i) the amount of fees paid by you to Bank during the month in which the transaction out of which the liability arose occurred, and (ii) assessments, chargebacks, and offsets against such fees which arose during such month. In the event more than one month is involved, the aggregate amount of the Bank's liability shall not exceed the lowest amount determined in accord with the foregoing calculation for any one month involved. Neither the Bank nor its agents, officers, directors, or employees shall be liable for indirect, special, or consequential damages.

**D. Performance.** Bank will perform all services in accordance with this Agreement. Bank makes no warranty, express or implied, regarding the services, and nothing contained in the Agreement will constitute such a warranty. **Bank disclaims all implied warranties, including those of merchantability and fitness for a particular purpose.** Neither party will be liable to the other for any failure or delay in its performance of this Agreement if such failure or delay arises out of causes beyond the control and without the fault or negligence of such party.

## **11. REPRESENTATIONS AND WARRANTIES.**

You represent and warrant to Bank at the time of execution and during the term of this Agreement the following:

**A. Information.** You are a corporation, limited liability company, partnership or sole proprietorship validly existing and organized in the United States or Canada. All information contained on the Application or any other document submitted to Bank is true and complete and properly reflects the business, financial condition, and principal partners, owners, or officers of Merchant. You are not engaged or affiliated with any businesses, products or methods of selling other than those set forth on the Application, unless you obtain the prior written consent of Bank.

**B. Entity Power.** Merchant and the person signing this Agreement have the power to execute and perform this Agreement. This Agreement will not violate any law, or conflict with any other agreement to which you are subject.

**C. No Litigation or Termination.** There is no action, suit or proceeding pending or to your knowledge threatened which if decided adversely would impair your ability to carry on your business substantially as now conducted or which would adversely affect your financial condition or operations. You have never:

i. entered into an agreement with a third party to perform credit or debit card processing services which has been terminated by that third party, or

ii. been placed on the MasterCard MATCH system or the Combined Terminated Merchant File.

**D. Transactions.** All transactions are bona fide. No transaction involves the use of a Card for any purpose other than the purchase of goods or services from you and does not involve a Cardholder obtaining cash from you unless allowed by the Rules and agreed in writing with Bank. You will not disburse funds in the form of a traveler's check, if the sole purpose is to allow the Cardholder to make a purchase of goods or services from you.

## **12. AUDIT AND FINANCIAL INFORMATION.**

**A. Audit.** You authorize Bank to audit your records to confirm compliance with this Agreement, as amended from time to time. You will obtain, and will submit a copy of, an audit of your business when requested by Bank.

**B. Financial Information.**

i. **Authorizations.** You authorize Bank to make any business or personal credit inquiries it considers necessary to review the acceptance and continuation of this Agreement. You also authorize any person or credit reporting agency to compile information to answer those credit inquiries and to furnish that information to Bank.

ii. Documents. You will provide Bank personal and business financial statements and other financial information as requested from time to time. If requested, you will furnish within 120 calendar days after the end of each fiscal year to Bank a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year.

### **13. THIRD PARTIES.**

A. Services. You may be using special services or software provided by a third party to assist you in processing transactions, including authorizations and settlements, or accounting functions. You are responsible for ensuring compliance with the requirements of any third party in using their products. This includes ensuring that each Service Provider, Payment Application, or other such vendor or third party complies with the PCI rules as applicable. This also includes making sure you have and comply with any software updates. Bank has no responsibility for any transaction until that point in time Bank receives data about the transaction.

B. Use of Terminals Provided by Others. You will notify Bank immediately if you decide to use electronic authorization or data capture terminals or software provided by any entity other than Bank or its authorized designee ("Third Party Terminals") to process transactions or store or transmit card information, even temporarily. If you elect to use Third Party Terminals, you agree

i. the third party providing the terminals will be your agent in the delivery of Card transactions to Bank; and

ii. to assume full responsibility and liability for any failure of that third party to comply with the Rules of this Agreement.

Bank will not be responsible for any losses or additional fees incurred by you as a result of any error by a third party agent or a malfunction in a Third Party Terminal.

### **14. TERM AND TERMINATION.**

A. Term. The Agreement will become effective on the date Bank executes this Agreement ("Effective Date"). The Agreement will remain in effect for a period of 2 years ("Initial Term") and will renew for successive 2 year terms ("Renewal Term") unless terminated as set forth below.

#### **B. Termination.**

i. Without Cause. The Agreement may be terminated by the merchant to be effective at the end of the Initial Term or any Renewal Term by giving written notice by an authorized representative or officer of the business with the intention not to renew at least 90 calendar days before the end of the current term. Further, this Agreement may be terminated at any time with 30 calendar days prior notice by Bank.

ii. With Cause. Bank may terminate this Agreement immediately upon the occurrence of an Event of Default, defined below. Notice of termination may be given orally or in writing, at the discretion of the Bank. Termination will be effective on the date specified by the notice.

iii. Generally. Bank's rights of termination provided throughout this Agreement are cumulative. A specific right of termination enumerated in this Agreement shall not limit any other right of the Bank to terminate this Agreement expressed elsewhere in this Agreement.

C. Events of Default. The following will constitute an Event of Default:

i. Excessive Activity. The occurrence of Excessive Activity.

ii. Mail or Telephone Orders. Accepting mail or telephone orders or electronic commerce transactions without Bank's prior written consent.

iii. Nonpayment. You do not pay Bank when due any amount you owe Bank.

iv. Adverse Financial Condition. Your financial condition changes adversely or you no longer meet the eligibility requirements contained in this Agreement or the Rules.

v. Garnishment. Your deposit accounts with Bank, the Designated Account, or any of your property in the possession of Bank, is garnished or attached.

vi. Asset Assignment. You assign your assets generally for the benefit of creditors.

vii. Bankruptcy. You are insolvent as evidenced by your or our records or a proceeding is commenced by or against you under any bankruptcy, insolvency or similar law seeking an order to adjudicate you bankrupt or insolvent or other relief with respect to you or your debts, or seeking appointment of a receiver or similar official for you for any reason or for any substantial part of your assets.

viii. Breach. You fail to perform a material obligation of this Agreement.

ix. False Representation. Any representation or warranty is false or misleading in any material respect as of the date made, or becomes false or misleading at any time during the term of this Agreement.

x. Third Party Action. Visa, MasterCard, Discover Network or a Debit Card network requires Bank to terminate this Agreement or to cease processing transactions.

xi. Other Agreements. Any other agreement between you and Bank is terminated for any reason or you are in material default of any such Agreement.

xii. Dissolution. The dissolution or termination of Merchant's existence as a going business.

xiii. Change in Ownership, Business or Merchant Identity. Any change in ownership, business or Merchant identity without prior written consent of Bank.

xiv. Loss of Goodwill. Any acts or circumstances caused by Merchant that create harm or loss of goodwill to Visa, MasterCard or Discover.

xv. Loan Agreement. You enter into a loan or other agreement with a third party that seeks to affect this Agreement.

xvi. Compliance with Rules, Laws. Merchant's failure to comply with any applicable Laws or Rules, or causes Bank or Discover Network to violate any Rules or Laws.

xvii. Program Marks. Merchant uses Visa, MasterCard, Debit Card network marks or the Discover Network Program Marks (defined in Section 16) in a manner inconsistent with the Rules.

xviii. Guarantor. Any of the events set forth in subsections (iii), (iv), (vi), (vii), (ix), (xi) or (xv) of this Section 14.C occurs with respect to any guarantor, or any guarantor dies or becomes incompetent, or revokes or disputes any guaranty of Merchant's obligations under this Agreement.

**D. Action upon an Event of Default**. Upon the occurrence of an Event of Default, Bank may take the following action:

i. suspend processing privileges and/or terminate this Agreement, and/or

ii. create a Reserve Account, and/or

iii. any other action deemed necessary by Bank to protect its interests.

**E. Action upon Termination**.

i. MATCH System. You acknowledge that Bank is required to report your business name, the name of Merchant's principals and other information to Visa and MasterCard when Merchant is terminated due to reasons listed in the Rules.

ii. Consortium Merchant Negative File. You acknowledge that Bank is required to report your business name, the name of Merchant's principals and other information to Discover Network when Merchant is terminated due to the reasons listed in the Rules.

ii. Designated Account. All your obligations regarding accepted Sales Drafts will survive termination. You must maintain in the Designated Account, and the Reserve Account enough funds to cover all chargebacks, deposit charges, refunds and fees incurred by you for a reasonable time, but in any event not less than the time specified in this Agreement. You authorize Bank to charge those accounts, or any other account maintained under this Agreement, for all such amounts. If the amount in the Designated Account or Reserve Account is not adequate, you will pay Bank the amount you owe it upon demand, together with all costs and expenses incurred to collect that amount, including reasonable attorneys' fees.

iii. Equipment. Within 14 business days of the date of termination, you must return all equipment owned by Bank and immediately pay Bank any amounts you owe it for equipment costs.

iv. Early Termination. If you terminate this Agreement before the end of the Initial Term or Renewal Term, you will immediately pay Bank, as liquidated damages, an early termination fee equal to the \$299.00. You agree that the early termination fee is not a penalty, but rather is reasonable in light of the financial harm caused by your early termination.

## **15. COMPLIANCE WITH LAWS AND RULES.**

You agree to comply with all rules and operating regulations issued from time to time by MasterCard, Visa, Discover Network and the Debit Card networks selected on the Application including the information available at <http://usa.visa.com> and <http://www.mastercard.com>, and any policies and procedures provided by Bank ("Rules"). The Rules are incorporated into this Agreement by reference as if they were fully set forth in this Agreement. You further agree to comply with all applicable state, federal and local laws, rules and regulations ("Laws"), as amended from time to time. You will assist Bank in complying

with all Laws and Rules now or hereafter applicable to any Card transaction or this Agreement. You will execute and deliver to Bank all instruments it may from time to time reasonably deem necessary.

**16. USE OF TRADEMARKS AND CONFIDENTIALITY.**

**A. Use of Trademarks.** Your use of Visa, MasterCard, Discover Network and Debit Card network marks will fully comply with the Rules. Your use of Visa, MasterCard, Discover Network or other cards' promotional materials will not indicate, directly or indirectly, that Visa, MasterCard or Discover Network endorse any goods or services other than their own and you may not refer to Visa, MasterCard or Discover Network in stating eligibility for your products or services. Upon termination of this Agreement or upon notification by Visa, MasterCard, Discover Network and Debit Card network your use of such marks must terminate.

**B. Discover Network Program Marks.** You are prohibited from using the Discover Network Program Marks other than as expressly authorized in writing by Bank. "Discover Network Program Marks" mean the brands, emblems, trademarks, and/or logos that identify Discover Network Cards. Additionally, Merchant shall not use the Discover Network Program Marks other than to display decals, signage, advertising, and other forms depicting the Discover Network Program Marks that are provided to Merchant by Bank pursuant to the merchant program or otherwise approved in advance by Bank. Merchant may use the Discover Network Program Marks only to promote the services covered by the Discover Network Program Marks by using them on decals, indoor and outdoor signs, websites, advertising materials and marketing materials; provided that all such uses by Merchant must be approved in advance by Bank in writing. Merchant shall not use the Discover Network Program Marks in such a way that customers could believe that the products or services offered by Merchant are sponsored or guaranteed by the owners of the Discover Network Program Marks. Merchant recognizes that it has no ownership rights in the Discover Network Program Marks. Merchant shall not assign to any third party any of the rights to use the Discover Network Program Marks.

**C. Confidentiality.**

**i. Cardholder Information.** You will not disclose to any third party Cardholders' account information or other personal information except to an agent of yours assisting in completing a Card transaction, or as required by law. Upon termination of this Agreement, or upon request by Bank for any reason, you must destroy or return to Bank all material containing Cardholders' account numbers, Card imprints, Sales Drafts, credit vouchers and carbons (except for Sales Drafts maintained in accordance with this Agreement, Laws, and the Rules). Further, you must take all steps reasonably necessary to ensure Cardholder information is not disclosed or otherwise misused. You must not require a Cardholder to complete a postcard or similar device that includes the Cardholders' account information in plain view when mailed.

**ii. Prohibitions.** You will not use for your own purposes, will not disclose to any third party, and will retain in strictest confidence all information and data belonging to or relating to the business of Bank, Visa, MasterCard and Discover Network (including without limitation the terms of this Agreement), and will safeguard such information and data by using the same degree of care that you use to protect your own confidential information.

**iii. Disclosure.** You authorize Bank to disclose your name and address to any third party who requests such information or otherwise has a reason to know such information. You authorize Bank to disclose to Discover Network information requested including, but not limited to: (a) Card transactions conducted by you, (b) aggregate and individual Merchant information and detail about the Card transactions accepted by you, including Merchant category codes assigned by Bank to you, (c) collective and detailed information about disputes and other information required during an investigation, (d) information regarding principals of Merchant.

**C. Return to Bank.** All promotional materials, advertising displays, emblems, Sales Drafts, credit memoranda and other forms supplied to you and not purchased by you or consumed in use will remain the property of Bank and will be immediately returned to Bank upon termination of this Agreement. You will be fully liable for all loss, cost, and expense suffered or incurred by Bank, arising out of the failure to return or destroy such materials following termination.

**D. Signage.** If Merchant has requested signage for the purpose of indicating its acceptance of Debit Cards, Merchant must display such signage for a minimum of 3 months. All point of sale displays or websites must include either appropriate Visa-owned marks to indicate acceptance of Debit Cards and

Other Cards or Visa approved signage to indicate acceptance of the limited acceptance category it has selected.

E. BIN Information. If Merchant has requested BIN information, Merchant must only use this BIN information for product identification purposes at the point of sale, and not disclose this proprietary and confidential Visa BIN information to any third party without prior written permission from Visa USA.

## 17. GENERAL.

A. Entire Agreement. This Agreement as amended from time to time, including the Rules and the completed Application, all of which are incorporated into this Agreement, constitute the entire agreement between the parties, and all prior or other agreements or representations, written or oral, are superseded. This Agreement may be signed in one or more counterparts, all of which, taken together, will constitute one agreement. A faxed copy or photocopy of the Agreement shall be enforceable against all parties.

B. Governing Law, Venue. This Agreement will be governed by the laws of the State of Ohio. Proper venue for any dispute arising from this Agreement shall be in any state or federal court of competent jurisdiction in Akron, Ohio. Merchant and Guarantor(s) agree to submit to the personal jurisdiction of courts located in Akron, Ohio. Merchant agrees that it shall not bring or participate in or be a member of any class action proceeding arising out of or related to this Agreement or the services provided by Bank under this Agreement. The parties specifically waive the right to a jury trial in connection with any dispute arising out of this Agreement, or between the parties for any reason.

C. Exclusivity. During the Initial Term and any Renewal Term of this Agreement, you will not enter into an agreement with any other entity that provides credit card or debit card processing services similar to those provided by Bank as contemplated by this Agreement without Bank's written consent. Bank has the primary responsibility for the Merchant relationship and is responsible for ensuring that Merchant complies with Rules.

D. Construction. Any alteration or strikeover in the text of this pre-printed Agreement will have no binding effect, and will not be deemed to amend this Agreement. The headings used in this Agreement are inserted for convenience only and will not affect the interpretation of any provision. The language used will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

E. Assignability. This Agreement may be assigned by Bank, but may not be assigned by Merchant directly or by operation of law, without the prior written consent of Bank. If Merchant nevertheless assigns this Agreement without the consent of Bank, the Agreement shall be binding upon the assignee. However, if Merchant nevertheless assigns this Agreement without the prior written consent of Bank, then not only shall this Agreement be binding on the assignee but the Merchant and any guarantors shall continue to be liable for any non-performance of assignee under this Agreement.

F. Notices. Any written notice under this Agreement will be deemed received upon the earlier of: (i) actual receipt or (ii) five calendar days after being deposited in the United States mail, and addressed to the last address shown on the records of the sender.

G. Bankruptcy. You will immediately notify Bank of any bankruptcy, receivership, insolvency or similar action or proceeding initiated by or against Merchant or any of its principals. You will include Bank on the list and matrix of creditors as filed with the Bankruptcy Court, whether or not a claim may exist at the time of filing, and failure to do so will be cause for immediate termination or any other action available to Bank under applicable Rules or Law.

H. Attorney's Fees. Merchant will be liable for and will indemnify and reimburse Bank for all attorneys' fees and other costs and expenses paid or incurred by Bank or its agents in the enforcement of this Agreement, or in collecting any amounts due from Merchant to Bank or resulting from any breach by Merchant of this Agreement.

I. Amendments. Bank may propose amendments or additions to this Agreement. Bank will inform you of a proposed change in a periodic statement or other written notice. You will be deemed to have agreed to the change if you continue to present transactions to Bank after 7 business days following the mailing of the notice. Notwithstanding the previous sentence, changes to fees authorized by this Agreement will be effective upon notice to you, unless a later effective date is provided. Further, Bank will be entitled, without notice, to pass through to you any fee increases imposed by Visa, MasterCard, Discover, Debit Card networks, or telecommunication vendors without giving Merchant the right to terminate this Agreement.

**J. Severability and Waiver.** If any provision of this Agreement is illegal, the invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if the illegal provision is not contained in the Agreement. Neither the failure nor delay by Bank to exercise, or partial exercise of, any right under this Agreement will operate as a waiver or estoppel of such right, nor shall it amend this Agreement. All waivers must be signed by the waiving party.

**K. Independent Contractors.** Bank and Merchant will be deemed independent contractors and will not be considered agent, joint venture or partner of the other, except as provided in 6.C and 7.A(ii).

**L. Employee Actions.** You are responsible for your employees' actions while in your employ.

**M. Survival.** Sections 4.A, 4.B, 4.C, 6, 7, 8, 9, 10, 12, 14.E, 16, 17.B, and 17.H, will survive termination of this Agreement.

**Merchant**

Name of Merchant:

Village of Grayslake



(signature)

Name: Michael J. Ellis

Title: Village Manager

Date: 7/14/15

**FirstMerit Bank, N.A.**

(signature)

Name:

Title:

Date:

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
requester. Do not  
send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
	2 Business name/disregarded entity name, if different from above <b>Village of Grayslake</b>		
	3 Check appropriate box for federal tax classification; check only <b>one</b> of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <b>Note.</b> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input checked="" type="checkbox"/> Other (see instructions) ▶ <b>Government Office</b>		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.) <b>10 S. Seymour</b>		Requester's name and address (optional)
	6 City, state, and ZIP code <b>Grayslake, IL. 60030</b>		
	7 List account number(s) here (optional)		

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

<b>Social security number</b>									

or

<b>Employer identification number</b>									
3	6	-	6	0	0	5	9	1	1

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶ <i>Bethina K. O'Connell</i>	Date ▶ <i>6/18/19</i>
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### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

#### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

### Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

**What is FATCA reporting?** The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

**Partnership, C Corporation, or S Corporation.** Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

**Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(ii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Note.** Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

**Other entities.** Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

## Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

**Exempt payee code.** Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for ...	THEN the payment is exempt for ...
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

### Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS Individual Taxpayer Identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

### Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The actual owner <sup>1</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The owner <sup>3</sup>
	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

\*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records from Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.